



ANNUAL REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015
As filed with the Securities and Exchange Commission on March 31, 2016

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, 2015

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, 2015

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)



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Las Condes
Santiago, Chile
(Address of principal executive offices)

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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.

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
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 Colombia (*Banco de la República de 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 complete the implementation of a new information technology core banking system in Colombia, as part of the integration process in Colombia;
- consequences of the pending 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 Banco CorpBanca Colombia, S.A., or CorpBanca Colombia (the Itaú-CorpBanca Merger);
- the merged bank’s abilities to achieve revenue benefits and cost savings from the integration between CorpBanca’s and Banco Itaú Chile’s businesses and assets; 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.

Neither CorpBanca nor Banco Itaú Chile, as a matter of course make public projections as to future net revenues, costs, or other results. However, the both banks have prepared prospective financial information for inclusion in this document mainly related to estimated revenue synergies, cost savings, funding costs and capital position to present the estimated impacts of the merge with Banco Itaú Chile. This prospective financial information was not prepared in accordance with the guidelines established by the American Institute of Certified Public Accounts (the “AICPA”) with respect to prospective financial information.

Statements relating to the cost savings that both, CorpBanca and Banco Itaú Chile expect to achieve following the transaction described in this document are based on assumptions which in the view of the bank’s management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of such management’s knowledge and belief, the expected course of action and the expected future financial impact on performance of the bank due to the merger with Banco Itaú-Chile. However, the assumptions about these expected cost savings and growth opportunities are inherently uncertain and, though considered reasonable by management as of the date of its preparation, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. There can be no assurance that the banks will be able to successfully implement the strategic or operational initiatives that are intended.

Neither CorpBanca’s independent auditors, nor any other independent accountants, have complied with, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, or disclaim any association with, the prospective financial information.



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 consolidated financial statements in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or 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; nevertheless, SBIF’s regulations provide that unless specifically regulated by this agency, our financial statements shall be prepared in accordance with IFRS, as issued by the IASB. Unless otherwise indicated herein, as used hereafter IFRS refers to the standards issued by the IASB. 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 and the financial performance of the bank. These disclosures are not considered non-GAAP measures as they are required for regulatory purposes in Chile.

The selected consolidated financial information included herein as of December 31, 2015 and for the year ended December 31, 2015, together with the selected consolidated financial information as of December 31, 2011, 2012, 2013 and 2014 and for the years ended December 31, 2011, 2012, 2013 and 2014, 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”.

Our auditors, Deloitte Auditores y Consultores Ltda., or Deloitte, an independent registered public accounting firm, have audited our consolidated financial statements in accordance with IFRS as of December 31, 2015 and 2014 and for the years ended December 31, 2013, 2014 and 2015. See page 238 and F-1 of this report for further details on Deloitte’s opinions.

Foreign Currency Markets

In this Annual Report, references to “\$,” “US\$,” “U.S. dollars” and “dollars” are to United States dollars, references to “Chilean pesos” or “Ch\$” are to Chilean pesos, references to “UF” are to *Unidades de Fomento* and references to “Colombian pesos” or “COP\$” are to Colombian pesos. The UF is an inflation-indexed, Chilean peso-denominated unit that is linked to and adjusted daily to reflect changes in the previous month’s Chilean Consumer Price Index of the Chilean National Statistics Institute (*Instituto Nacional de Estadísticas*). As of December 31, 2015, one UF equaled US\$36.08, Ch\$25,629.09 and COP\$113,102.78 and as of March 11, 2016, one UF equaled US\$37.69, Ch\$25,762.22 and COP\$117,101. 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\$710.32 and COP\$3,135.17, respectively, per US\$1.00 as of December 31, 2015.

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 loan 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 loans 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.”

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

For these purposes, the effective net equity of a bank is the sum of (1) the bank’s basic capital, (2) subordinated bonds issued by the bank valued at their issue price for an amount of up to 50% of its basic capital; provided that the value of the bonds shall decrease by 20% for each year that elapses during the period commencing six years prior to their maturity and (3) its voluntary allowances for loan losses, for an amount of up to 1.25% of its risk weighted assets to the extent voluntary allowances exceed those that banks are required to maintain by law or regulation; minus (4) certain deductions to be made in accordance with provisions of chapter 12-1 of the regulations of the SBIF (*Recopilación Actualizada de Normas*), or the Regulations 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, 2015 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, 2015. 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*) or INE, 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*) or DANE, unless otherwise stated herein or required by the context. See “—Exchange Rate Information” below.

In this Annual Report, all macroeconomic data related to the Chilean economy is based on information published by the Central Bank of Chile and all macroeconomic 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. The SBIF publishes the consolidated risk index (ratio of allowance for loans losses over total loans) 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, 2015, the U.S. dollar exchange rate used by us was Ch\$710.32 per US\$1.00 and the Colombian peso exchange rate used by us was Ch\$3,135.17 per Cop\$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,				
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
2014	524.61	621.41	570.01	607.38
2015	597.10	715.66	654.25	707.34
Quarterly period				
2014 1st Quarter	524.61	573.24	551.48	550.53
2014 2nd Quarter	544.96	566.88	554.35	550.60
2014 3rd Quarter	548.72	601.66	576.31	601.66
2014 4th Quarter	576.50	621.41	598.18	607.38
2015 1st Quarter	606.75	642.18	624.42	626.87
2015 2nd Quarter	597.10	637.80	617.76	634.58
2015 3rd Quarter	636.39	706.24	676.25	704.68
2015 4th Quarter	673.91	715.66	697.75	707.34
Month ended				
September 2015	676.74	705.92	691.73	704.68
October 2015	673.91	698.72	685.31	690.34
November 2015	688.94	715.66	704.00	712.63
December 2015	693.72	711.52	704.24	707.34
January 2016	710.16	730.31	721.95	711.72
February 2016	689.18	715.41	704.08	689.18
March 2016 ⁽⁵⁾	678.22	694.82	685.12	678.22

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 March 2016 is as of March 11, 2016.



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,				
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
2014	605.46	621.56	612.85	605.46
2015	593.49	714.82	654.55	710.32
Quarterly period				
2014 1st Quarter	526.84	573.21	551.91	550.62
2014 2nd Quarter	544.80	567.56	554.49	552.81
2014 3rd Quarter	548.93	601.25	577.15	597.66
2014 4th Quarter	575.31	621.56	598.21	605.46
2015 1st Quarter	612.33	642.07	624.73	623.96
2015 2nd Quarter	593.49	638.47	618.00	638.47
2015 3rd Quarter	635.36	704.89	676.91	696.86
2015 4th Quarter	674.31	714.82	697.72	710.32
Month ended				
September 2015	678.59	704.61	691.30	696.86
October 2015	674.31	695.13	684.65	691.27
November 2015	689.46	714.82	704.81	710.25
December 2015	690.95	712.46	703.99	710.32
January 2016	710.69	731.70	721.96	710.69
February 2016	691.26	713.84	703.27	694.77
March 2016 ⁽⁴⁾	676.68	694.87	683.28	683.53

Source: CorpBanca

- (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 chart contains information up to March 11, 2016.

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,					
	2011 Ch\$	2012 Ch\$	2013 Ch\$	2014 Ch\$	2015 Ch\$	2015 ⁽¹⁾ US\$
	(in million of Ch\$, in thousand of US\$) ⁽²⁾					
Interest income	528,622	762,992	1,007,106	1,320,124	1,299,480	1,829,429
Interest expense	(335,622)	(506,116)	(549,416)	(689,240)	(678,901)	(955,768)
Net interest income	193,000	256,876	457,690	630,884	620,579	873,661
Net service fee income	60,362	85,644	117,977	161,590	152,847	215,181
Trading and investment, foreign exchange gains and other operating income	80,469	104,398	127,039	199,225	211,153	297,265
Total operating expenses	(152,706)	(253,644)	(362,145)	(509,672)	(480,789)	(676,861)
Income attributable to investments in other companies	250	367	1,241	1,799	1,300	1,830
Provisions for loan losses	(40,754)	(51,575)	(102,072)	(127,272)	(169,748)	(238,974)
Income before income taxes	140,621	142,066	239,730	356,554	335,342	472,703
Income taxes	(23,303)	(22,913)	(64,491)	(82,853)	(96,677)	(136,103)
Net income for the year	117,318	119,153	175,239	273,701	238,665	335,999
Net income per common share ⁽³⁾	0.51	0.43	0.48	0.69	0.64	0.00089
Dividend per common share ⁽⁴⁾	0.52	0.49	0.176	0.260	0.332	0.00047
Dividends per ADS ⁽⁴⁾	787	736	265	390	499	0.70
Shares of common stock outstanding (in thousand)	226,909,290.6	250,358,194.2	340,358,194.2	340,358,194.2	340,358,194.2	

Source: CorpBanca

- (1) Amounts stated in U.S. dollars as of December 31, 2015, and for the year ended December 31, 2015 have been translated from Chilean pesos at our exchange rate of Ch\$ 710.32 per US\$1.00 as of December 31, 2015.
- (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. For further information on basic earnings and diluted earnings please see Note 23 (d) to our financial statements.
- (4) Represents dividends paid in respect of net income earned in the prior fiscal year.

CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION

	As of December 31,					
	2011	2012	2013	2014	2015	2015 ⁽¹⁾
		Ch\$	Ch\$	Ch\$	Ch\$	US\$
	(in million of Ch\$, in thousand of US\$)					
Cash and deposits in banks	265,747	520,228	911,088	1,169,178	1,004,757	1,414,513
Cash in the process of collection	96,230	123,777	112,755	212,842	176,501	248,481
Trading portfolio financial assets	166,039	159,898	431,683	685,898	323,899	455,990
Investments under agreements to resell	23,251	21,313	201,665	78,079	24,674	34,736
Derivative financial instruments	248,982	268,027	376,280	766,799	1,008,915	1,420,367
Loans and receivables from banks	304,098	482,371	217,944	814,209	451,829	636,092
Loans and receivables from customers	6,711,945	9,993,890	12,771,642	13,892,270	14,454,357	20,349,078
Financial investments available-for-sale	843,250	1,112,435	889,087	1,156,896	1,924,788	2,709,748
Held to maturity investments	21,962	104,977	237,522	190,677	170,191	239,598
Investment in other companies	3,583	5,793	13,922	15,842	14,648	20,622
Intangible assets	12,239	489,306	841,370	757,777	665,264	936,569
Property, plant equipment, net	57,225	65,086	98,242	92,642	91,630	128,998
Current income taxes	6,278	—	—	20,834	46,904	66,032
Deferred income taxes	25,080	40,584	89,218	2,702	8,671	12,207
Other assets	102,775	149,903	293,118	415,267	438,323	617,077
TOTAL ASSETS	8,888,684	13,537,588	17,485,536	20,271,912	20,805,351	29,290,109

	As of December 31,					
	2011	2012	2013	2014	2015	2015 ⁽¹⁾
	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	US\$
	(in million of Ch\$, in thousand of US\$)					
Current accounts and demand deposits	682,720	1,112,675	3,451,383	3,954,948	4,431,619	6,238,905
Transaction in the course of payment	36,948	68,883	57,352	145,771	105,441	148,442
Obligations under repurchase agreements	130,549	257,721	342,445	661,663	260,631	366,921
Time deposits and saving accounts	4,824,378	7,682,675	7,337,703	8,076,966	8,495,603	11,960,247
Derivative financial instruments	166,872	193,844	281,583	607,683	731,114	1,029,274
Borrowings from financial institutions	663,626	969,521	1,273,840	1,431,923	1,528,585	2,151,967
Debt issued	1,522,773	1,886,604	2,414,557	3,079,050	3,227,554	4,543,803
Other financial obligations	20,053	18,120	16,807	15,422	14,475	20,378
Current income tax provision	—	9,057	45,158	19,226	42,457	59,772
Deferred income taxes	25,352	120,714	182,373	76,593	40,433	56,922
Provisions	42,030	136,240	164,932	200,289	182,707	257,218
Other liabilities	30,981	79,868	185,506	210,716	209,439	294,852
TOTAL LIABILITIES	8,146,282	12,535,922	15,753,639	18,480,250	19,270,058	27,128,700
Equity Attributable to equity holders of the Bank	739,793	947,296	1,426,199	1,465,725	1,220,552	1,718,312
Non controlling interest	2,609	54,370	305,698	325,937	314,741	443,097
TOTAL EQUITY	742,402	1,001,666	1,731,897	1,791,662	1,535,293	2,161,409
TOTAL LIABILITIES AND EQUITY	8,888,684	13,537,588	17,485,536	20,271,912	20,805,351	29,290,109

(1) Amounts stated in U.S. dollars as of December 31, 2015, and for the year ended December 31, 2015 have been translated from Chilean pesos at our exchange rate of Ch\$ 710.32 per US\$1.00 as of December 31, 2015.



CONSOLIDATED RATIOS

	As of and for the year ended December 31,				
	2011	2012	2013	2014	2015
Profitability and Performance					
Net interest margin ⁽¹⁾	2.7%	2.3%	3.4%	3.8%	3.6%
Return on average total assets ⁽²⁾	1.5%	0.9%	1.1%	1.4%	1.2%
Return on average equity ⁽³⁾	19.6%	13.1%	12.7%	18.2%	18.0%
Efficiency ratio (consolidated) ⁽⁴⁾	45.7%	56.8%	51.5%	51.4%	48.8%
Dividend payout ratio ⁽⁵⁾	100.0%	100.0%	50.0%	57.0%	51.6%
Capital					
Average equity as a percentage of average total assets	7.5%	7.2%	8.9%	7.7%	6.4%
Equity as a percentage of total liabilities	9.1%	8.0%	11.0%	9.7%	8.0%
Asset Quality					
Allowances for loan losses as a percentage of overdue loans ⁽⁶⁾	153.8%	101.8%	76.5%	65.3%	77.5%
Overdue loans as a percentage of total loans ⁽⁶⁾	1.0%	1.1%	1.3%	1.5%	1.5%
Allowances for loan losses as a percentage of total loans	1.5%	1.1%	1.0%	1.0%	1.2%
Past due loans as a percentage of total loans ⁽⁷⁾	0.7%	0.5%	0.5%	0.6%	0.7%
Other Data					
Inflation rate					
Foreign exchange rate (Ch\$/US\$)	11.0%	(7.7)%	9.9%	15.0%	17.3%
Number of employees	3,461	5,163	7,298	7,456	7,545
Number of branches and offices	116	209	295	298	304

- (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 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, 2012 to December 31, 2015, the compounded annual growth rate of our aggregate gross loan portfolio was 13.4%. Our business strategy is to grow profitably while increasing the size of our loan portfolio.

The consumer loans segment represents the single highest level of risk in our loan portfolio. As of December 31, 2015, the risk index (ratio of allowance for loans losses over total loans) of this segment was 1.5% – reflecting a 0.5% decrease in 2015 – while other segments of our loan portfolio such as mortgage loans and commercial loans had lower risk indexes of 0.4% and 1.3%, respectively.



During 2015, our portfolio of consumer loans was negatively impacted by the decline in consumer activity in the country. As of December 31, 2015, consumer loans represented 11.6% of our total loan portfolio compared to 12.2% as of December 31, 2014. While our loan portfolio grew by 4.3%, the composition of our loan portfolio as of December 31, 2015 reflected a greater increase in commercial loans, from Ch\$10,090,574 million to Ch\$10,696,518 million, this is a 6.0% increase when compared to our portfolio of consumer loans. Our mortgage loan portfolio has remained stable between Ch\$2,229,558 million in 2014 and Ch\$2,228,619 million in 2015, a 0.04% decrease.

Our consumer loan portfolio may experience loan losses due to the absence of collateral in respect of unsecured loans, insufficient collateral in collateralized loans, and risks relating to the circumstances of individual borrowers, including unemployment or incapacitation of our consumer borrowers.

We believe our total allowances for loan losses is adequate as of the date hereof to cover all known losses in our total 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. Our loan portfolio may not continue to grow at the same or similar rates as the growth rate that we historically experienced, particularly in light of the growth in recent years attributable to the acquisitions of CorpBanca Colombia in May 2012 (the CorpBanca Colombia Acquisition) and Helm Bank in August 2013 (the Helm Bank Acquisition). Additionally, changes in the Chilean or Colombian economy, a slowdown in the growth of customer demand, an increase in market competition or changes in governmental regulations could also adversely affect the rate of growth of our loan portfolio and our risk index.

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

As of December 31, 2015, our allowance for loan losses was Ch\$173,939 (excluding allowances for loan losses on loans and receivable to banks) and the risk index was 1.2%. The amount of allowance for loan losses is based on our current assessment and expectations concerning various factors affecting the quality of our loan portfolio. These factors include, among others, our customers' financial condition, repayment abilities and repayment intentions, the realizable value of any collateral, the prospects for support from any guarantor, Chilean and Colombian economies, government macroeconomic policies, interest rates and the legal and regulatory environment. 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. If our assessment of and expectations concerning the above mentioned factors differ from actual developments, if the quality of our loan portfolio deteriorates or if 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, 2015, our past due loans were Ch\$104,897, which resulted in a past due loans to total loans ratio of 0.7%. As of December 31, 2015, our non-performing loans were Ch\$196,806, which resulted in a non-performing to total loans ratio of 1.3%. 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 and adversely affect our financial conditions and results of operations.

Additionally, 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.

Furthermore, a substantial number of our customers consist of individuals and small-to-medium-sized enterprises, or 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. Such factors include market factors, environmental risks, natural disasters, macroeconomic factors and political events affecting the Chilean or Colombian economies. Any decline in the value of the collateral securing our loans may result in a reduction in the recovery from collateral realization and may have an adverse impact on our results of operations and financial condition.

In addition, the Bank may face difficulties in perfecting its liens and enforcing its rights as a secured creditor. In particular, timing delays and procedural problems in enforcing against collateral and local protectionism in the markets in which we operate may make foreclosures on collateral and enforcement of judgments difficult, and may result in losses that could materially and adversely affect the our results of operations and financial condition.

We may be unable to meet requirements relating to capital adequacy.

Chilean banks are required by the Chilean General Banking Act 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, 2015, the ratio of our Bank for International Settlements, or BIS, capital-weighted assets ratio was 9.5%. Nevertheless our capital ratios levels decreased from 12.4% to 9.5% between 2014 and 2015, following the approval of the merger with Banco Itaú Chile, considering that our shareholders, together with approving the merger, approved a special dividend distribution in the amount of Ch\$239.86 billion that was paid on July 1, 2015.

Additionally, Colombian financial institutions are subject to capital adequacy requirements (as set forth in Decree 1771 of 2012, as amended) that 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, and that its ordinary basic capital be at least 4.5% of that institution’s total risk-weighted assets. Technical Capital for the purposes of the Colombian regulations consists of the sum of Tier One Capital (ordinary basic capital) and Tier Two Capital (additional basic capital plus additional capital), collectively, Technical Capital. As of December 31, 2015, the consolidated ratio for our Colombian operations (calculated as BIS capital to risk-weighted assets) was 12.9%.

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 the countries we operate.
- fluctuations in exchange rates that could impact our loan portfolio, valuation adjustments due to the translation effects in equity or hedging strategies.

As provided in article 68 of the Chilean General Banking Act, 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 article 66 of the Chilean General Banking Act and Chapter 12-1 of the Regulations of the SBIF), we would have to comply with such legal requirements within a period of sixty days. For each day we fail to comply with such legal requirements, we would 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.

If our Colombian operations fail to comply with the capital adequacy requirements applicable to 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 subject to market risk.

We are directly and indirectly affected by changes in local and international market conditions. Market risk, or the risk of losses in positions arising from movements in market prices, is inherent in the products and instruments associated with our operations, including loans, deposits, securities, bonds, long-term debt, short-term borrowings, proprietary trading in assets and liabilities and derivatives. Changes in market conditions that may affect our financial condition and results of operations include fluctuations in interest and currency exchange rates, securities prices, changes in the implied volatility of interest rates and foreign exchange rates, among others.



Our results of operations are affected by interest rate volatility and inflation rate volatility.

Our results of operations depend to a great extent on our net interest income. In 2013, 2014 and 2015, our ratio of net interest income to total operating income was 65.1%, 63.6%, and 63.0% 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 monetary policies of the Central Bank of Chile and Colombia, changes in regulation 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 5.1% and a low of 4.8% in 2013, a high of 4.5% and a low of 3.7% in 2014, and a high of 3.1% and a low of 1.5% in 2015. 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 4.0% and a low of 3.25% for 2013, a high of 4.5% and a low of 3.25% for 2014, and a high of 5.8% and a low of 4.5% for 2015. As of December 31, 2013, 2014, and 2015, we had Ch\$889,087 million, Ch\$1,156,896 million, and Ch\$1,924,788 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. In addition, inflation rate volatility could adversely affect our net interest income due to fluctuations in the gap between assets and liabilities that are indexed to the UF.

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

The Chilean and Colombian markets for financial services are highly competitive and competition is likely to increase.

In Chile, we face competition from banking and non-banking institutions with respect to the different products we offer. In the consumer and other loans businesses, we compete with other banks, credit unions and public social security funds (*cajas de compensación*). In some of our credit products, we face competition from department stores, large supermarket chains and leasing, factoring and automobile finance companies and in the saving products and mortgage loans businesses we compete with mutual funds, pension funds, insurance companies and with residential mortgage loan managers (*Administradoras de Mutuos Hipotecarios*). Furthermore, under the Chilean General Banking Act, representative offices of non-Chilean banks are now allowed to promote the credit products and services of their headquarters, which has 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.

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. 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. We use various processes to identify, analyze, manage and control our risk exposure, both in favorable and adverse market conditions. However, these processes involve subjective and complex judgments and assumptions, including projections of economic conditions and assumptions on the ability of our borrowers to repay their loans. Because of the nature of these risks, we cannot guarantee 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, among other factors:

- 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.

Our reliance on short-term deposits as our principal source of funds exposes us to sudden increases in our costs of funding which could have a material adverse effect on our revenues.

Time deposits and other term deposits are our primary sources of funding, which represented 44.1% of our liabilities as of December 31, 2015. 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.

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, 2014, the Chilean peso depreciated against the U.S. dollar by 15.0% and the Colombian peso depreciated against the U.S. dollar by 24.3%, each as compared to December 31, 2013. As of December 31, 2015, the Chilean peso depreciated against the U.S. dollar by 17.3% and the Colombian peso depreciated against the U.S. dollar by 31.1%, each as compared to December 31, 2014.

Our results of operations may be affected by fluctuations in exchange rates between and among 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. As of December 31, 2011, 2012, 2013, 2014 and 2015, the gap between foreign currency denominated assets and foreign currency denominated liabilities, excluding derivatives, was Ch\$(23,560), Ch\$241,832 million, Ch\$434,942 million, Ch\$(26,191) million and Ch\$(497,644) 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/or 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.

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, cyber 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 dependent on a technology service agreement with Banco Santander, S.A.

Our business in Colombia is dependent on the service and support of a subsidiary of Banco Santander S.A., provided to us pursuant to a technology service agreement. This technology service agreement was extended and expires at the end of December



2016 unless we exercise our option to extend its term through June 2017. 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.

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

As of December 31, 2015, on a consolidated basis we had 3,838 employees in Chile (including 27 at our New York Branch), of which 54.2% were unionized and 3,707 employees in Colombia, of which 20.2% were unionized. We are parties to collective bargaining agreements with unions representing our employees in Chile and Colombia. CorpBanca Colombia's current labor agreement with eighteen unions in Colombia was subscribed on August 26, 2015 and expires on August 31, 2017. We generally apply the relevant terms of our collective bargaining agreement to unionized and non-unionized employees in each of the markets in which we operate. We have traditionally enjoyed good relations with our employees and their unions. However, a strengthening of cross-industry labor movements may result in increased employee or labor costs that could materially and adversely affect our business, financial condition or results of operations.

On December 29, 2014, the Chilean government proposed a labor reform bill to the Chilean Congress, or the Labor Reform, which intends to substantially modify rules applicable to collective bargaining, including our unionized Chilean employees. The principal proposals included in this bill are to (1) prohibit employers, including us, from hiring replacement employees in the event of a worker strike affecting the business, and (2) ensure a minimum level of benefits. Additionally, the bill prohibits the workers from negotiating and entering into collective bargaining agreements directly with employers outside of established unions. Instead, workers will be required to organize collective bargaining efforts through established union. The bill is expected to be enacted as law during the first half of 2016, in which case it will become effective a year after its publication in the Official Gazette. If this bill becomes law, the effects of any strike or collective bargaining efforts by our employees in Chile could have a negative impact on our business, financial condition or results of operations.

We rely on third parties for important products and services

Third party vendors provide key components of our business infrastructure such as different loan servicing systems, internet connections and network access. Any problems caused by these third parties, including as a result of their not providing us their services for any reason or their performing their services poorly, could adversely affect our ability to deliver products and services to customers and otherwise to conduct business. Replacing these third party vendors could also entail significant delays and expense and could negatively impact our business.

We may experience operational problems, errors or fraud.

We 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 are required to comply 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 may restrict our operations and thereby adversely affect our financial condition and results of operations.

We are subject to regulation in the markets in which we operate, including by the SBIF and by the Central Bank of Chile in Chile and by the Central Bank of Colombia, the Colombian 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 in Colombia.



Pursuant to the Chilean General Banking Act in Chile and the Financial System Organic Act (*Estatuto Orgánico del Sistema Financiero*) in Colombia, we may, subject to the necessary regulatory approvals, engage in the commercial banking business and in certain businesses in addition to traditional commercial banking. Such additional businesses may include securities brokerage, mutual fund management, securitization, insurance brokerage, leasing, factoring, financial advisory, custody and transportation of securities, loan collection and financial services. Regulators may in the future impose more restrictive limitations on the activities of banks, including us.

New capital adequacy requirements could require us to inject further capital into our business as well as in businesses we acquire, or to capitalize dividends, 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.

CorpBanca must maintain a capital adequacy index of at least 8% calculated pursuant to the guidelines issued by the SBIF. 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 Act 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 2008 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 and/or 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, 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.

The banking regulatory and capital markets environment in which operate 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 Chile, new regulations have been enacted in the past years which have, among others things, **(a)** increased the limit on the amount that a bank is allowed to grant as an unsecured loan to a single individual or entity (currently set at 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, for persons non related to the bank and at 5% or 25% if loans in excess of 5% are secured by certain collateral, for certain groups of persons related to the bank), **(b)** allowed marketing and promotion activities of credit products and services by non-Chilean banks with representative offices in Chile, **(c)** strengthened consumers' rights in connection with financial products and services; and **(d)** lowered the maximum legal interest rate that can be imposed in general loans valued at over UF 200. These amendments have affected the Chilean banking industry in several ways including by increasing competition, increasing the risks associated with the growth of loan portfolios, providing additional scrutiny regarding prices and contracts for financial products and have caused a loss of flexibility in the determination of price and product distribution strategies in the retail banking segment.

Colombia has also experienced recent changes in applicable laws, regulations and policies, such as those regulating collateral and foreclosure, financial inclusion and consumer protection. In 2013, a new regulation regarding liens over movable assets was enacted 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, pursuant to which, secured creditors –including us– had to register liens granted on their favor before the enactment of the law. 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 order to promote financial inclusion, the Colombian Congress passed Law No. 1,735 of 2014 which created a new type of financial entity called Specialized Electronic Deposit and Payment Institutions (*Sociedades Especializadas en Depósitos y Pagos Electrónicos*) as a new deposit-taking entity form that can be incorporated by a natural person, postal service offices and/or mobile network operator or another non-bank company. The Specialized Electronic Deposit and Payment Institutions are regulated financial services providers subject to financial regulation and supervision. The only activities these entities are authorized to perform are remote cash-in and cash-out deposit operations, the allocation of customers' funds in electronic deposit accounts and the offering of transactional services such



as remittances, transfers, and payments. This change increases the potential source of competition in Colombia and may impart our ability to acquire new customers or retain existing customers. Additionally, Law No. 1,328 of 2009, amended in 2014, created a customer protection regime with respect to financial institutions. This regime strengthened the rights of consumers of financial services and products and set forth specific obligations for financial institutions. Any violation of this law or regulations issued pursuant to this law by CorpBanca Colombia could result in monetary or administrative sanctions or restrictions on its operations.

Any of the regulatory changes mentioned above or their applicability or interpretation, and future regulatory activity could have an adverse effect on our operations and financial condition.

We are subject to regulatory inspections, examinations and to the imposition of fines by regulatory authorities in Chile and in Colombia.

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 other sanctions, fines, restrictions on our business or other penalties in the future as a result of noncompliance. If other 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.

Pursuant to letter No. 16191, the SBIF fined the bank for an alleged infringement to the individual lending limits provided by article 84 No. 1, in relation to article 85 of the Chilean General Banking Act. The total amount was Ch\$21,765 million. In an extraordinary meeting on January 4, 2016, the bank's board of directors agreed: to communicate the letter as a material event, expressing disagreement with the alleged infringement and to instruct management to exercise each and every legal action in order to obtain the annulment of the fine.

On January 8, 2016, the bank paid the full amount of the fine as a mandatory condition precedent to exercise its appeal rights. However, no provision was made as of December 31, 2015 as management believes that it is probable that the fine will be annulled through the appeal process.

On January 18, 2016, CorpBanca brought an action before the Santiago Court of Appeals seeking the annulment of the fine. As of today, the court has not issued its ruling. We cannot assure you that a decision will be made in our favor. A final, non-appealable decision that is adverse to our claims may have a material adverse effect on our business, financial condition and results of operations.

Failure to protect personal information could materially and 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 in 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 Chilean Ministry of Finance that, for the most part, are short-term and highly liquid instruments. As of December 31, 2015, 3.8% of our total assets comprised of securities issued by the Chilean government and 3.9% of our total assets comprised securities issued by foreign governments, 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 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.

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. On August 20, 2015 and on June 15, 2015, Standard and Poor's and Moody's, respectively, confirmed the aforementioned ratings.

Any adverse revision to CorpBanca's credit ratings in Chile or Colombia 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.

Mismatches in the maturity of our loan portfolio and our funding sources as well as exchange rate fluctuations related to our funding sources could materially and 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 and 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 services to our clients, for hedging purposes and, on a limited basis, for 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, 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 automated teller machines, or 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.

RISKS RELATING TO CHILE, COLOMBIA AND OTHER COUNTRIES IN WHICH WE OPERATE

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 on a monthly basis. As of January 2008, the statements have to be prepared in accordance with the Compendium of Accounting Standards (*Compendio de Normas Contables y Manual del Sistema de Información*), or the Compendium, and the rules of the SBIF. 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. Also, the SBIF is vested with the authority to issue specific orders to banks, including on accounting matters. 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, 2015 have been prepared in accordance with IFRS in order to comply with SEC requirements.

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.

Investors who are not Chilean residents are 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 depository and will be subject to Chilean withholding tax, currently imposed at a rate of 35% (subject to credits in certain cases). If for any reason, including changes in Chilean laws or regulations, the depository were unable to convert Chilean pesos to U.S. dollars, investors 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); (ii) per type of sub-fund, to shares, deposits, derivatives and debt securities of a single banking institution (or guaranteed by such bank); and (iii) per fund (considering all sub-funds), to shares issued by a single banking institution. 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, 2015, the aggregate exposure of AFPs to us was Ch\$967,726 million or 0.89% 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.

Future increases in the corporate tax rate or additional modifications to the tax systems of the countries in which we operate may have a material adverse effect on us.

On September 29, 2014, Law No. 20,780, or the Tax Reform, was published in the Chilean Official Gazette, introducing the most significant amendments to the Chilean tax system over the last thirty years and strengthening the powers of the Chilean IRS to control and prevent tax avoidance. One of the main purposes of this reform was to finance major educational reforms under discussion in the Chilean Congress.

One of the most important changes introduced by the Tax Reform is the creation of two separate taxation systems in the Income Tax Law: (i) the attributed income system or (ii) the partially integrated system. This law also called for a gradual increase in the corporate income tax rate from 20% in 2013 to:

Years	2014	2015	2016
Rates	21%	22.5%	24%

Beginning in 2017, the applicable tax rate will depend on the tax system chosen. Taxpayers choosing the attributed income system will have a final rate of 25% while those choosing the partially-integrated system will have a transitory rate of 25.5% in 2017 and a final rate of 27% in 2018 and beyond.

- Attributed income system: At the shareholder level, a 35% withholding tax would apply on an "attributed basis" from year 2017. As a result, any non-Chilean resident shareholder would be required to pay a 35% withholding tax while Chilean resident shareholders would be required to pay the progressive *Impuesto Global Complementario* (Complementary Global Tax), with rates ranging between 0% and 35%, regardless of whether the Chilean company makes a profit distribution or dividend payment. Shareholders would be able to credit the corporate tax already paid by the company against the withholding tax or the progressive complementary income tax. The actual income distribution to the shareholders would not be taxable.
- Partially integrated system: When the income is actually withdrawn from a company, non-Chilean resident shareholders would be subject to a 35% withholding tax, while Chilean resident shareholders would be required to pay the progressive Complementary Global Tax, with rates ranging between 0% and 35%, against which only a 65% of the corporate tax will be allowed to be used as a credit against the withholding tax or the Complementary Global Tax; provided that, the deduction available to shareholders resident in a country with which Chile has an agreed tax treaty would be 100%.

Foreign source income obtained by taxpayers domiciled or resident in Chile is generally subject to taxes in Chile on a cash basis. However, in the case of branches or other permanent establishments located abroad, both accrual and received income are considered in Chile for tax purposes. Also, taxpayers who obtain passive income from foreign companies, in which they have control,



as defined by law, will have to pay taxes on accrual and cash basis, for the passive income accrued or perceived by those controlled entities.

Bonds and other debt instruments issued in Chile by Chilean companies are deemed to be located in Chile for capital gains purposes. However, bonds issued outside of Chile by Chilean companies are not deemed located in Chile for capital gain purposes and, consequently, the sale of such bonds by a non-Chilean resident is not subject to capital gains tax in Chile (according to section 11 of the *Ley Sobre Impuesto a la Renta* or the Chilean Income Tax Law (it would be considered a foreign source income obtained by a non-Chilean resident).

The Tax Reform may have a material adverse effect on our business, financial condition and results of operations. Furthermore, 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.

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

Decree 1966 of 2014 amended by Decree 2095 of 2014 designates 37 jurisdictions as tax havens for Colombian tax purposes. In October 2014, Panama and Colombia signed a memorandum of understanding by which they agreed to execute a double taxation treaty. However, if Panama is considered a tax haven under Colombian tax regulations, 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 deductions, unless the respective withholding tax has been applied and (v) other additional information disclosure requirements.

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 business and future financial performance.

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. Future developments in or affecting the Chilean or Colombian economies, 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.

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. In addition, our financial condition and results of operations could also be affected by regulatory changes in administrative practices 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.

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 in Panamá through subsidiaries of CorpBanca Colombia. Our operations are focused on retail banking, as well as wholesale and commercial banking and providing financing and deposit services to SMEs and individuals with medium-high income levels. 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, 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 Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia* or the FARC), National Liberation Army (*Ejército de Liberación Nacional* or the ELN), 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 ongoing peace negotiations between the Colombian government and FARC, which have reduced guerrilla and criminal activity, particularly in the form of terrorism attacks, homicides, kidnappings and extortion, such activities persist in Colombia, and possible escalation of such activities 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, and physical assets.

While the terms of a final peace agreement are still unknown, the government is likely to subject the proposed final text of these agreements to a referendum. The final agreement is expected to provide FARC with several benefits including: (i) changes in legislation concerning access to credit and financial services; (ii) tax benefits, and (iii) more favorable labor regulations. Such agreements and other legislative changes arising therefrom may have a negative impact on the Colombian economy and on our operations in Colombia.

ELN, paramilitary groups and drug cartels' are not part of the peace negotiations. It is expected that their activities will continue.

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.

Additionally, 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. In 2015, the Venezuelan government abruptly closed the Colombian-Venezuelan border which resulted in a substantial decrease in trade between Colombia and Venezuela and increased diplomatic tensions between the two governments. As of March 2016, the border remains closed and the Venezuelan government has announced that such closure is indefinite. A continued closure of the border may result in further deterioration of trade and could have a negative impact in the Colombian economy.



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

Under the Chilean Consumer Protection Act and under the Colombian Constitution, individuals may initiate collective or class actions to protect their collective or class rights, as applicable. In the past few years, Chilean financial institutions have experienced limited numbers of collective and class actions mostly relating to abusive clauses in standard contracts.

In the past few years, Colombian financial institutions, including CorpBanca Colombia, have experienced a substantial increase in the aggregate number of these actions. The great majority of such actions have been related to fees, financial services and interest rates, and their outcome is uncertain. Pursuant to Law 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 CorpBanca Colombia.

Future restrictions on interest rates or banking fees could negatively affect our profitability.

In the future, additional regulations in the jurisdictions where we operate could impose limitations regarding interest rates or fees charged by CorpBanca. Any such limitations could materially and adversely affect our results of operations and financial situation.

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 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, the Colombian government has the authority to establish and define criteria and formulas applicable to the calculation of banking fees and other charges and to establish caps on the banking fees, credit card fees, and other charges that we impose on our customers. On December 20, 2011, the Colombian government used its authority to set a cap on the fees banks can charge on withdrawals from ATMs outside their own networks. Additionally, under Colombian regulation, banks are prohibited from charging prepayment penalties or fees on loans, other than in mortgage loans, except when the outstanding amount of a loan is more than the equivalent of 880 monthly minimum wages, or SMMLV (approximately US\$180,861). In mortgage loans, irrespective of their principal amount or in other loans in which the outstanding amount is greater than 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.

Insolvency laws may limit our monetary collection and ability to enforce our rights.

A new Insolvency Act was published in Chile in the Official Gazette on January 9, 2014 (the Insolvency Act) and came into effect on October 9, 2014. Under this new Insolvency 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 the act. For more information on these limitations please see “Item 4—Information on the Company—B. Business Overview—Recent Regulatory Developments in Chile”.

Colombian insolvency laws provide that creditors of an insolvent debtor in default are prohibited from initiating collection proceedings outside the bankruptcy or reorganization process of such debtor. In addition, all collection proceedings outstanding at the beginning of any bankruptcy or reorganization process of any insolvent debtor must be suspended and creditors are prevented from enforcing their rights against the collateral and other assets of the debtor until the reorganization has been agreed (in which case the collection proceeding is resolved within the reorganization agreement) or it is declared that no reorganization was agreed. Additionally, Colombian laws provide insolvency protection for non-merchant individuals. This insolvency protection entails that, once a non-merchant individual has ceased paying his or her 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. There are other protections such as an automatic stay for a maximum of 90 days. These legal limitations make it difficult to recover on defaulted loans, and as a result, may cause CorpBanca Colombia to enhance its credit requirements which would result in



decreased lending to individuals by making it more expensive. In addition, increased difficulties in enforcing debt and other monetary obligations due to this insolvency law could have an adverse effect on CorpBanca Colombia and our results of operations and financial condition.

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 CorpBanca Colombia, although no such mandatory deposit requirement is currently in effect. We cannot predict or control future actions by the Central Bank in respect of deposit requirements, which may involve the establishment of a mandatory deposit percentage, and the use of such measures by the Central Bank may raise our cost of raising funds and reduce our financial flexibility.

RISKS RELATING TO EXPANSION AND INTEGRATION OF ACQUIRED BUSINESSES

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 CorpBanca Colombia Acquisition, the Helm Bank Acquisition, 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 (today “CorpBanca Colombia”); and (ii) the Helm Bank Acquisition in 2013. Helm Bank was merged with and into CorpBanca Colombia on June 1, 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 successfully completing the implementation of a new information technology core banking system in Colombia.

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. During 2015, we continued the integration process of Helm Bank and its subsidiaries into our pre-existing operations and business model, including integration of back-office functions. An important step of this integration process is the implementation of a new information technology core banking system in Colombia, which we have been implementing since February 2013. If we are unable to successfully complete the implementation of this new information technology core banking system in Colombia, the integration process in Colombia could be adversely affected, which could adversely affect our financial condition, results of operations and liquidity. The implementation of the new information technology core banking system in CorpBanca Colombia is underway.

RISKS RELATING TO THE PENDING 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. We expect 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 Itaú-CorpBanca Merger;
- 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 Itaú-CorpBanca Merger.

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 Itaú-CorpBanca Merger; 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 Itaú-CorpBanca Merger, 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, and will be referred to following the completion of the merger as, Itaú-CorpBanca. 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, it 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 Itaú-CorpBanca Merger. 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 Itaú-CorpBanca Merger, 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, to the extent permitted by the law, 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.



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 Itaú-CorpBanca Merger;
- matters relating to the Itaú-CorpBanca Merger 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: absence of orders preventing or suspending consummation of the Transactions, 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 Itaú-CorpBanca Merger may not be fulfilled and, accordingly, the merger may not be completed. In addition, if the Itaú-CorpBanca Merger is not completed by May 2, 2016, either CorpBanca or Itaú Chile may choose not to proceed with the Itaú-CorpBanca Merger, 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.

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 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.**

We are a “controlled company” and a “foreign private issuer” within the meaning of the New York Stock Exchange (NYSE) corporate governance standards, which exempts us 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 (*directorio*), 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.

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

We are organized under the laws of Chile and our principal place of business (*domicilio social*) is in Santiago, Chile. Most of our directors, officers and controlling persons reside outside of the United States. In addition, all or a substantial portion of our assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under the United States federal securities laws.

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 desire 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.

In addition, according to article 14 of the *Ley de Mercado de Valores*, Law No. 18,045, or the Chilean Securities Market Act, 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. 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.

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 Act, 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 depository on behalf of the holders of ADSs), giving them the right to purchase a sufficient number of shares to maintain their existing ownership percentage. However, we may not be able to offer shares to United States holders of ADSs pursuant to preemptive rights granted to our shareholders in connection with any future issuance of common shares unless a registration statement under the U.S. Securities Act of 1933, as amended, or the Act, is effective with respect to such rights and common shares, or an exemption from the registration requirements of the Act is available.

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

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 depository.

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 depository. While a holder of ADSs is entitled to instruct the depository 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 depository 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 Compañía Inmobiliaria y de Inversiones Saga SpA (or 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 1471 through 1474 of the the Internal Revenue Code of 1986, as amended, or the Code, and U.S. Treasury Regulations promulgated thereunder, a 30% withholding tax may be imposed on all or some of the payments on the ADSs or our common stock after December 31, 2018 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.

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



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

**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 Chilean Ministry of Finance on October 3, 1871, and legally began operations as a bank on October 16 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 twenty 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 changed our name to CorpBanca, hired a management team with substantial experience in the Chilean financial services industry and commenced a period of significant growth fueled by organic expansion and acquisitions. In our first significant transactions, we acquired the assets of the consumer loan division of Corfinsa and the finance company Financiera Condell S.A. in 1998. In that year we also consolidated our information technology systems into a single, integrated platform, Integrated Banking System, or IBS, a central information system that replaced a number of systems, providing us with a single, central electronic database that gives us up-to-date customer information in each of our business lines and calculates net earnings and profitability of each product and client segment.

In June 2012, CorpBanca finalized the acquisition of a 91.9% interest in Banco Santander Colombia S.A (now CorpBanca Colombia), which gave CorpBanca control over CorpBanca Colombia’s 94.9% ownership stake in CorpBanca Investment Valores Colombia S.A., or CIVAL and CorpBanca Colombia’s 94.5% ownership stake in CorpBanca Investment Trust Colombia S.A., or CIT Colombia. In addition, in June 2012, CorpBanca acquired an additional 5.06% interest in CIVAL.

The participation of CorpBanca in CorpBanca Colombia was 66.39% as of December 31, 2013 as compared to 91.93% as of December 31, 2012 following a capital increase by CorpBanca Colombia in 2013 in which CorpBanca participated in a smaller proportion than the remaining shareholders. Finally, CorpBanca’s ownership stake in CorpBanca Colombia decreased to 66.28% in June, 2014 after the merger of this subsidiary with Helm Bank.

On August 6, 2013 we acquired approximately 99.75% of the ordinary shares of Helm Bank (reflecting approximately 87.42% of the ordinary and preferred shares then issued by Helm Bank), a commercial and retail bank in Colombia, including its subsidiaries in Colombia, Panamá, and the Cayman Islands. In the fourth quarter of 2013, we initiated a tender offer to acquire the remaining equity interest in Helm Bank from the remaining minority shareholders. We completed this tender offer in January 2014, resulting in the acquisition by us of an aggregate amount of 99.78% of Helm Bank. On June 1, 2014, we completed the acquisition process of Helm Bank by merging Helm Bank with and into CorpBanca Colombia, with CorpBanca Colombia being the surviving entity.

On September 1, 2014, Helm Comisionista de Bolsa S.A. merged with and into CorpBanca Investment Valores Colombia S.A., with CorpBanca Investment Valores Colombia S.A. being the surviving company. Immediately upon consummation of the



merger, CorpBanca Investment Valores Colombia S.A. assumed the Helm Comisionista de Bolsa S.A. name. The customers and product portfolio of both entities were maintained in the new merged entity.

Our loan portfolio (excluding loans to banks) has grown at a compounded annual growth rate in nominal terms of 13.4% between December 31, 2012 and December 31, 2015. As of December 31, 2015, according to the SBIF, we were the fourth largest private bank in Chile in terms of the overall size of our loan portfolio (10.4% market share on a consolidated basis and 7.2% 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, 2015, we had total assets of Ch\$20,805,351 million, including total loans of Ch\$14,628,296 million, total deposits of Ch\$8,495,603, shareholders' equity (excluding net income for the trailing twelve months and provision for mandatory dividend) of Ch\$1,105,117 and our return on average shareholders' equity was 16.2% for the trailing twelve months. For the year ended December 31, 2015, we had net interest income of Ch\$620,579 and net income of Ch\$238,665.

Our risk management strategy has enabled us to maintain what we believe are solid solvency ratios and risk indicators, notwithstanding high levels of volatility in the financial markets over the past years. Despite of the above, our capital ratios levels decreased from 12.4% to 9.5% between 2014 and 2015, following the approval of the merger with Banco Itaú Chile, considering that our shareholders, together with approving the merger, approved a special dividend distribution in the amount of Ch\$239.86 billion that was paid on July 1, 2015. In that specific context, our capital ratios reported on December 2015 are temporary impacted and limited to the period ending with the merger that will occur no later than May 2, 2016. As of December 31, 2015, we had an allowance for loan losses to total loans ratio of 1.2%. We have achieved an average annual return on equity of 14.8% between 2012 and 2015. As of December 31, 2015, we had 127 branches and 417 ATMs in Chile and 177 branches and 180 ATMs in Colombia.

The Pending Itaú-CorpBanca Merger¹

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.

In this context and pursuant to CorpBanca's regionalization strategy, during 2013, CorpBanca conducted a process involving some 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, or the Transaction Agreement, whereby we agreed to merge with Itaú Chile. As part of that process, we retained two investment banks (Bank of America 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.

Our shareholders approved the Itaú-CorpBanca Merger in an extraordinary shareholders' meeting held on June 26, 2015 and the shareholders of Itaú Chile gave their consent to the merger in an extraordinary shareholders' meeting held on June 30, 2015. Additionally, as of the date hereof, we have received all required regulatory approvals in connection with the Itaú-CorpBanca Merger. Following the Itaú-CorpBanca Merger, the name of the merged bank will be Itaú-CorpBanca and it will operate under the Itaú brand. We expect the Itaú-CorpBanca Merger to close no later than May 2, 2016.

After the closing of the Itaú-CorpBanca Merger, Itaú Unibanco and our current controlling shareholders will beneficially own 33.58% and 33.13% of our outstanding common shares, respectively. Pursuant to the Transaction Agreement, Itaú Unibanco committed to inject US\$652 million prior to the closing of the Itaú-CorpBanca Merger, obligation that has been fulfilled. 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.

¹ All figures related to synergies or savings and one time expenses expressed in US dollars in this section were converted at an exchange rate of 544.10 Ch\$/US\$ at the time of the announcement of the transaction in January, 2014.



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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 US\$100 million. Furthermore, Itaú-CorpBanca will offer to acquire the CorpBanca Colombia shares held by Inversiones Corp Group Interhold Limitada, or Interhold and Inversiones Gasa Limitada, or Gasa and together with Interhold, CorpGroup Parent, representing 12.36 % 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 US\$330 million. This offer to purchase for cash implies a valuation of CorpBanca Colombia of approximately US\$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).

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

- On an estimated basis Itaú-CorpBanca would be the fourth largest private bank in Chile measured by total loans with a 12.3% market share (compared to the 7.2% market share we have on a stand-alone basis) as of December 31, 2015;
- 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 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 pre-tax savings of approximately US\$55 million to US\$67 million annually. Furthermore, we estimate that pre-tax savings associated with scalable IT systems will amount to approximately US\$16 million to US\$19 million annually and other savings derived from an enhanced branch network will be in the range of approximately US\$8 million to US\$10 million annually. Moreover, we expect reductions in administrative expenses and costs of services by service providers of both Itaú Chile and us in the range of US\$15 million to US\$18 million pre-tax annually.

In addition, we also expect improvements in part of our funding costs compared to the costs of funding we have today, as well as revenue synergies (which were not considered in the cost synergies described above). Assuming fully phased-in pre-tax synergies of approximately US\$100 million per year during the first three years after the consummation of the Itaú-CorpBanca Merger, and excluding one-time integration costs of approximately US\$85 million pre tax 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 US\$2.1 billion with Itaú Chile's US\$1.7 billion (including US\$652 million capital injection to be completed prior to Closing), 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 player 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 a strong market capitalization 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 also 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 12.3% as of December 31, 2015 (compared to the 7.2% market share that we had as of December 31, 2015, on an unconsolidated basis in Chile). 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, 2013, 2014 and 2015:

	For the Year Ended December 31,		
	2013	2014	2015
	(in million of Ch\$)		
Land and buildings	3,874	1,291	4,873
Machinery and equipment	2,908	7,729	9,601
Furniture and fixtures	2,894	5,135	5,399
Vehicle	3	—	—
Other	24,686	13,038	17,389
Total	34,366	27,193	37,262

The Ch\$10,069 million increase in capital expenditure was mainly due to the increase (i) in intangibles (software and computer equipment acquisitions and investments in IT projects, included under Other) in 2015, and (ii) in land and buildings in Colombia.

Additionally, capital divestitures resulted in a gain of Ch\$461 million in 2015 as compared to Ch\$415 million in 2014 and Ch\$25,164 million in 2013. For further details relating to these results and related divestitures, 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 banking market has helped us achieve proportionately higher and more stable profits than our competitors. We are among the market leaders in Chile. According to the SBIF, as of December 31, 2015, we ranked fourth among private banks in total loans with 10.4% market share on a consolidated basis and 7.2% market share on an unconsolidated basis (taking into account only our operations in Chile). Additionally, as of the same date, the SBIF ranked us fourth in deposits with 10.8% market share on a consolidated basis and fourth on an unconsolidated basis (only taking into account our operations in Chile) with a 7.1% market share among private banks in the Chilean market. We have decreased our market share in total loans by 120 basis points during the 2012-2015 period on a consolidated basis. For the three years ended December 31, 2013, 2014 and 2015, we had net income of Ch\$175,239 million, Ch\$273,701 million and Ch\$238,665 million, respectively.

In 2015, both our operations in Chile and Colombia allowed us to reach a net income of Ch\$238,665 million, a decrease of 12.8% compared to 2014. This decrease was primarily due to higher provisions for loan losses, a negative currency translation effect between COP\$ and Ch\$ relating to our Colombian subsidiary and the negative impact of lower inflation in Chile during the year on net interest margin and higher tax rates that offset positive commercial customers-driven results in Chile and synergies already delivered in Colombia, in each case, as further discussed below in “Item 5—Operating and Financial Review and Prospects—A. Operating Results—The Economy—Results of Operations for the Years Ended December 31, 2013, 2014 and 2015—Net Income”. While 2014 showed stronger results from Colombia, during 2015 our Chilean results exceeded our expectations while Colombia results were below our expectations. Therefore, we achieved sustained growth in Chile over this period, despite facing increasingly complex domestic and international economic environments characterized by lower expectations regarding economic prospects and increasing uncertainty regarding significant expected legal reforms in Chile. The consolidation of our business in the segments of Commercial Banking, Traditional and Private Banking and Lower Income Retail Banking was important achieving these results by allowing us to be represented in all segments of the Chilean economy. Despite lower than expected, our results were helped by the positive results that our subsidiary, CorpBanca Colombia, experienced in 2015. CorpBanca Colombia was the sixth largest bank in Colombia as of December 31, 2015, in terms of total loans, with a significant presence in the segments of companies and high and middle-income individuals.



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. On an estimated basis, Itaú-CorpBanca is expected to be the fourth largest private bank in Chile with US\$41.4 billion in assets, US\$30.5 billion in loans and US\$25.1 billion in total deposits. With this increased size, the institution is expected to be able to exploit various cross-selling opportunities and 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.

We also expect a significant improvement in the capital position of the merged bank. Our current Tier I Capital of approximately US\$2.1 billion, combined with Itaú Chile’s Tier I Capital of approximately US\$1.7 billion (including US\$652 million capital injection into CorpBanca to be made prior to closing), will provide the merged bank with a considerably larger capital base to support further growth.

The enhanced footprint that Itaú CorpBanca will have in Chile and Colombia is also expected to provide greater scale and resources to grow and compete more effectively within those countries, further consolidating our position as the fourth largest private bank in Chile measured by total loans with a combined market share of 12.3% as of December 31, 2015 compared to the 7.2% market share that we had as of December 31, 2015 on an unconsolidated basis.

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 until September 30, 2015 we were the only Chilean-based bank to acquire a universal bank outside Chile. As of today, we remain the only Chilean-based bank to have a footprint in Colombia through a universal bank. As of December 31, 2015, according to the Colombian Superintendency of Finance, CorpBanca Colombia was the sixth largest bank in Colombia in terms of total assets and the sixth largest bank in Colombia in terms of total loans.

Experienced Management Team

Our largest shareholder, Mr. Alvaro Saieh Bendeck has over twenty nine 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 sixteen years experience as a member of the board of directors and more than four years experience as first vice chairman. Our chief executive officer, or CEO until March 28, 2016, Fernando Massú, has more than thirty two years of experience in the banking and financial services industry. Our chief financial officer, or CFO, Eugenio Gigogne, has over twenty five years of experience in the banking and financial services industry. The CEO of CorpBanca Colombia, Jaime Munita Valdivieso, has over twenty two years of experience in the banking and financial services industry. The members of the board of directors of CorpBanca Colombia also have a wealth of experience in the Colombian market and the banking and financial services industry.

As previously announced by us on November 23, 2015, our management structure is expected to change immediately following the closing of the Itaú-CorpBanca Merger. In particular, Fernando Massú has communicated his resignation as CEO, effective as from March 28, 2016, and is expected to be replaced by Milton Maluhy Filho, as soon as the Itaú-CorpBanca Merger is consumated. Mr. Maluhy Filho joined Itaú Unibanco in 2003 and became a partner in 2011. He is currently the CEO of Banco Itaú Chile. Previously, he was CEO of Rede S.A. (Redecard), a card processing subsidiary, and Executive Director at Itaú Unibanco, responsible for the management of the credit card segment and retail store alliances. Previously, he worked at Itaú BBA, holding leadership positions in areas such as international, products, operations, treasury, and trading desk. Prior to joining the bank, he worked at J.P. Morgan Crédit Commercial de France (CCF Brasil), and Lloyds TSB.

Although, the current composition of the board of directors of CorpBanca is expected to materially change given the change of control in favor of Itaú Unibanco once the Itaú-CorpBanca Merger is consumated, 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 1.3% as of December 31, 2015, and a ratio of charge-offs to average outstanding loans of 0.8% as of December 31, 2015. 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 in Colombia. The Chilean and Colombian economies have generally demonstrated strong macroeconomic fundamentals in terms of Gross Domestic Product, or GDP, per capita and inflation; nevertheless in the past two years, the macroeconomic environment in both countries has shown mild GDP per capita growth (1.2% and 1.3% during 2015 in Chile and Colombia, respectively) and a shift in the inflation trend (4.4% and 6.8% during 2015 in Chile and Colombia, respectively). Still, the Chilean economy is recognized 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 Baa2, with a "stable" 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 are complementary banking operations given their market position, which will enhance our competitive positioning and help enrich our client servicing models. In addition, we seek to identify and pursue growth-enhancing strategic opportunities. We will continue to evaluate 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 comparable lower banking penetration rates and higher in terms of GDP per capita in Colombia. The CorpBanca Colombia Acquisition, the Helm Bank Acquisition and the pending Itaú-CorpBanca Merger demonstrate 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. With the Itaú-CorpBanca merger, we expect to achieve a stronger penetration of the wholesale market in Colombia as a result of the consolidation of Corporación Financiera Itaú BBA into our business and also leveraging retail banking best practices from Itaú Unibanco's Brazil operations.

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. The Itaú-CorpBanca Merger Will provide further opportunities to offer our clients an improved product menu leveraging the strong international position of Itaú Unibanco in both wholesale and retail business.



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 in 2015 for the fifth year the Global Finance Award as Best Digital Bank 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 is focused on implementing technological solutions aimed at identifying means of improving our overall profitability and optimizing our cost structure, such as online time deposits which have an innovative product of great success in Chile. CorpBanca Colombia implemented the “AzulNet”, a portal with new features, faster response time and optimized services for business and retail customers. Through these initiatives, we will continue to strive to improve our efficiency ratio. As of December 31, 2015, we had a consolidated efficiency ratio of 47.3% (defined as operating expenses as a percentage of operating revenue consisting of 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 decrease compared to 50.5% as of December 31, 2014. When we split CorpBanca and CorpBanca Colombia from a management point of view, the recovery trend in both countries is similar: 47.3% vs. 50.5% in Chile in 2015 and 2014, and 47.2% vs. 50.6% in Colombia in 2015 and 2014, respectively.

As a result of our partnership with Itaú Chile, after the consummation of 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 continue to create value while we finalize the integration of Helm Bank and while we consummate the merger and integration with Itaú Chile’s operations.

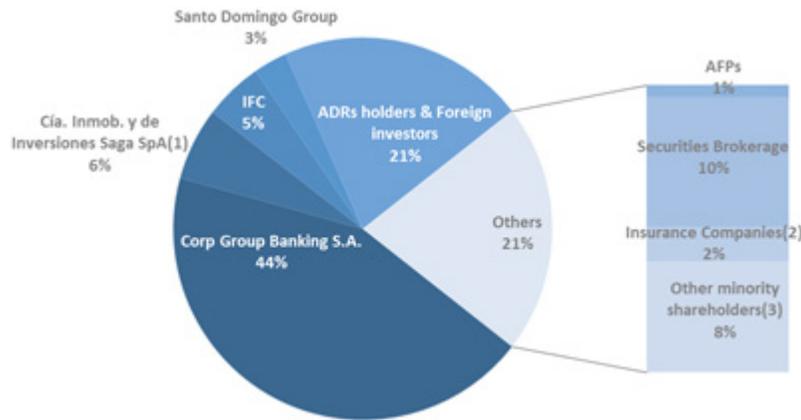
Increase our Profitability by Allocating our Capital More Effectively

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 and consummating the Itaú-CorpBanca Merger.



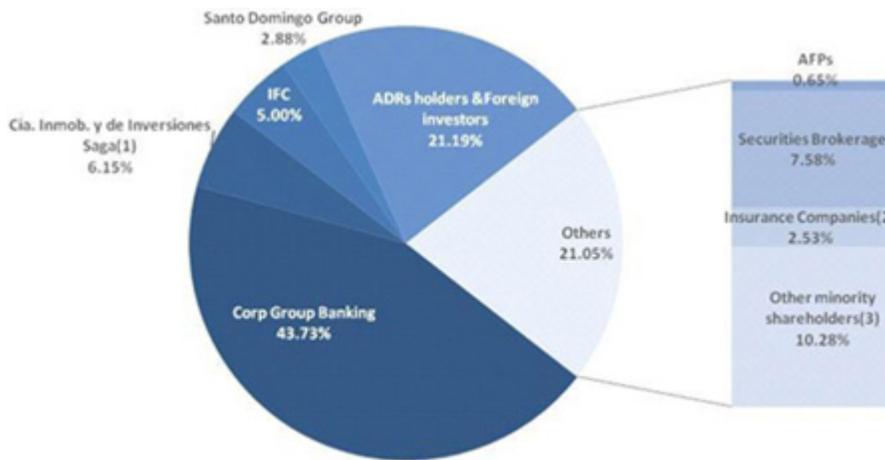
OWNERSHIP STRUCTURE

The following diagram shows our ownership structure as of December 31, 2015:



- 1) Includes 926,513,842 shares owned by Saga that are under custody.
- 2) Since November 2013, includes CorpVida and CorpSeguros (1.18%) which are no longer controlled by the Saieh Group.
- 3) Includes Moneda's funds with a total of 2.69% ownership.

The following diagram shows our ownership structure as of December 31, 2014:



- 1) Includes 926,513,842 shares owned by Saga that are under custody.
- 2) Since November 2013, includes CorpVida and CorpSeguros (1.33%) which are no longer controlled by the Saieh Group.
- 3) Includes Moneda's funds with a total of 3.29% ownership.



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, 2013, 2014 and 2015.
 2) Only for CorpBanca.



The following chart sets forth a breakdown of our revenue by geographic market for the years ended December 31, 2013, 2014 and 2015:

	Net Interest Income by geographic market		
	Year ended December 31,		
	2013	2014	2015
	(in million of Ch\$)		
CorpBanca Chile	253,889	331,572	325,466
CorpBanca Colombia ⁽¹⁾⁽²⁾	196,324	290,113	276,200
CorpBanca New York	7,477	9,199	18,913
Total	457,690	630,884	620,579

- 1) Includes direct and indirect ownership of CorpBanca in Colombia: (i) CorpBanca Colombia and subsidiaries (including Panamá) and (ii) Helm Corredor de Seguros.
- 2) For 2013 includes five months of Helm Bank acquired in August 2013.

The following table provides information on the composition of our loan portfolio net of allowances as of December 31, 2013 and 2014:

	As of December 31,			
	2013	2014	Variation	Variation
	(in million of constant Ch\$)			(%)
Commercial loans				
Commercial loans	7,625,381	8,236,385	611,004	8.0%
Foreign trade loans	437,102	484,576	47,474	10.9%
Current account debtors	27,193	33,335	6,142	22.6%
Factoring operations	73,280	68,038	(5,242)	(7.2)%
Leasing transactions	811,462	866,180	54,718	6.7%
Other loans and receivables	219,684	305,952	86,268	39.3%
Subtotals	9,194,102	9,994,466	800,364	8.7%
Mortgage loans				
Letters of credit loans	73,831	64,430	(9,401)	(12.7)%
Endorsable mutual mortgage loans	194,788	181,269	(13,519)	(6.9)%
Other mutual mortgage loans	1,415,731	1,661,265	245,534	17.3%
Leasing transactions	260,145	279,326	19,181	7.4%
Other loans and receivables	37,513	35,506	(2,007)	(5.4)%
Subtotal	1,982,008	2,221,796	239,788	12.1%
Consumer loans				
Consumer loans	1,046,179	1,110,843	64,664	6.2%
Current account debtors	38,938	45,851	6,913	17.8%
Credit card debtors	226,281	237,605	11,324	5.0%
Consumer leasing transactions	21,437	19,702	(1,735)	(8.1)%
Other loans and receivables	262,697	262,007	(690)	(0.3)%
Subtotal	1,595,532	1,676,008	80,476	5.0%
Total	12,771,642	13,892,270	1,120,628	8.8%



The following table provides information on the composition of our loan portfolio net of allowances as of December 31, 2014 and 2015:

	As of December 31,			
	2014	2015	Variation	Variation
	(in million of constant Ch\$)			
				(%)
Commercial loans				
Commercial loans	8,236,385	8,726,128	489,773	5.9%
Foreign trade loans	484,576	504,883	20,307	4.2%
Current account debtors	33,335	26,551	(6,784)	(20.4)%
Factoring operations	68,038	60,453	(7,585)	(11.1)%
Leasing transactions	866,180	867,861	1,681	0.2%
Other loans and receivables	305,952	371,891	65,939	21.6%
Subtotals	<u>9,994,466</u>	<u>10,557,797</u>	<u>563,331</u>	<u>5.6%</u>
Mortgage loans				
Letters of credit loans	64,430	54,249	(10,181)	(15.8)%
Endorsable mutual mortgage loans	181,269	160,679	(20,590)	(11.4)%
Other mutual mortgage loans	1,661,265	1,701,512	40,247	2.4%
Leasing transactions	279,326	271,174	(8,152)	(2.9)%
Other loans and receivables	35,506	32,173	(3,333)	(9.4)%
Subtotal	<u>2,221,796</u>	<u>2,219,787</u>	<u>(2,009)</u>	<u>(0.1)%</u>
Consumer loans				
Consumer loans	1,110,843	1,283,457	172,614	15.5%
Current account debtors	45,851	50,804	4,953	10.8%
Credit card debtors	237,605	241,628	4,023	1.7%
Consumer leasing transactions	19,702	18,253	(1,449)	(7.4)%
Other loans and receivables	262,007	82,631	(179,376)	(68.5)%
Subtotal	<u>1,676,008</u>	<u>1,676,773</u>	<u>765</u>	<u>0.0%</u>
Total	<u>13,892,270</u>	<u>14,454,357</u>	<u>562,087</u>	<u>4.0%</u>

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: our Large, Corporate and Real Estate Companies division and our Companies division. For the years ended December 31, 2013, 2014 and 2015, our combined total average corporate loans outstanding for our Large, Corporate and Real Estate Companies division and our Companies division amounted to Ch\$5,631,462 or 48.9% of total average loans, Ch\$5,569,994 or 40.1% of total average loans and Ch\$6,026,801 or 41.2% of total average loans, respectively.

Large, Corporate and Real Estate Companies. This division serves large economic groups, state-owned and private 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, 2015, we had 1,817 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 December 31, 2013, 2014 and 2015, our total average corporate loans outstanding for our Large, Corporate and Real Estate Companies division amounted to Ch\$3,843,701 or 33.4% of total average loans, Ch\$3,791,937 or 27.3% of total average loans and Ch\$3,919,595 or 26.8% 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, which are serviced by our Large, Corporate and Real Estate Companies division. 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, 2015, we had 20,966 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 in Chile depending on their monthly income and/or net worth. Our retail banking divisions serve retail customers in Chile 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 in Chile 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 in Chile 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. As of December 31, 2015, we had 228,674 traditional banking clients, a decrease of 0.9% as compared to December 31, 2014.

Private Banking

Within our Private Banking Division, we provide private banking services to our high income and high net worth customers in Chile. 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, 2015, we had 10,314 Private Banking clients, an increase of 11.3% as compared to December 31, 2014.

For the year ended December 31, 2015, our Traditional and Private Banking Division had loans with an annual average balance of Ch\$2,994,312 or 20.5% of total average loans (a year-on-year increase of 24% on an average balance basis).

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, 2015, we had approximately 85,874 retail checking accounts, an increase of 8.3% as compared to December 31, 2014. Additionally, this growth in retail checking accounts has been accompanied by an increase in the average balance per account from Ch\$143,035 million in 2014 to Ch\$154,704 million in 2015.

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. As of December 31, 2015, we had 194,305 credit cards issued under the brand name CorpBanca, an increase of 10.6% as compared to December 31, 2014. Our promotions such as discounts on gasoline purchases have allowed us to excel in sales as well as usage-rates of this product. Also, as of December 31, 2015 we had 101,245 credit cards issued by our subsidiary SMU Corp S.A., or SMU Corp, under the brand name “Unimarc”, a decrease of 4.1% as compared to December 31, 2014.

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 7,976 ATMs (including Banco del Estado de Chile’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 thirty 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, 2015 represented only 2.4% 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, 2015 was 4.8%. 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 was 5.7%, 5.5% and 4.8% as of December 31, 2013, 2014 and 2015, 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 ten 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 in Chile 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 insurance policies and time deposits to the traditionally underserved low-to-middle income segments of the Chilean population. For the year ended December 31, 2015, our Banco Condell division managed loans with an annual average balance of Ch\$171,186 million, or 1.2% 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\$7.0 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.

Consumer Insurance policies: We offer life, health, unemployment and credit-related life insurance policies.

Time Deposits and Debit Cards: We offer time deposits and debit cards oriented to low income segments for savings and financial transactions.

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, 2015, our outstanding loans from foreign banks were US\$1,597.2 million with approximately 52 institutions in the U.S., Canada, Germany, France, Taiwan, England, Japan, Singapore, Switzerland and other countries including in Latin America. The international global risk assets outstanding as of December 31, 2015 were US\$2,014.4 million.

CorpBanca Colombia

CorpBanca Colombia provides a broad range of commercial and retail banking services to its customers in Colombia, operating principally in the cities of Bogotá, Medellín, Cali, Bucaramanga, Cartagena and Barranquilla. As of December 31, 2015, according to the Colombian Superintendency of Finance, CorpBanca Colombia was the sixth largest bank in Colombia in terms of total assets, the sixth largest bank in Colombia in terms of total loans and the sixth largest bank in Colombia, in terms of total deposits as reported under local regulatory and accounting principles.

As of December 31, 2015, according to our consolidated financial statements, which have been prepared in accordance with IFRS, CorpBanca Colombia had total assets of COP\$33,785,247 million (US\$10,778 million), including total loans of COP\$22,984,175 million (US\$7,332 million), total deposits of COP\$10,492,939 million (US\$3,347 million) and total shareholders' equity of COP\$3,437,030 million (US\$1,096 million). For the year ended December 31, 2015, CorpBanca Colombia had total net interest income of COP\$1,218,716 million (US\$389 million) and net income of COP\$307,008 million (US\$98 million). As of December 31, 2015, CorpBanca Colombia had 177 branches and offices, 180 ATMs and over 3,707 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 and corporate customers. Operating with an offshore foreign branch of a Chilean bank is especially attractive to clients as it provides a sense of proximity and it allows us to accompany them as they expand abroad, responding to their needs and service requirements. Our target market on the liability side consists of medium and large Chilean companies, Latin American companies, and Latin American banks without offshore branch offices, among others. Funding has shown continuous growth allowing the branch to fully self-provide its funding needs. Additionally we have a private banking unit which provides sophisticated retail customers checking accounts and other associated services.

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.

Financial Services Offered Through Subsidiaries

We have made several strategic long-term investments in financial services companies in Chile (each of which are regulated and supervised by either the SBIF or the SVS), which are engaged in activities complementary to our core Chilean banking activities. Through wholly-owned subsidiaries, 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, 2015, assets of our subsidiaries represented 1.0% of total consolidated, percentage that remains stable compared to December 31, 2014. For the year ended December 31, 2015, net income of our subsidiaries represented 14.8% of total consolidated net income compared to 14.1% for the year ended December 31, 2014.

The following table sets forth certain financial information with respect to our financial services subsidiaries as of December 31, 2013, 2014 and 2015, 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,								
	2013			2014			2015		
	Assets	Equity	Net Income	Assets	Equity	Net Income	Assets	Equity	Net Income
CorpBanca Corredores de Bolsa S.A.	88,876	40,720	2,206	79,488	40,274	1,760	79,758	39,601	1,064
CorpBanca Administradora General de Fondos S.A.	9,516	4,433	2,603	7,561	5,917	4,083	8,831	5,929	4,096
CorpBanca Corredores de Seguros S.A.	16,318	13,875	7,866	18,006	15,165	9,012	20,234	15,432	8,759
CorpBanca Asesorías Financieras S.A.	12,590	9,230	9,046	25,166	17,495	17,311	22,709	16,697	16,513
Corp Legal S.A.	2,634	2,307	304	2,815	2,576	269	3,021	2,712	137
Corp Capital Agencia de Valores S.A.	1,137	925	(62)	—	—	(288)	—	—	—
SMU Corp S.A.	12,519	4,870	(3,010)	19,523	5,598	(1,403)	19,864	5,395	(1,074)
CorpBanca Investment Trust Colombia S.A.	16,800	15,555	2,291	18,284	16,875	3,870	13,070	12,810	818
Helm Comisionista de Bolsa S.A. (previously known as CorpBanca Investment Valores Colombia S.A.) ⁽¹⁾	5,357	4,652	580	8,628	7,681	954	9,477	8,227	2,350
CorpBanca Securities INC-NY	1,037	1,036	(16)	243	167	(1,009)	798	769	(381)
Helm Corredor de Seguros S.A.	4,818	2,774	516	3,786	2,448	1,872	4,165	2,993	847
Helm Comisionista de Bolsa S.A. ⁽²⁾	5,741	4,787	98	—	—	—	—	—	—
Helm Fiduciaria S.A.	12,207	10,967	184	13,801	12,173	2,238	14,597	12,586	2,592
Helm Casa de Valores (Panamá) S.A.	528	501	50	482	395	—	512	455	(10)
Recaudaciones y Cobranzas S.A. ⁽³⁾	—	—	—	—	—	—	2,214	652	(273)

- 1) On September 1, 2014, Helm Comisionista de Bolsa S.A. merged with and into CorpBanca Investment Valores Colombia S.A., with CorpBanca Investment Valores Colombia S.A. being the surviving company. Immediately upon consummation of the merger, CorpBanca Investment Valores Colombia S.A. assumed the Helm Comisionista de Bolsa S.A. name.
- 2) On September 1, 2014, Helm Comisionista de Bolsa S.A. merged with and into CorpBanca Investment Valores Colombia S.A., with CorpBanca Investment Valores Colombia S.A. being the surviving company.
- 3) On February 25, 2015 CorpBanca acquired 73,609 shares in Recaudaciones y Cobranzas S.A. and CorpBanca Asesorias Financieras S.A. acquired 1 share of the same Company. CorpBanca controls 100% of Recaudaciones y Cobranzas S.A.

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\$2,206 million, Ch\$1,760 million and Ch\$1,064 million for the years ended December 31, 2013, 2014 and 2015, respectively. CCB had assets under custody of Ch\$346,211 million, Ch\$295,612 million and Ch\$278,281 million as of December 31, 2013, 2014 and 2015, respectively. For the year ended December 31, 2015, CCB's net income decreased by Ch\$696 million, or 39.5%, as compared net income for the year ended December 31, 2014. This trend was driven by drastically lower trading volumes in the local equity markets, which were at a 9-year low for the year ended December 31, 2015. In order to mitigate adverse market conditions, CCB has refocused marketing efforts and redirect investments to products and businesses where there are investment opportunities for clients.

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, 2013, 2014 and 2015, CAGF had net income of Ch\$2,603 million, Ch\$4,083 million and Ch\$4,096 million, respectively. CAGF had total assets of Ch\$9,516 million, Ch\$7,561 million and Ch\$8,831 million as of December 31, 2013, 2014 and 2015, respectively. As of December 31, 2015, CAGF managed 26 mutual funds including fixed income funds and seven private investment funds and had total assets under management amounting to Ch\$1,097,656 million, a decrease of Ch\$79,942 million when compared to December 31, 2014. Our local fixed income funds experienced significant withdrawals during 2015. After several months of decreases, local fixed income rates suffered dramatic increases, especially during April and the last quarter of 2015. These sudden rate increases triggered capital losses which led to outflows, mainly from more conservative investors.



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, 2013, 2014 and 2015, CCS had net income of Ch\$7,866 million, Ch\$9,012 million and Ch\$8,759 million, respectively. CCS had total assets of Ch\$16,318 million, Ch\$18,006 million and Ch\$20,234 million as of December 31, 2013, 2014 and 2015, 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, 2013, 2014 and 2015, CAF had net income of Ch\$9,046 million, Ch\$17,311 million and Ch\$16,513 million, respectively. CAF had total assets of Ch\$12,590 million, Ch\$25,166 million and Ch\$22,709 million as of December 31, 2013, 2014 and 2015, respectively.

Corp Legal S.A.

Corp Legal S.A. was created in 2007 and is regulated by the SBIF. It provides standard legal services to CorpBanca, its subsidiaries and its clients.

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 is the issuance, operation and management of “Unimarc” credit cards to customers of supermarkets associated with SMU. During the year ended December 31, 2015, our customers purchased more than US\$18 million in products and services in over 297 Unimarc supermarkets with the Unimarc card. These sales volumes represented about 0.7% of the sales of Unimarc for the year ended December 31, 2015. Unimarc credit cards were used for more than 537,000 transactions during the year ended December 31, 2015, including over 27,000 instances of cash advances.

CorpBanca Investment Trust Colombia S.A.

We acquired a 91.9% equity interest in CorpBanca Investment Trust Colombia S.A., or 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.

During 2015, CIT Colombia completed the implementation of a new custody software and became the first custodian to be certified with the Colombia Stock Exchange for the automation of processes for the development of the custodian activities. Consequently, in July, CIT Colombia initiated local custody for a value of assets under custody of COP1.6 trillion. CIT Colombia also entered in new contracts with entities in Panama, Mexico, Brazil and Luxembourg for global custody arrangements.

CorpBanca Securities INC-NY

CorpBanca Securities INC., or CSINC, is a broker-dealer in the United States regulated by the SEC and the Financial Industry Regulatory Authority, or FINRA, a self-regulatory organization that all U.S. based broker-dealers are required to join.

Broker-dealers’ transactions can take place on national stock exchanges as well as off exchanges, with the requirement that all transactions performed by a U.S. based broker dealer are subject to regulatory oversight by the SEC and FINRA.

As of December 2015, CSINC has been approved by the SEC and FINRA, and is awaiting approval by the Federal Reserve (FED) to begin operations.



Helm Corredor de Seguros, S.A.

Helm Corredor de Seguros S.A. is a Colombian corporation (*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. (previously known as CorpBanca Investment Valores Colombia S.A.)

Helm Comisionista de Bolsa S.A. is a licensed securities broker dealer operating in Colombia that is the result of the consolidation of two previously separate subsidiaries of CorpBanca Colombia, CorpBanca Investment Valores Colombia S.A. and Helm Comisionista de Bolsa S.A.

Helm Comisionista de Bolsa S.A. offers and maintains the complete portfolio of products and services previously offered separately by each of Helm Comisionista de Bolsa S.A. and CorpBanca Investment Valores Colombia S.A. Additionally, Helm Comisionista de Bolsa S.A. continue to serve the clients that were historically served separately by each of Helm Comisionista de Bolsa S.A. and CorpBanca Investment Valores Colombia S.A.

Helm Fiduciaria S.A.

Helm Fiduciaria S.A., is a Colombian corporation (*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 corporation (*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 corporation (*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.

Recaudaciones y Cobranzas S.A.

On February 25, 2015, CorpBanca directly and indirectly acquired all of the issued and outstanding shares of Recaudaciones y Cobranzas S.A, or Instacob, a debt collection company providing court and out-of-court collections services for loans. As a result of this transaction, Instacob became a wholly owned subsidiary of ours.

SEASONALITY

Our business is not materially affected by seasonality.

RAW MATERIALS

On a consolidated basis, CorpBanca is not dependent on sources or availability of raw materials.

DISTRIBUTION CHANNELS, ELECTRONIC BANKING AND TECHNOLOGY

CorpBanca

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, 2015, we operated 127 branch offices in Chile and New York, which includes 71 branches operating as CorpBanca, 56 branches operating as Banco Condell, our consumer finance division and our New York Branch. In addition, as of December 31, 2015, we owned and operated 417 ATMs in Chile, and our customers have access to 7,976 ATMs (including Banco del Estado de Chile’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, 2015, we had 166,224 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, 2015, CorpBanca Colombia operated 177 branch offices in Colombia and one branch in Panama and owned and operated 180 ATMs in Colombia, and also provided its customers with access to 14,133 additional ATMs through Colombia’s other 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, 2015, CorpBanca Colombia had 104,460 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 product designed to facilitate and optimize the financial management of its commercial customers. This product, which CorpBanca Colombia markets under the name “AzulNet”, includes services such as payroll support and payments to suppliers. Additionally, CorpBanca Colombia has decided to implement the IBS platform (which has been implemented and is used by CorpBanca both in Chile and in New York) and is currently in the implementation phase of the project.



PATENTS, LICENSES AND CONTRACTS

CorpBanca is not dependent on patents or licenses, nor is it substantially dependent on any industrial, commercial or financial contracts (including contracts with customers or suppliers).

COMPETITION

Competition in Chile

Description of the Chilean Financial System. The Chilean financial services market consists of a variety of largely distinct sectors. The most significant sector, commercial banking, includes 24 privately-owned banks and one state-owned bank, Banco del Estado de Chile (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 2015, 5 private sector banks along with the state-owned bank together accounted for 78.3% of all outstanding loans by Chilean financial institutions as of December 31, 2015: Banco Santander-Chile (18.9%), Banco de Chile (18.3%), Banco de Crédito e Inversiones, or BCI (12.9%), CorpBanca (7.2%), Banco Bilbao Vizcaya Argentaria, Chile (6.7%) and Banco del Estado de Chile (14.3%). All market share statistics in this paragraph are presented as reported to the SBIF calculated under local regulatory and accounting principles on an unconsolidated basis.

Financial System Evolution in Chile. The Chilean banking system has experienced a consolidation process in the past decades with mergers and acquisitions of banking entities in line with global trends. Currently, the largest Chilean bank in terms of loans outstanding is Banco Santander-Chile.

Following rapid consolidation among Chilean banks commencing in the late 1990s through today, the market has become characterized by fewer larger players. Our principal competitors in Chile 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. To the extent permitted by the Chilean General Banking Act, 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 CorpBanca Colombia Acquisition and the Helm Bank Acquisition. Several mergers and acquisitions have taken place since 2008, including: (a) the acquisition of the Colombian arm of ABN Amro Bank by the Royal Bank of Scotland; (b) the acquisition of a majority stake in Banco Colpatria by Scotiabank; (c) the acquisition of BAC-Credomatic, which has operations in several countries in Central America, by Banco de Bogotá; (d) the merger of Helm Bank S.A. with and into Banco CorpBanca Colombia S.A.; and (e) the merger of Banco GNB Colombia S.A. (previously known as Banco HSBC Colombia S.A.) with and into Banco GNB Sudameris S.A. During 2015 three new banks commenced operations in Colombia: Banco Mundo Mujer S.A. (previously operating as a microloan originator); Banco Multibank and Banco Compartir S.A., which converted its licenses from financing companies to banks.



Additionally, pursuant to the Transaction Agreement with Itaú Unibanco, 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 US\$100 million in a transaction expected to close by the end of 2016.

As of December 31, 2015, and according to the Colombian Superintendency of Finance, the principal participants in the Colombian financial system were the Central Bank of Colombia, 25 commercial banks (14 domestic private banks, 10 foreign banks, and one domestic state-owned bank), five finance corporations and 16 financing companies (four leasing companies and 12 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) 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 2014 and 2015. 2015 was a challenging year for the Colombian financial services sector. The global decline in oil prices, depreciation of the Colombian peso and increased inflation rate of 6.77% which surpassed the Central Bank's target range of 2%-4% created headwinds that hindered growth in the country. Additionally, pursuant to Law 1314 of 2009, as of January 2015 the financial sector implemented IFRS, however under local regulation those standards for non-consolidated financial statements do not fully comply with those issued by IASB especially on the loan loss provisions chapter. Bank lending increased 15.3% and deposits grew 11.6% as of December 2015, compared to December 2014. In terms of Monetary Policy in Colombia, the year began with a reference interest rate of 4.5% that increased to 5.75% in the last four months with the objective of aligning inflation expectations.

The demand for business loans granted by banks increased by 11.8% for 2015, compared to a 16.7% increase in 2014. Consumer loans granted by banks grew by 11.6% in 2015, compared to a 13.1% increase observed in 2014 and 11.7% registered in 2013. There was an increase on the dynamics of mortgage and small business loans, with increases of 46.6% and 20.8%, respectively, for 2015 relative to 2014. With the implementation of IFRS, Colombian banks reclassified home leasing operations as mortgages as of January 2015 from their prior classification as business loans for 2014 and prior years. Nevertheless, the implementation of IFRS had additional effects on the loan portfolio growth, loans to employees and operational leasing operations were included in the loan portfolio line as of January 2015.

The Colombian banking system's level of past-due loans as a percentage of the system's total loan portfolio increased to 3.0% for December 2015, after the 2.9% registered on December 2014. In addition, coverage, measured as the ratio of allowances to past-due loans, ended 2015 at 145.8%, compared to 150.5% at the end of 2014.

During 2015, lending gained some weight in the Colombian banks system's structure. Net loans increased from 65.7% of total assets at the end of 2014 to 66.7% at the end of 2015, and investment portfolio and derivatives, as a percentage of total assets, increased from 19.1% at the end of 2014 to 19.4% at the end of 2015.

As of December 31, 2015, the Colombian financial sector recorded COP\$547,286,169 million in total assets, representing a 13.8% increase as of December 31, 2014. The Colombian financial system's total composition of assets shows banks with a market share of 91.8%, followed by financing companies with 5.2%, financial corporations with 2.5% and financial cooperatives with 0.5%.

As of December 31, 2015, the capital adequacy ratio (tier 1 + tier 2) for credit institutions was 15.15% (including banks, finance corporations and financing companies), decreasing by 45 bps when compared to December 31, 2014, and which is well above the minimum legal requirement of 9%.

Loans

As of December 31, 2014 and 2015, our gross consolidated loan portfolio was Ch\$14,211,349 million and Ch\$14,810,136 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 consolidated loan portfolio represented 10.4% of the market for loans in the Chilean financial system (comprising all commercial banks) as of December 31, 2015. During the period from 2012 to 2015, the compounded annual growth rate of our loan portfolio, excluding interbank loans in nominal terms, was 13.4% as compared to an increase of 12.1% 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 2013, 2014 and 2015, based on information as reported to the SBIF calculated under local regulatory and accounting principles:

	Bank Loans⁽¹⁾		
	As of December 31,		
	2013	2014	2015
	(in million of Ch\$)		
Banco Santander-Chile	20,935,312	22,880,706	25,289,880
Banco de Chile	20,869,511	21,876,648	24,558,041
Banco de Crédito e Inversiones (BCI)	14,423,318	15,773,528	20,134,981
CORPBANCA ⁽²⁾	13,085,663	14,211,349	14,810,136
Banco Bilbao Vizcaya Argentaria, BBVA	7,537,202	8,338,898	9,002,343
Scotiabank Chile	5,419,672	6,285,129	8,227,571
Others	31,925,978	36,501,973	39,947,092
Total	114,196,656	125,868,231	141,970,044

Source: SBIF monthly consolidated financial information

- (1) Excludes interbank loans.
(2) The amounts under IFRS for years, 2013, 2014 and 2015, are MCh\$ 12,897,681, MCh\$ 14,029,875 and MCh\$ 14,628,296 respectively.

Deposits

We had consolidated deposits of Ch\$12,927,222 million as of December 31, 2015, 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 10.8% 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, 2013, 2014 and 2015, 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,		
	2013	2014	2015
	(in million of Ch\$)		
Banco Santander-Chile	15,296,035	16,894,437	19,538,888
Banco de Chile	16,387,057	16,655,619	18,234,740
Banco de Crédito e Inversiones (BCI)	11,628,315	12,821,049	17,349,184
CORPBANCA ⁽¹⁾	10,789,086	12,031,914	12,927,222
Banco Bilbao Vizcaya Argentaria Chile (BBVA)	5,912,767	6,316,699	6,689,730
Scotiabank Chile	3,392,308	3,804,363	5,204,251
Others	33,746,086	36,959,088	39,623,430
Total	97,151,654	105,483,169	119,567,445

Source: SBIF monthly consolidated financial information

- (1) Our aggregate deposits as calculated under IFRS for the years ended December 31, 2013, 2014 and 2015 were Ch\$10,789,086 million, Ch\$12,031,914 million and Ch\$12,927,222 million, respectively.

Shareholders' Equity

We were the fourth largest among private sector banks in Chile with Ch\$1,082,837 million in shareholders' equity (excluding net income and accrual for mandatory dividends) as of December 31, 2015, 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, 2013, 2014 and 2015, based on information as reported to the SBIF calculated under local regulatory and accounting principles:

	Shareholders' Equity ⁽¹⁾⁽²⁾		
	As of December 31,		
	2013	2014	2015
	(in million of Ch\$)		
Banco Santander-Chile	2,016,330	2,224,664	2,420,484
Banco de Chile	2,095,294	2,268,662	2,505,558
Banco de Crédito e Inversiones (BCI)	1,371,893	1,560,882	1,771,113
CORPBANCA ⁽³⁾	1,333,795	1,330,297	1,082,837
Banco Bilbao Vizcaya Argentaria Chile (BBVA)	631,042	663,829	722,896
Scotiabank Chile	606,391	652,403	703,600
Others	3,459,970	3,993,427	4,590,585
Total	11,514,715	12,694,164	13,797,073

Source: SBIF monthly consolidated financial information

- 1) Shareholders equity = Equity attributable to shareholders excluding net income and provision for mandatory dividend.
- 2) For comparison purposes with other banks, the information is presented under standards issued by the SBIF.
- 3) The amounts under IFRS, excluding net income, non-controlling interest, and accrued for mandatory dividends, for the years ended December 31, 2013, 2014 and 2015 were, Ch\$ 1,341,324 million, Ch\$ 1,344,858 million and Ch\$ 1,105,117 respectively.

CHILEAN BANKING REGULATION AND SUPERVISION

General

In Chile, only banks may maintain checking accounts for their customers and accept time deposits. The principal financial institutions regulators in Chile are the SBIF and the Central Bank of Chile. Chilean banks are primarily subject to the Chilean General Banking Act and secondarily, to the extent not inconsistent with such statute, the provisions of the *Ley 18.046 sobre Sociedades Anónimas* or the Chilean Corporations Act 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 Chilean General Banking Act. The Chilean General Banking Act sets forth the regulatory framework to which banks are subject outlining the activities that a bank may and may not carry out in Chile and their attributions -in addition to traditional banking activities- including general underwriting powers for new issuances 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 acquired from financial institutions 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 Act. To the extent not inconsistent with the Chilean Constitution or the Central Bank of Chile's Constitutional Act, 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 council 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 by the SBIF, an independent Chilean governmental agency. The main responsibilities of the SBIF are to authorize the incorporation of new banks and to interpret and enforce, with broad powers, legal and regulatory requirements applicable to Chilean banks and other entities. Furthermore, in case of non-compliance with such legal and regulatory requirements, the SBIF may 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 appoint, by special resolution 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 unaudited consolidated and unconsolidated financial statements to the SBIF and publish their quarterly and annual financial statements 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.

The SBIF must approve in advance any direct or indirect acquisition of more than 10% of the share capital of a bank. The absence of such approval will cause the acquiror 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 Act and its regulations.

Limitations on Types of Activities

Chilean banks can only conduct those activities allowed by the Chilean General Banking Act: 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. In addition, local banks are allowed to engage in certain derivatives such as options, swaps and forward contracts over certain underlying assets. 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.

Deposit Insurance

In Chile, the government guarantees up to 90% of the aggregate amount of certain time deposits held by individuals in the Chilean banking system. The government guarantee covers those obligations with a maximum value of UF120 per person (Ch\$3.08 million or US\$4,329.7 as of December 31, 2015) 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.

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 Act 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 Act, a bank must have a minimum paid-in capital and reserves of UF800,000 (Ch\$20,503.2 million or US\$28.9 million as of December 31, 2015).

Capital Adequacy Requirements

The Chilean General Banking Act and the Regulations of the SBIF include a modified version of the capital adequacy guidelines issued by the Basel Committee. According to such modified guidelines, 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.

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

Within the scope of Basel III 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 Act, Chilean banks are subject to certain lending limits, including the following:

- a bank cannot extend to any entity or individual, 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% of its effective net equity if the excess over 10% 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% 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% 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%;
- a bank cannot extend loans to another financial institution subject to the Chilean General Banking Act 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 such 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. 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 Act. 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 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 or profits, 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.

Allowance for Loan Losses

Chilean banks are required to provide to the SBIF detailed information regarding their loan portfolio on a monthly basis. The SBIF examines and evaluates each financial institution’s credit management process, including its compliance with the loan classification guidelines. Banks must classify and evaluate their credits portfolio pursuant to the rules issued by the SBIF. However, a bank may request the authorization of the SBIF to use its own internal evaluation model for groups, to the extent they comply with certain requirements.

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. The classification of each bank 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, which must be corrected within the period preceding the next evaluation, considering also the penalties imposed to the bank (except for those with a pending claim). Level C banks display significant deficiencies in internal controls, information systems, response to risk, private risk rating or ability to manage contingency scenarios.

Capital Markets

Under the Chilean General Banking Act, 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 advisory services 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, by the SVS, the regulator of the Chilean securities market and of open-stock (public) corporations.

In August 2010, the Chilean government passed Law No. 20,448, or MK3, which allowed non-Chilean banks with representative offices in Chile to promote their headquarters' credit products and credit services directly in Chile. 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) above 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*) or SAFP. Currently, banks are not authorized to create or engage in the business of insurance companies (other than as insurance brokers) and pension funds or health insurance administrators.

Banks may also, with the prior authorization of the SBIF, 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

Liquidation of Chilean banks may not be ordered in bankruptcy procedures, except when undergoing voluntary liquidation. The Chilean General Banking Act sets forth that if a bank is under certain specific adverse circumstances, its board of directors must correct the situation within 30 days from the date in which the relevant financial statements are presented to the board. If the board of directors is unable to do so, it must summon 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 and paid 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 of its obligations or if a bank is under provisional administration by the SBIF, the Chilean General Banking Act provides that the bank may receive a two-year term loan from another bank which will be subordinated to other liabilities of the 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 its credits, agree on extensions, obtain forgiveness of debts or adopt any other valid measures for the payment of the debts. The terms of a reorganization plan must be the same for all the proposing bank's creditors to whom such plan is applicable. From the date of submission of the reorganization plan until there is a decision from the creditors regarding such plan, the bank will only be required to pay demand deposits and liabilities. 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 the reorganization plan is rejected by the creditors, the bank must submit a new proposal which must include the capitalization in an amount required so that the ratio of effective net equity to risk-weighted assets not to be lower than 12%. If this second proposal is rejected, the SBIF will declare the bank into mandatory liquidation, which process is regulated by the Banking Law and not by the general bankruptcy rules. If a bank fails to pay an obligation, it must notify the SBIF, which shall determine if the bank is solvent. Banks can be subject to a provisional administrator if there are reasons that affect its financial stability.

Dissolution and Liquidation of Banks

The SBIF may establish that a bank must be liquidated if the safety of its depositors or other creditors so demands it, or when such bank does not have the necessary solvency to continue its operations. In such case, the SBIF must revoke such bank's banking license and mandate its liquidation, subject to approval by the Central Bank of Chile. The SBIF must also revoke a bank's license when that bank's reorganization plan has been rejected twice. The SBIF's resolution must state the reason for ordering the liquidation and must appoint a liquidator, unless the Superintendent of Banks assumes this responsibility. Upon a liquidation order, all checking accounts deposits and obligations payable on demand from the ordinary course of business, are required to be paid by using the bank's existing funds, 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 on demand obligations 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:

<u>Rating Agency</u>	<u>Short Term</u>	<u>Long Term</u>
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, together with the loans granted to certain classes of foreign debtors, 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:

<u>Rating Agency</u>	<u>Short Term</u>	<u>Long Term</u>
Moody's	P-2	Ba3
Standard and Poor's	A-2	BB-
Fitch Rating Service	F2	BB-



<u>Rating Agency</u>	<u>Short Term</u>	<u>Long Term</u>
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:

<u>Rating Agency</u>	<u>Short Term</u>	<u>Long Term</u>
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%.

Changes in the Governance of Our Regulators

A bill of law is under discussion for the adoption of measures to strengthen the governance of the SVS.

Among the announced amendments to the Chilean General Banking Act, not yet consummated in a bill of law, it has been proposed the adoption of measures to strengthen the governance of the SBIF. These proposed amendments would serve to implement Basel III principles and to introduce changes in the processes related to banks insolvency.

Financial Stability Council

Law No. 20,789 created the Financial Stability Council, composed by the Ministry of Finance (*Ministerio de Hacienda*) the Superintendent of Securities and Insurance, the Superintendent of Banks and the Superintendent of Pensions. The purpose of this council is to facilitate the technical coordination and the exchange of information by these market regulators in all matters related to the prevention and management of situations which may involve a risk for the financial system.

This law also expanded the authority of the SBIF to request information regarding controlling shareholders of banks and entities which are part of their corporate group.

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 of 1977, as amended, or the FCPA. The FCPA generally prohibits 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. The accounting provisions of the FCPA require an issuer to maintain books and records and have a system of internal accounting controls sufficient to, among other things, provide reasonable assurances that transactions are executed and assets are accessed and accounted for in accordance with management's authorization. Significant penalties and fines may be imposed against us, and/or our officers, directors, employees, and agents, 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, including, but not limited to, the Bank Secrecy Act of 1970, as amended, and the USA PATRIOT Act of 2001, as amended. 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 business 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 or that may constitute any of the actions described in article 8 of Law No. 18,314 (terrorist actions), or entered into by an individual or a legal entity included in any resolution issued by the United Nations Security Council, 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 US\$10,000, and report them to the FAU if so required by the latter authority.

In addition, the entities subject to the AML Act are also subject to Circular No. 49 and other regulations issued by the FAU, which provides additional guidelines for the prevention of money laundering.

With regard to Chilean banks the SBIF has also provided rules and 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 rules and 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. 029 of 2014 (Basic Legal Circular), Title IV, Chapter XI, “Instructions Related to Risk Management of 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 External Circular 26 of 2008, 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

The SBIF and the government have announced their intention of sending a bill of law to amend the General Banking Act in three aspects: (i) adoption of Basel III, although with adjustments to local reality, (ii) strengthen the governance of the SBIF, and (iii) perfection of banking resolution mechanisms. The bill of law is announced to be submitted to Congress during 2016, but we currently ignore how the new capital adequacy requirements will be proposed to the Congress, as the Regulator has only given non-binding information to the market. Nevertheless, we anticipate that the impact of the new rules would be material.

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 unelapsed 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, required 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.

Modification to the AML Act

On January 9, 2015 Law N° 20,818 was enacted, amending certain provisions of the AML Act by: (i) increasing the authority of the FAU; (ii) increasing the scope of entities that are subject to the AML Act; (iii) amending the definition of “suspicious activities or transactions”; (iv) reducing the minimum amounts of the cash transactions to be registered and potentially reported to the FAU; (v) amending the sanctions applicable to any breach to the AML Act; (vi) adding new base crimes for the crime of money laundering; (vii) requiring entities subject to the AML Act to report to the FAU any transaction entered into by any individual or entity contained in any resolution issued by the United Nations Security Council; and (viii) establishing the obligation of the entities subject the AML Act to register with the FAU, among other things.

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.\$7,216), 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.

Insolvency Law

Chilean banks are subject to special insolvency proceedings. Nevertheless, a bank can be subject to the general insolvency law in case it becomes insolvent during a voluntary liquidation of its assets. In that regard, the Chilean Congress approved a new Insolvency Act on October 29, 2013, which was published in the Official Gazette on January 9, 2014 and came into effect on October 9, 2014. The new Insolvency Act eliminates the distinction between merchants and other debtors, eliminates the classification of bankruptcies as negligent or fraudulent and 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, and set forth different rules for the insolvency of an enterprise (*empresa*) and of a non-enterprise person (*persona deudora*) among other changes.

Under the new Insolvency Act, there are two types of proceedings for an enterprise : (i) liquidation proceedings which are very similar to existing bankruptcy proceedings, although they will be headed by a liquidator rather than a trustee (*síndico*) and (ii) reorganization proceedings. Upon completion of a liquidation procedure, the debtor recovers the free administration and disposition of its assets and any outstanding debts against the debtor incurred prior to the commencement of the liquidation procedure will be deemed discharged as a matter of law. As a result, a creditor who fails to participate during the liquidation process will forfeit its past claims against the debtor. The reorganization proceedings, are more oriented to the continuation of the debtor’s business and, therefore, allow the debtor to seek protection from the courts, or “Insolvency Protection” (*protección financiera concursal*), for a term of 30 days, as from the date the reorganization proceeding is declared commenced by the competent court 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 commencement of the reorganization proceeding of 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 Insolvency Act, it is 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 Insolvency Act also allows a debtor under Insolvency Protection to acquire 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 Insolvency 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 its proved before the court that such transfer, encumbrance or transaction: (i) was entered with the counterparty’s 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 Insolvency 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. Also, agreements and changes to bylaws which decrease the capital of the debtor could be deemed ineffective if made during the six months prior to the commencement of the insolvency proceeding.

Finally, the new Insolvency 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.



Tax Reform

On September 29, 2014, the Tax Reform was published in the Chilean Official Gazette, introducing the most significant amendments to the Chilean tax system over the last 30 years and strengthening the powers of the *Servicio de Impuestos Internos*, or the Chilean IRS to control and prevent tax avoidance. One of the main purposes of this reform was to finance major educational reforms under discussion in the Chilean Congress. Thereafter the Tax Reform was modified by Law No. 20,899, published on February 8, 2016.

The Tax Reform currently contemplates, among other matters, changes to the corporate tax regime by allowing coexistence of two alternative tax regimes available to Chilean companies from January 1, 2017 onwards: (i) an attributed income system or (ii) a partially integrated system.

- **Attributed income system:** Under this system, companies will be subject to a corporate tax that would gradually increase to 25% over the course of four years, commencing in 2014 (increasing each year to 21%, 22.5%, 24% and 25%, respectively). At the shareholder level, a 35% withholding tax would apply on an “attributed basis” from year 2017. As a result, any non-Chilean resident shareholder would be required to pay a 35% withholding tax while Chilean resident shareholders would be required to pay the progressive Complementary Global Tax, with rates ranging between 0% and 35%, regardless of whether the Chilean company makes a profit distribution or dividend payment. Shareholders would be able to credit the corporate tax already paid by the company against the withholding tax or the progressive complementary income tax. The actual income distribution to the shareholders would not be taxable. This system will be exclusive for companies whose shareholders or owners are individuals domiciled or residing in Chile, or entities not domiciled or resident in Chile.
- **Partially integrated system:** Under this system, companies would be subject to a corporate tax of 25.5% on 2017 and 27% from 2018 onwards (which would be also gradually increased). Then, when the income is actually withdrawn from a company, non-Chilean resident shareholders would be subject to a 35% withholding tax, while Chilean resident shareholders would be required to pay the progressive Complementary Global Tax, with rates ranging between 0% and 35%, against which only a 65% of the corporate tax will be allowed to be used as a credit against the withholding tax or the Complementary Global Tax. Nevertheless, the foreign holder shall be entitled full corporate tax credit, if such holder is established on, domiciled in or resident of a country with which Chile has a double taxation treaty in force or, until December 31, 2019, Chile has signed a double taxation treaty with such country, although not in force.

Law No. 20,899 introduced changes to both systems in order to simplify them. Other amendments included in this Law are related to the accuracy of the general anti-avoidance rules and the implementation of Value Added Tax (VAT) for certain operations, mainly to the sale of real estate and leases with purchase option.

Law No. 20,798

On September 16th, 2015 the Consumer Protection Act and the Pledge Without Conveyance Act were amended in order to include several provisions regarding the release and cancellation of mortgages and certain pledges. According to this law, once an obligation secured with any of the said security interests has been extinguished, the relevant creditor *ex officio* shall grant and afford the corresponding release and cancellation public deed, and its record cancellation. Furthermore, the relevant creditor shall inform such proceedings to the debtor within the term established by law.

Colombian Banking Regulation and Supervision

Colombian Banking Regulators

Pursuant to the Colombian 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, the Colombian Superintendency of Finance, the SIC, and 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.

Colombian Ministry of Finance and Public Credit



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



Colombian Superintendency of Finance

The Colombian Superintendency of Finance is the authority responsible for supervising and regulating financial institutions, including commercial banks such as CorpBanca Colombia, finance 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 and certain judicial attributions regarding controversies among customers and banks. The Colombian Superintendency of Finance can also conduct on-site inspections of Colombian financial institutions.

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

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

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

Self-Regulatory Organization

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

All capital market intermediaries, including CorpBanca Colombia and its subsidiaries, 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.

The Colombian Superintendency of Finance is the authority responsible for approving mergers, acquisitions and integrations between financial institutions such a CorpBanca Colombia. For such approvals, the Colombian Superintendency of Finance must obtain a non-binding prior written opinion by the SIC

Capital Adequacy Requirements

Capital adequacy requirements for Colombian financial institutions (as set forth in Decree 2,555 of 2010, as amended, or Decree 2,555) are based on applicable Basel Committee standards. Decree 2,555 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.

Currently, Decree 2,555 sets forth, among other things:

- that Technical Capital is the sum of ordinary primary capital (*patrimonio básico ordinario* or Common Equity Tier One), additional primary capital (*patrimonio básico adicional* or Additional Tier One), and secondary capital (*patrimonio adicional* or tier two capital);
- the criteria for debt and equity instruments to be considered ordinary primary capital, additional primary capital and secondary capital. The Colombian Superintendency of Finance will review whether a given instrument adequately complies with these criteria in order for an instrument to be considered tier one, additional tier one or tier two capital, upon request of the issuer. Debt and equity instruments that have not been classified by the SFC as ordinary primary capital or secondary capital, will not be considered tier one, additional tier one or tier two capital for purposes of capital adequacy requirements;
- the minimum total solvency ratio of 9% of the financial institution's technical capital divided by total risk-weighted assets; however, each entity must also comply with a minimum basic solvency ratio of 4.5%, which is defined as the



ordinary primary capital after deductions divided by the financial institution's total risk-weighted assets. In addition, solvency ratios must be met individually, by each credit institution, and must be met and monitored on a consolidated basis;

- that the calculation of the total solvency ratio will take into account operational risk; however the Colombian Superintendency of Finance has not yet defined the methodology to be used to estimate such effect; and
- that credit institutions are able to include hybrids instruments designed to have characteristics of a fixed income and characteristics of equity market security, as part of its basic additional capital.

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 set forth in the Financial System Organic Act was COP77,016 million for 2014, COP79,835 million for 2015 and shall be COP85,240 million for 2016. Failure to meet such requirement can result in the relevant financial institution take over (*toma de posesión*) by the Colombian Superintendency of Finance. Minimum capital requirements are adjusted in January each year based on the inflation percentage for the precedent year. The 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

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

Foreign Currency Position Requirements

According to External Resolutions 4, or Resolution 4, and 9, or Resolution 9, issued the Central Bank of Colombia issued in 2007 and 2013 respectively, as amended, 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 can be negative but must not exceed 20% of its Technical Capital. (Resolution 9 was amended on September 25th 2015).

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 COP20 million (US\$6,380 as of December 31, 2015) 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, cash demands and other passive obligations:

- 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 18 months and 0% for term deposits with maturities of more than 18 months.

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

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 set forth in the External Resolution 8 of 2000 issued by the Central Bank of Colombia, or Resolution 8, 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, Resolution 8 sets forth a number of restrictions and limitations as to the use of proceeds in the case of foreign currency loans obtained by Colombian currency exchange intermediaries (including CorpBanca Colombia) and also provides that deposits would not be required in the event such restrictions and limitations are observed. Such foreign currency loans may be used, among others, for lending activities in a foreign currency with a tenor equal to, or shorter than, the tenor of the foreign financing.



Interest payments to foreign currency loans granted by foreign banks to Colombian residents are currently subject to a 33% withholding tax for loans with less than a year tenor or 14% withholding tax for loans with more than a year tenor, 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 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.

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, 2013, 2014 and 2015 has been expressed in Chilean pesos as of December 31, 2015. 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:

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

Where:

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

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

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

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

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

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

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

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

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



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

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, 2013, 2014 and 2015.

Year ended December 31,

	2013			2014			2015		
	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate	

INTEREST EARNING ASSETS

Deposits in Central Bank

CH\$	86,059	1,527	1.8%	(1.2%)	104,708	3,343	3.2%	(1.3)%	79,148	2,832	3.6%	(0.8)
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	54,891	—	0.0%	6.7%	29,985	—	0.0%	10.0%	29,735	—	0.0%	12.4
Total	140,950	1,527	1.8%	1.9%	134,692	3,343	2.5%	1.2%	108,882	2,832	3.6%	2.8
Financial investments												
CH\$	295,940	14,704	5.0%	1.9%	369,163	14,656	4.0%	(0.6)%	368,870	11,424	3.1%	(1.2)
UF	242,954	10,107	4.2%	1.1%	179,187	15,844	8.8%	4.1%	208,950	23,036	11.0%	6.3
Foreign currency	378,737	14,906	3.9%	10.9%	613,064	11,109	1.8%	12.0%	733,104	43,025	5.9%	19.0
Total	917,630	39,718	4.3%	5.4%	1,161,414	41,610	3.6%	6.7%	1,310,924	77,486	5.9%	11.3
Total loans												
CH\$	3,281,015	328,549	10.0%	6.8%	3,197,553	305,184	9.5%	4.7%	3,688,139	321,248	8.7%	4.1
UF	3,651,479	245,383	6.7%	3.6%	3,544,600	373,539	10.5%	5.7%	3,978,943	323,621	8.1%	3.6
Foreign currency	4,573,453	359,714	7.9%	15.1%	7,153,353	566,525	7.9%	18.7%	6,955,148	542,624	7.8%	21.1
Total	11,505,946	933,646	8.1%	9.1%	13,895,505	1,245,248	9.0%	12.1%	14,622,229	1,187,493	8.1%	12.1

Year ended December 31,

	2013			2014			2015		
	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate	

Interbank loans

CH\$	261,151	12,510	4.8%	1.7	294,778	9,837	3.3%	(1.2)%	245,549	7,457	3.0%	(1.3)
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	122,894	2,164	1.8%	8.6	117,177	1,164	1.0%	11.1%	220,009	2,553	1.2%	13.7
Total	384,045	14,673	3.8%	3.9%	411,955	11,000	2.7%	2.3%	465,557	10,009	2.1%	5.8

Investment under resale agreements

CH\$	31,514	1,930	6.1%	3.0%	31,891	1,328	4.2%	(0.4)%	28,788	1,047	3.6%	(0.7)
UF	1,021	20	2.0%	(1.0)%	649	37	5.7%	1.1%	128	4	3.1%	(1.2)
Foreign currency	122,577	13,185	10.8%	18.2%	152,590	12,190	8.0%	18.7%	64,021	12,938	20.2%	35.1
Total	155,110	15,135	9.8%	15.0%	185,129	13,555	7.3%	15.4%	92,937	13,989	15.1%	23.9
Other interest earning assets												
CH\$	23	—	0.0%	0.0%	14	—	0.0%	0.0%	—	—	—	—
UF	—	—	0.0%	0.0%	—	—	0.0%	0.0%	—	—	—	—
Foreign currency	551,272	2,407	0.4%	7.2%	920,043	5,368	0.6%	10.6%	815,920	7,671	0.9%	13.4
Total	551,295	2,407	0.4%	7.2%	920,057	5,368	0.6%	10.6%	815,920	7,671	0.9%	13.4
Total interest earning assets												
CH\$	3,955,700	359,220	9.1%	5.9%	3,998,106	334,348	8.4%	3.6%	4,410,493	344,008	7.8%	3.3
UF	3,895,453	325,511	6.6%	3.5%	3,724,436	389,421	10.5%	5.6%	4,188,020	346,662	8.3%	3.7
Foreign currency	5,803,822	392,376	6.8%	13.9%	8,986,211	596,356	6.6%	17.3%	8,817,937	608,811	6.9%	20.1
Total	13,654,975	1,007,106	7.4%	8.6%	16,708,753	1,320,124	7.9%	11.4%	17,416,450	1,299,480	7.5%	11.9



Year ended December 31,

2013

2014

2015

NON-INTEREST EARNING ASSETS

	2013		2014		2015			
	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate
Cash	291,785				370,845			
Ch\$								
UF	—				—			
Foreign currency	156,375				207,380			
Total	448,160				578,225			
Allowance for loan losses								
Ch\$	112,627				116,108			
UF	—				—			
Foreign currency	114,653				204,710			
Total	227,280				320,818			
Property, plant and equipment								
Ch\$	47,642				37,972			
UF	—				—			
Foreign currency	30,532				60,993			
Total	78,164				98,965			
Derivatives								
Ch\$	291,884				553,029			
UF	—				—			
Foreign currency	27,085				75,753			
Total	318,970				628,782			
Other assets								
Ch\$	555,959				597,292			
UF	2,901				15,365			
Foreign currency	566,368				1,046,829			
Total	1,125,228				1,659,486			

Year ended December 31,

2013

2014

2015

Total non-interest earning assets

	2013		2014		2015			
	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate
Ch\$	1,074,643				1,417,258			
UF	2,901				15,365			
Foreign currency	665,698				1,204,492			
Total	1,743,242				2,637,116			
Total assets ⁽¹⁾								
Ch\$	5,030,344	359,220			5,415,364	334,348		
UF	3,898,354	255,511			3,739,801	389,421		
Foreign currency	6,469,521	392,376			10,190,704	596,356		
Total	15,398,217	1,007,106			19,345,868	1,320,124		

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



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Year ended December 31,

	2013				2014				2015			
	Average Balance	Interest Paid	Average Nominal Rate	Average Real Rate	Average Balance (in million of Ch\$ except for percentages)	Interest Paid	Average Nominal Rate	Average Real Rate	Average Balance	Interest Paid	Average Nominal Rate	Average Real Rate
LIABILITIES AND EQUITY												
INTEREST BEARING LIABILITIES												
Time Deposits												
Ch\$	4,020,819	240,879	6.0%	2.9%	4,099,207	193,573	4.7%	0.1%	4,237,268	173,226	4.1%	(0.3)%
UF	550,376	30,390	5.5%	2.4%	438,503	34,295	7.8%	3.1%	633,380	35,521	5.6%	1.2%
Foreign currency	2,484,695	90,374	3.6%	10.6%	3,311,784	121,297	3.7%	14.0%	3,359,560	120,861	3.6%	16.4%
Total	7,055,890	361,643	5.1%	5.6%	7,849,494	349,165	4.4%	6.1%	8,230,208	329,608	4.0%	6.6%
Central Bank borrowings												
Ch\$	—	—	—	—	—	—	—	—	—	—	—	—
UF	—	—	—	—	—	—	—	—	—	—	—	—
Foreign currency	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—
Repurchase agreements												
Ch\$	95,836	4,924	5.1%	2.1%	35,219	1,459	4.1%	(0.4)%	96,418	3,058	3.2%	(1.2)%
UF	—	167	0.0%	(2.9)%	—	35	0.0%	0.0%	—	16	0.0%	0.0%
Foreign currency	173,583	9,645	5.6%	12.6%	309,878	26,648	8.6%	19.4%	549,069	33,410	6.1%	19.2%
Total	269,419	14,736	5.5%	8.9%	345,097	28,142	8.2%	17.4%	645,487	36,484	5.7%	16.2%
Mortgage finance bonds												
Ch\$	20	1	5.0%	1.9%	11	1	9.1%	4.3%	3	—	0.0%	(4.2)%
UF	130,971	8,322	6.4%	3.3%	105,840	10,465	9.9%	5.1%	87,372	7,256	8.3%	3.7%
Foreign currency	—	—	—	—	—	—	—	—	—	—	—	0.0%
Total	130,991	8,323	6.4%	3.3%	105,851	10,466	9.9%	5.1%	87,375	7,256	8.3%	3.7%
Bonds												
Ch\$	46,211	32,076	69.4%	64.5%	46,300	3,177	6.9%	2.2%	35,508	3,903	11.0%	6.3%
UF	1,547,176	73,895	4.8%	1.7%	1,593,564	148,277	9.3%	4.5%	1,656,229	127,354	7.7%	3.2%
Foreign currency	606,158	13,917	2.3%	9.1%	970,044	49,350	5.1%	15.6%	1,334,193	66,473	5.0%	18.0%
Total	2,199,545	119,888	5.5%	5.1%	2,609,908	200,804	7.7%	8.6%	3,025,930	197,730	6.5%	9.7%



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Year ended December 31,

	2013				2014				2015			
	Average Balance	Interest Paid	Average Nominal Rate	Average Real Rate	Average Balance <small>(in million of Ch\$ except for percentages)</small>	Interest Paid	Average Nominal Rate	Average Real Rate	Average Balance	Interest Paid	Average Nominal Rate	Average Real Rate
Other interest bearing liabilities												
Ch\$	519,568	(3,888)	(0.7)%	(3.6)%	665,991	5,988	0.9%	(3.5)%	747,416	5,620	0.8%	(3.5)%
UF	16,224	1,459	9.0%	5.8%	14,344	3,568	24.9%	19.4%	12,765	2,015	15.8%	10.9%
Foreign currency	1,747,481	47,255	2.7%	(0.3)%	2,529,723	91,107	3.6%	13.9%	2,550,243	100,188	3.9%	16.8%
Total	2,283,273	44,826	2.0%	(1.0)%	3,210,058	100,663	3.1%	10.3%	3,310,424	107,823	3.3%	12.2%
Total interest bearing liabilities												
Ch\$	4,682,454	273,992	2.3%	(0.7)%	4,846,728	204,198	4.2%	(0.4)%	5,116,613	185,807	3.6%	(0.7)%
UF	2,244,747	114,233	5.7%	2.6%	2,152,251	196,640	9.1%	4.3%	2,389,746	172,162	7.2%	2.7%
Foreign currency	5,011,917	161,191	3.2%	0.2%	7,121,429	288,402	4.0%	14.4%	7,793,065	320,932	4.1%	17.0%
Total	11,939,118	549,416	4.6%	0.3%	14,120,408	689,240	4.9%	7.8%	15,299,424	678,901	4.4%	8.8%

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Year ended December 31,

	2013			2014			2015		
	Average Balance	Interest Paid	Average Nominal Rate	Average Real Rate	Average Balance	Interest Paid	Average Nominal Rate	Average Real Rate	
NON-INTEREST EARNING LIABILITIES									
Non-interest-bearing demand deposits									
Ch\$	383,346				447,300				391,884
UF	10,412				10,046				9,820
Foreign currency	1,077,716				2,274,274				2,278,587
Total	1,471,475				2,731,621				2,680,291
Derivatives									
Ch\$	210,393				481,386				637,460
UF	—				—				—
Foreign currency	20,286				38,768				96,864
Total	230,679				520,154				734,324
Other non-interest-bearing									
Ch\$	185,812				203,067				324,709
UF	1,190				686				270
Foreign currency	193,931				265,206				309,010
Total	380,933				468,959				633,989
Equity									
Ch\$	1,218,551				1,498,598				1,319,898
UF	—				—				426
Foreign currency	157,461				6,129				5,852
Total	1,376,012				1,504,727				1,326,176
Total non-interest-bearing liabilities and shareholders' equity									
Ch\$	1,998,102				2,630,351				2,673,952
UF	11,602				10,732				10,516
Foreign currency	1,449,395				2,584,377				2,690,313
Total	3,459,098				5,225,461				5,374,781
Total liabilities and equity (1)									
Ch\$	6,680,556				7,477,079				7,790,565
UF	2,256,349				2,162,983				2,400,262
Foreign currency	6,461,312				9,705,806				10,483,378
Total	15,398,217				19,345,868				20,674,205
Interest Paid									
Ch\$		273,992				204,198			185,807
UF		114,233				196,640			172,162
Foreign currency		161,191				288,402			320,932
Total		549,416				689,240			678,901

(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:

	Year ended December 31,		
	2013	2014	2015
	(in millions of constant Ch\$ as of December 31, 2015, except for percentages)		
Total average interest earning assets			
Ch\$	3,955,700	3,998,106	4,410,493
UF	3,895,453	3,724,436	4,188,020
Foreign currency	5,803,822	8,986,211	8,817,937
Total	13,654,975	16,708,753	17,416,450
Net interest earned (1)			
Ch\$	85,228	130,150	158,201
UF	141,278	192,781	174,500
Foreign currency	231,184	307,953	287,878
Total	457,690	630,884	620,579
Net interest margin, nominal basis (2)			
Ch\$	2.2%	3.3%	3.6%
UF	3.6%	5.2%	4.2%
Foreign currency	4.0%	3.4%	3.3%
Total	3.4%	3.8%	3.6%

(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 2013 to 2014 and 2014 to 2015. 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 2013 to 2014 due to changes in			Net Change from 2013 to 2014
	Volume	Rate	Rate and Volume	
	(in million of Ch\$)			
ASSETS				
INTEREST EARNING ASSETS				
Deposits in Central Bank				
Ch\$	331	12	1,474	1,816
UF	—	—	—	—
Foreign currency	—	—	—	—
Total	331	12	1,474	1,816
Financial Investments				
Ch\$	3,638	(30)	(3,657)	(48)
UF	(2,653)	114	8,276	5,737
Foreign currency	9,222	—	(13,019)	(3,797)
Total	10,208	85	(8,400)	1,892
Total Loans				
Ch\$	(8,358)	(154)	(14,853)	(23,365)
UF	(7,182)	1,394	133,943	128,156
Foreign currency	202,916	25	3,870	206,811
Total	187,376	1,265	122,960	311,601
Interbank Loans				
Ch\$	1,611	(38)	(4,246)	(2,673)
UF	—	—	—	—
Foreign currency	(101)	(9)	(890)	(1,000)
Total	1,510	(47)	(5,135)	(3,672)
Investment under resale agreements				
Ch\$	23	(6)	(618)	(602)
UF	(7)	—	24	17
Foreign currency	3,228	(34)	(4,189)	(995)
Total	3,244	(40)	(4,785)	(1,580)
Other interest earning assets				
Ch\$	—	—	—	—
UF	—	—	—	—
Foreign currency	1,610	8	1,343	2,961
Total	1,610	8	1,343	2,961
Total interest earning assets				
Ch\$	(2,755)	(215)	(21,901)	(24,872)
UF	(9,841)	1,509	142,243	133,910
Foreign currency	216,875	(10)	(12,886)	203,980
Total	204,278	1,284	107,457	313,018



	Increase (Decrease) from 2014 to 2015 due to changes in			Net Change from 2014 to 2015
	Volume	Rate	Rate and Volume	
	(in million of Ch\$)			
ASSETS				
INTEREST EARNING ASSETS				
Deposits in Central Bank				
Ch\$	(815)	4	301	(511)
UF	—	—	—	—
Foreign currency	—	—	—	—
Total	(815)	4	301	(511)
Financial Investments				
Ch\$	(12)	(32)	(3,188)	(3,232)
UF	2,632	39	4,521	7,192
Foreign currency	2,175	—	29,741	31,916
Total	4,795	7	31,074	35,876
Total Loans				
Ch\$	46,823	(267)	(30,492)	16,064
UF	45,772	(852)	(94,839)	(49,918)
Foreign currency	(15,697)	(84)	(8,119)	(23,901)
Total	76,898	(1,203)	(133,450)	(57,755)
Interbank Loans				
Ch\$	(1,643)	(9)	(728)	(2,380)
UF	—	—	—	—
Foreign currency	1,021	2	366	1,389
Total	(621)	(7)	(362)	(991)
Investment under resale agreements				
Ch\$	(129)	(2)	(149)	(281)
UF	(30)	—	(3)	(33)
Foreign currency	(7,076)	186	7,637	748
Total	(7,234)	184	7,485	434
Other interest earning assets				
Ch\$	—	—	—	—
UF	—	—	—	—
Foreign currency	(607)	33	2,878	2,303
Total	(607)	33	2,878	2,303
Total interest earning assets				
Ch\$	44,224	305	(34,258)	9,660
UF	48,375	(813)	(90,321)	(42,759)
Foreign currency	(20,184)	137	32,502	12,455
Total	72,415	(981)	(92,076)	(20,644)



	Increase (Decrease) from 2013 to 2014 due to changes in			Net Change from 2013 to 2014
	Volume	Rate	Rate and Volume	
	(in million of Ch\$)			
LIABILITIES				
INTEREST BEARING LIABILITIES				
Time Deposits				
Ch\$	4,696	(510)	(51,491)	(47,306)
UF	(6,177)	127	9,956	3,905
Foreign currency	30,083	6	834	30,923
Total	<u>28,602</u>	<u>(377)</u>	<u>(40,702)</u>	<u>(12,477)</u>
Central Bank borrowings				
Ch\$	—	—	—	—
UF	—	—	—	—
Foreign currency	—	—	—	—
Total	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Repurchase Agreements				
Ch\$	(3,114)	(10)	(341)	(3,465)
UF	—	—	(132)	(132)
Foreign currency	7,573	53	9,377	17,003
Total	<u>4,459</u>	<u>43</u>	<u>8,904</u>	<u>13,406</u>
Mortgage finance bonds				
Ch\$	—	—	—	—
UF	(1,597)	46	3,694	2,143
Foreign currency	—	—	—	—
Total	<u>(1,597)</u>	<u>46</u>	<u>3,694</u>	<u>2,143</u>
Bonds				
Ch\$	62	(289)	(28,672)	(28,899)
UF	2,216	701	71,466	74,382
Foreign currency	8,355	169	26,910	35,433
Total	<u>10,632</u>	<u>581</u>	<u>69,704</u>	<u>80,916</u>
Other interest bearing liabilities				
Ch\$	(1,096)	86	10,887	9,876
UF	(169)	26	2,251	2,109
Foreign currency	21,153	157	22,542	43,852
Total	<u>19,887</u>	<u>268</u>	<u>35,680</u>	<u>55,837</u>
Total interest bearing liabilities				
Ch\$	547	(723)	(69,617)	(69,794)
UF	(5,727)	899	87,235	82,407
Foreign currency	67,163	385	59,663	127,211
Total	<u>61,983</u>	<u>561</u>	<u>77,281</u>	<u>139,824</u>



	Increase (Decrease) from 2014 to 2015 due to changes in			Net change from 2014 to 2015
	Volume	Rate	Rate and Volume	
	(in million of Ch\$)			
LIABILITIES AND SHAREHOLDERS' EQUITY				
INTEREST BEARING LIABILITIES				
Time deposits				
Ch\$	6,520	(260)	(26,606)	(20,347)
UF	15,241	(97)	(13,918)	1,226
Foreign currency	1,750	(22)	(2,164)	(436)
Total	23,511	(378)	(42,688)	(19,557)
Central Bank borrowings				
Ch\$	—	—	—	—
UF	—	—	—	—
Foreign currency	—	—	—	—
Total	—	—	—	—
Repurchase agreements				
Ch\$	2,535	(3)	(933)	1,599
UF	—	—	(19)	(19)
Foreign currency	20,569	(78)	(13,729)	6,762
Total	23,105	(81)	(14,681)	8,342
Mortgage finance bonds				
Ch\$	(1)	—	—	(1)
UF	(1,826)	(17)	(1,366)	(3,209)
Foreign currency	—	—	—	—
Total	(1,827)	(17)	(1,366)	(3,210)
Bonds				
Ch\$	(741)	19	1,447	726
UF	5,831	(257)	(26,496)	(20,923)
Foreign currency	18,526	(10)	(1,392)	17,123
Total	23,616	(248)	(26,441)	(3,074)
Other interest bearing liabilities				
Ch\$	732	(10)	(1,089)	(368)
UF	(393)	(13)	(1,148)	(1,553)
Foreign currency	739	83	8,259	9,081
Total	1,078	60	6,022	7,160
Total interest bearing liabilities				
Ch\$	9,046	(254)	(27,180)	(18,391)
UF	18,853	(384)	(42,948)	(24,478)
Foreign currency	41,584	(27)	(9,026)	32,530
Total	69,483	(665)	(79,154)	(10,339)

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,		
	2013	2014	2015
	(in million of Ch\$, except for percentages)		
Net income	175,239	273,701	238,665
Net income attributable to the equity holders of the Bank	162,422	233,997	216,321
Average total assets	15,398,217	19,345,868	20,674,205
Average equity	1,376,012	1,504,727	1,326,176
Net income as a percentage of:			
Average total assets	1.14%	1.41%	1.15%
Average equity	12.74%	18.19%	18.00%
Average equity as a percentage of:			
Average total assets	8.94%	7.78%	6.41%
Proposed annual cash dividend (*)	88,403	113,130	104,082
Special cash dividend (**)			239,860
Dividend payout ratio, based on net income attributable to shareholders under local GAAP (***)	57%	50%	51.58%

(*) Dividend proposed by the board of directors for shareholders approval in Annual General Shareholders Meeting.

(**) In 2015, CorpBanca paid its annual dividend of Ch\$0.3321397925/share on March 13, 2015 (equivalent to a payout ratio of 50%) and additionally paid a special dividend of Ch\$0.704728148/share on July 1, 2015 against retained earnings.

(***) The 51.58% payout ratio for 2015 considers (i) a 50% payout ratio (Ch\$0.29640983/share); and (ii) a remaining of UF 124,105 pending of distribution from the special dividend approved by shareholders in EGM of June 26, 2015 and paid on July 1, 2015 (Ch\$0.00939188/share).

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, 2013, 2014 and 2015 are as follows:

	As of December 31,		
	2013	2014	2015
	(in million of Ch\$)		
Held-for-trading:			
Chilean Central Bank and Government securities:			
Chilean Central Bank bonds	746	—	—
Chilean Central Bank notes	—	—	—
Other Chilean Central Bank and Government securities	9,106	4,822	6,210
Other national institution securities:			
Bonds	—	2,548	2,340
Notes	18,582	13,320	34,404
Other securities	133	15	551
Foreign institution securities:			
Bonds	326,141	542,791	192,427
Notes	—	—	—
Other securities	64,443	110,615	57,875
Mutual funds investments			
Funds managed by related organizations	12,495	11,787	28,092
Funds managed by third parties	37	—	2,000
Total	431,683	685,898	323,899



	As of December 31,		
	2013	2014	2015
Available-for-sale	(in million of Ch\$)		
Chilean Central Bank and Government securities			
Chilean Central Bank and Government securities	334,718	276,487	527,444
Chilean Central Bank Notes	847	253,999	258,306
Other Government securities	21,769	6,442	859
Other financial instruments			
Promissory notes related to deposits in local banks	78,712	54,162	65,778
Chilean mortgage finance bonds	313	203	92
Chilean financial institutions bonds	17,985	—	29,329
Other local investments	136,623	51,526	53,630
Financial instruments issued abroad			
Foreign government and central banks instruments	212,280	434,392	629,297
Other foreign investments	85,840	79,685	360,053
Impairment provision	—	—	—
Unquoted securities in active markets			
Chilean corporate bonds	—	—	—
Other investments	—	—	—
Impairment provision	—	—	—
Total	889,087	1,156,896	1,924,788

	As of December 31,		
	2013	2014	2015
Held to maturity	(in million of Ch\$)		
Central Bank and Government securities			
Chilean Central Bank securities	—	—	—
Chilean treasury bonds	—	—	—
Other Government securities	—	—	—
Other financial securities			
Promissory notes related to deposits in local banks	—	—	—
Chilean mortgage finance bonds	—	—	—
Chilean financial institution bonds	—	—	—
Other local investments	8,632	7,175	5,543
Financial instruments issued abroad			
Foreign government and central banks instruments	93,750	—	—
Other foreign investments	135,140	183,502	164,648
Impairment provision	—	—	—
Unquoted securities in active markets			
Chilean corporate bonds	—	—	—
Other investments	—	—	—
Impairment provision	—	—	—
Total	237,522	190,677	170,191

We do not hold securities of any issuer other than the Central Bank of Chile and the Colombian Ministry of Finance, in which the aggregate book value of the investment in such securities 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, 2015:



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Held—for—trading	In one year or less	Weighted average Nominal Rate	After one year through five years	Weighted average Nominal Rate	After five years through ten years	Weighted average Nominal Rate	After ten years	Weighted average Nominal Rate	Total
	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$
(in million of Ch\$, except for percentages)									
Central Bank and Government securities:									
Chilean Central Bank securities	—	—	—	—	—	—	—	—	—
Chilean Central Bank notes	—	—	—	—	—	—	—	—	—
Others Government securities	6,210	—	—	—	—	—	—	—	6,210
Other national institution securities:									
Bonds	1,561	—	—	—	—	—	779	1.58	2,340
Notes	34,404	0.11	—	—	—	—	—	—	34,404
Other securities	551	—	—	—	—	—	—	—	551
Foreign institution securities:									
Bonds	211	0.01	21,076	0.07	102,804	0.06	68,336	0.07	192,427
Notes	—	—	—	—	—	—	—	—	—
Other securities	46,708	0.04	8,978	0.03	—	—	2,189	0.06	57,875
Mutual fund investments:									
Funds managed by related organizations	21,954	1.00	6,138	0.072	—	—	—	—	28,092
Funds managed by third parties	2,000	0.50	—	—	—	—	—	—	2,000
Total Held—for—trading	113,599	0.25	36,192	0.06	102,804	0.06	71,304	0.09	323,899

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 million of Ch\$, except for percentages)									
Chilean Central Bank and Government securities:									
Chilean Central Bank securities	81,672	0.68	331,979	0.59	113,793	0.59	—	—	527,444
Chilean treasury bonds	10,086	0.81	214,738	0.65	33,482	0.47	—	—	258,306
Others Government securities	859	0.63	—	—	—	—	—	—	859
Other financial instruments:									
Promissory notes related to deposits in local banks	65,778	0.28	—	—	—	—	—	—	65,778
Chilean mortgage finance bonds	16	1.01	44	1.04	31	0.91	—	—	92
Chilean financial institution bonds	—	—	29,329	1.29	—	—	—	—	29,329
Other local investments	5,843	1.25	14,480	1.29	33,252	1.23	56	0.92	53,630
Financial instruments issued abroad:									
Foreign Government and central bank instruments	132,086	0.05	340,439	0.05	117,231	0.05	39,541	0.05	629,297
Other foreign investments	135,035	2.35	168,072	8.63	46,917	8.16	10,031	6.15	360,053
Impairment provision	—	—	—	—	—	—	—	—	—
Unquoted securities in active markets									
Chilean corporate bonds	—	—	—	—	—	—	—	—	—
Other foreign investments	—	—	—	—	—	—	—	—	—
Impairment provision	—	—	—	—	—	—	—	—	—
Total	431,375	0.22	1,099,080	0.37	344,706	0.38	49,628	0.04	1,924,788



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Held to maturity	Within one	Weighted	After	Weighted	After	Weighted	After ten	Weighted	Total
	year	average	one	average	five	average	years	average	
	Ch\$	Nominal	year	Nominal	years	Nominal	Ch\$	Nominal	Ch\$
		Rate	through	Rate	through	Rate		Rate	
		%	five	%	ten	%		%	Ch\$
			years		years				
			Ch\$		Ch\$				
(in million 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	2,171	0.96	3,372	0.96	—	—	—	—	5,543
Financial instruments issued abroad:									
Foreign government and central bank instruments	—	—	—	—	—	—	—	—	—
Other foreign investments	149,932	1.01	8,968	0.05	—	—	5,748	0.05	164,648
Impairment provision	—	—	—	—	—	—	—	—	—
Unquoted securities in active markets									
Chilean corporate bonds	—	—	—	—	—	—	—	—	—
Other investments	—	—	—	—	—	—	—	—	—
Impairment provision	—	—	—	—	—	—	—	—	—
Total	152,103	0.01	12,340	0.26	0	0.0	5,748	0.00	170,191

**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,				
	2011	2012	2013	2014	2015
	(in million of constant Ch\$ as of December 31, 2015)				
Commercial loans:					
Commercial loans	4,345,731	6,453,176	7,689,427	8,303,078	8,821,860
Foreign trade loans	388,981	424,824	459,074	505,551	521,339
Current account debtors	13,499	29,245	27,935	34,850	28,732
Factoring operations	95,026	87,622	75,384	69,914	62,013
Leasing transactions	293,726	341,294	811,882	866,492	888,189
Other loans and receivables	78,433	158,699	221,754	310,590	374,385
Subtotals	5,215,396	7,494,860	9,285,456	10,090,475	10,696,518
Mortgage loans:					
Letters of credit loans	102,377	87,211	74,049	64,622	54,372
Endorsable mutual mortgage loans	241,653	216,627	196,359	182,314	161,438
Other mutual mortgage loans	785,537	1,186,207	1,419,811	1,666,311	1,701,573
Leasing transactions	138	61	260,883	280,573	278,882
Other loans and receivables	46,223	41,869	37,874	35,738	32,354
Subtotals	1,175,928	1,531,975	1,988,976	2,229,558	2,228,619
Consumer loans:					
Consumer loans	266,953	779,735	1,061,996	1,130,858	1,298,817
Current account debtors	25,454	29,398	40,012	47,564	52,488
Credit card debtors	55,278	156,939	228,776	241,701	244,942
Consumer leasing transactions	729	782	21,582	19,761	18,168
Other loans and receivables	74,707	109,802	270,883	269,958	88,744
Subtotals	423,121	1,076,656	1,623,249	1,709,842	1,703,159
Loans	6,814,445	10,103,491	12,897,681	14,029,875	14,628,296
Loans and receivables from Banks	304,622	482,549	218,081	814,480	452,069
Total	7,119,067	10,586,040	13,115,762	14,844,355	15,080,365

The loan categories are as follows:

Commercial loans

Commercial loans: Commercial loans are long- and short-term loans granted to corporations and individuals, including checking overdraft lines for companies, in Chilean pesos, inflation linked UF, US\$ or Colombian pesos 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.

Foreign trade loans: Foreign trade loans are fixed rate, short-term loans made in foreign currency (principally US\$) to finance imports or 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. This category includes overdrafts loans.



Factoring operations: Factoring operations refer to the transactions in which our customers assign their accounts receivable (invoices, bills, among others) to us, which allows them to convert their sales into cash regardless the original terms agreed for payment, improving their liquidity, financial indices and also delegating the collection management efforts to us and/or our subsidiaries.

Leasing transactions: Leasing transactions are agreements for the financial lease of capital equipment and other property of our clients.

Other loans and receivables: Other loans and receivables refer to outstanding loans including commercial loans not classified in any of the categories described above.

Mortgage loans

Mortgage loans: This category includes mortgage loans granted to individuals in order to acquire, expand, repair or build residential houses or apartments. Mortgage loans are granted in the form of letters of credit or other endorsable instruments/credit operations. This category also includes liaison credits granted before the mortgage loans are perfected; bilateral loans for purposes ancillary to the ones mentioned above; housing leasing operations and other receivables. Any loan granted to repay or restructure all or part of the credits described above belongs in this category.

Mortgage loans include the following sub-categories:

Letters of credit loans: This sub-category includes inflation-indexed, fixed or variable rate, long-term loans with monthly payments of principal and interest secured by a real property mortgage that are financed with mortgage notes. At the time of the approval of the relevant loan by the bank, these mortgage loans cannot exceed 75% of the lower of the purchase price or the appraised value of the mortgaged property. Letter of credit loans are our general obligations, and we are liable for all principal and accrued interest on such Notes. The main difference between Letter of credit loans or Mortgages Bonds is the fact that Letter of credit loans fund specific mortgage loans (on a credit by credit basis) while Mortgages Bonds fund portfolios of mortgage loans.

Endorsable mutual mortgage loans: This sub-category includes outstanding balances due from housing loans with mortgage loans which funding was obtained by the placement of mortgage bonds.

Mortgage bonds backed loans: This sub-category includes long-term inflation-indexed mortgage loans (fixed and variable rate) with monthly payments of principal and interest secured by a real property mortgage that are financed by mortgage bonds.

Other mutual mortgage loans: This sub-category includes inflation-indexed long-term mortgage loans (fixed and variable rate) with monthly payments of principal and interest secured by a real property mortgage that are financed by our general borrowings.

Housing Leasing transactions: This sub-category includes outstanding balances owed by tenants in financial leases transactions

Other loans and receivables: This sub-category includes loans that are ancillary or that complement mutual mortgage loans.

The balances of the renegotiated mortgage loans as of December 31, 2013, 2014 and 2015 were as follows:



	As of December 31,		
	2013	2014	2015
	(in million of Ch\$)		
Opening balance ⁽¹⁾	1,748	3,090	5,914
Renegotiated ⁽²⁾	4,744	3,170	928
Recovery ⁽³⁾	(2,828)	(252)	(931)
Write-offs ⁽⁴⁾	(574)	(94)	(319)
Final balance	3,090	5,914	5,592

- 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

Consumer loans. This category includes all loans granted to individuals for the purpose of acquiring consumer goods or services, except for student loans. It includes different types of loans (such as loans payable in installments or revolving loans) and outstanding balances arising from the utilization of credit cards by individuals or overdrafts on checking accounts. In addition, this category includes leasing operations for consumer purposes and other receivables. Any loan granted to repay or restructure all or part of the credits described above belongs in this category.

Consumer loans include the following sub-categories:

Consumer loans: This sub-category is comprised by loans granted to individuals in Chilean pesos, generally on a fixed rate nominal basis, to finance the purchase of consumer goods or to pay for services. This loans are generally paid in monthly installments which include principal amortization and interest payments.

Current account debtors: This sub-category includes checking overdraft lines granted to individuals, in Chilean pesos, generally on a fixed rate nominal basis and linked to an individual's checking account.

Credit card debtors: This sub-category includes outstanding balances arising from the use of credit cards by individuals.

Consumer leasing transactions: This sub-category includes outstanding balances owed by tenants of consumer goods under financial leasing transactions.

Other loans and receivables: This sub-category includes other revolving consumer loans and other accounts receivable granted to individuals not included in the above categories.

The balances of the renegotiated consumer loans as of December 31, 2013, 2014 and 2015 were as follows:

	As of December 31,		
	2013	2014	2015
	(in million of Ch\$)		
Opening balance ⁽¹⁾	58,803	82,483	106,904
Renegotiated ⁽²⁾	68,049	68,169	49,669
Recovery ⁽³⁾	(31,182)	(34,660)	(41,346)
Write-offs ⁽⁴⁾	(13,187)	(9,088)	(17,432)
Final balance	82,483	106,904	97,795

- (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. We do not quantify the balance of consumer loans we have renegotiated by type of concession.

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 Bank 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 2013, 2014 and 2015 are as follows:



	As of December 31,		
	2013	2014	2015
	(in million of Ch\$)		
Opening balance ⁽¹⁾	124,047	144,748	181,909
Additions to normalization portfolio ⁽²⁾	88,797	91,274	167,882
Recovery ⁽³⁾	(43,748)	(41,413)	(57,932)
Write-offs ⁽⁴⁾	(24,348)	(12,699)	(19,939)
Final balance ⁽⁵⁾	<u>144,748</u>	<u>181,909</u>	<u>271,920</u>

- 1) Corresponds to the opening balance of the normalization portfolio.
- 2) Corresponds to the additions to the normalization loans portfolio during each respective period.
- 3) Corresponds to the recovery (which may include payments, or settlements by judicial action) obtained from normalization loans during each respective period.
- 4) Corresponds to write-offs of normalization loans during each respective period.
- 5) Corresponds to the ending balance of the normalization portfolio.

We have a group that handles loans referred to as our normalization portfolio. The activities of such group include:

- Analyzing 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.

Because 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 we undertake 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 other 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 is 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. 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, 2013, 2014 and 2015 was 1.0%, 1.0% and 1.3% respectively. 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 our strategy.

Such division helps define credit processes for the companies segment, including approval, monitoring and collections practices, using a regulatory and preventive outlook on credit risk. It also actively participates in loan approval and monitoring processes, which has helped us 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.

Finally, the division's assets quality ratios developed less favorably in comparison to 2014. Nevertheless, our asset quality ratios, including the risk index, the non performing loans and the past-due loans, continued to outperform the financial system.

Mortgage loans. The risk index of our residential mortgage loans as of December 31, 2013, 2014 and 2015 was 0.4%, 0.3% and 0.4%, respectively.

Despite of the increase between 2014 and 2015 it is important to consider that (i) non performing loans for this segment has decreased by 1.3%; and (ii) commercial activity in this segment was self constraint in preparation for the new SBIF's standard credit-provisioning model for residential mortgage loans that is effective in Chile since January 2016, though this portfolio remained stable in 2015. Therefore, on the one hand this impacted Risk Index but on the other, benefited the coverage for non performing loans.

CorpBanca's model for mortgage loans collectively evaluated for impairment recognizes loan losses only when they are incurred, in accordance with the guidance in IAS 39.BC109, and consistent with paragraph BC108 and BC110 of the same (as indicated in paragraph IAS 39.108 "a deterioration in the credit quality of an asset or a group of assets after their initial recognition") and does not recognize impairment on the basis of expected future transactions or events. Thus, for a loss to be incurred, an event that provides objective evidence of impairment must have occurred and be supported by current observable data.

Consumer loans. The risk index of our consumer loans as of December 31, 2013, 2014 and 2015 was 1.7%, 2.0% and 1.5% respectively.

Consumer risk index decreased due to the credit quality improvement of new loans and also due to our risk management and collection performance.



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

We consider CorpBanca's Risk Index to be an important indicator of the quality of CorpBanca's loan portfolio. As calculated pursuant to the requirements of the SBIF, the Risk Index includes an adjustment for acquired loans to reflect the total of the portfolio by adding back the valuation allowance for the contractual cash flows that are deemed to be uncollectible at the date of acquisition. This has had impact on our Risk Index as calculated for purposes of the SBIF given that our loan portfolio is comprised of two types of loans in terms of their origination: (i) loans originated as a part of our day-to-day activities; and (ii) loans acquired through business combinations. The latter refers to loans that became part of our portfolio as a result of the acquisitions of CorpBanca Colombia and Helm Bank. We refer to the calculation of this Risk Index pursuant to the SBIF requirements as our SBIF Risk Index.

The adjustment described above is not utilized for purposes of calculating the Risk Index using our IFRS financial information. IFRS 3 Business Combination, provides that: "The acquirer shall not recognize a separate valuation allowance as of the acquisition date for assets acquired in a business combination that are measured at their acquisition-date fair values because the effects of uncertainty about future cash flows are included in the fair value measure." Therefore, for loans acquired through business combinations, no allowance for loan losses is recorded at the combination or acquisition date. We refer to our Risk Index as calculated using our IFRS financial information as our IFRS Risk Index.

According to this information, our IFRS Risk Index as of December 31, 2014 and 2015 (calculated using general ledger balances) was:

IFRS RISK INDEX

	as of December 31,		% Change from 2015/2014
	2014	2015	
	(in million of constant Ch\$ as of December 31, 2015 except for percentages)		
Total loans (calculated pursuant to IFRS)	14,029,875	14,628,296	4.3%
Commercial loans	10,090,475	10,696,518	6.0%
Mortgage loans	2,229,558	2,228,619	0.0%
Consumer loans	1,709,842	1,703,159	(0.4)%
Allowances for loan losses (calculated pursuant to IFRS)	137,605	173,939	26.4%
Commercial loans	96,009	138,721	44.5%
Mortgage loans	7,762	8,832	13.8%
Consumer loans	33,834	26,386	(22.0)%
Allowances for loan losses as a percentage of total loans	1.0%	1.2%	21.2%
Commercial loans	1.0%	1.3%	36.3%
Mortgage loans	0.3%	0.4%	13.8%
Consumer loans	2.0%	1.5%	(21.7)%

And our SBIF Risk Index as of December 31, 2014 and 2015 was:

SBIF RISK INDEX

	as of December 31,		% Change from 2015/2014
	2014	2015	
	(in million of constant Ch\$ as of December 31, 2015 except for percentages)		
Total loans (calculated pursuant to SBIF requirements)	14,211,349	14,810,136	4.2%
Commercial loans	10,200,131	10,806,540	5.9%
Mortgage loans	2,244,885	2,243,946	0.0%
Consumer loans	1,766,333	1,759,650	(0.4)%
Allowances for loan losses (calculated pursuant to SBIF requirements)	319,445	355,779	11.4%
Commercial loans	206,031	254,167	23.4%
Mortgage loans	23,089	18,735	(18.9)%
Consumer loans	90,325	82,877	(8.2)%



Allowances for loan losses as a percentage of total loans	2.2%	2.4%	6.9%
Commercial loans	2.0%	2.4%	16.4%
Mortgage loans	1.0%	0.8%	(18.8)%
Consumer loans	5.1%	4.7%	(7.9)%

During 2015, our loan portfolio was negatively impacted by the slowdown in the Chilean and Colombian economies. While our loan portfolio grew by 4.3%, the composition of our loan portfolio as of December 31, 2015 reflected a greater increase in commercial loans, which is the segment with the lowest level of risk. Our portfolio of commercial loans increased from Ch\$10,090,574 million to Ch\$10,696,518 million and our mortgage loan portfolio, also one of our low risk segment, has remained quite stable between Ch\$2,229,558 million in 2014 and Ch\$2,228,619 million in 2015, these are increases of a 6.0% and 0.0%, respectively as compared to our portfolio of consumer loans, the segment with the highest level of risk, which decreased by 0.4%. As of December 31, 2015, consumer loans represented 11.6% of our total loan portfolio compared to 12.2% as of December 31, 2014.

The consumer loans segment represents the single highest level of risk in our loan portfolio. As of December 31, 2015, the risk index (ratio of allowance for loans losses over total loans) of this segment was 1.5% – reflecting a 0.5% decrease in 2015 – while other segments of our loan portfolio such as mortgage loans and commercial loans had lower risk indexes of 0.4% and 1.3%, respectively.

Our consumer loan portfolio may experience loan losses due to the absence of collateral in respect of unsecured loans, insufficient collateral in collateralized loans, and risks relating to the circumstances of individual borrowers, including unemployment or incapacitation of our consumer borrowers.

We significantly increased our allowances for loan losses as a consequence of difficulties experienced by the Colombian oil & gas industry and related sectors during the year 2015. However, the 26.4% increase in the allowances was mitigated by the decrease in our consumer loan portfolio which lead to lower allowances for loan losses in this segment. As aforementioned, the IFRS Risk Index of commercial loans’ and the mortgage loans’ segments is of 1.3% and 0.4%, respectively while the consumer loans’ segment has a IFRS Risk Index of 1.5%. For comparison purposes, the SBIF Risk Index of our commercial, mortgage and consumers’ loans’ segments is of 2.4%, 0.8% and 4.7%, respectively. The above explains the assertion that our asset quality, as measured by the IFRS Risk Indices, remains unchanged, despite the increase in our allowances for loan losses.

*Maturity and Interest Rate Sensitivity of Loans*

2015: The following table sets forth an analysis of our loans by type and time remaining to maturity as of December 31,

	Balance as of December 31, 2015	Due within one month	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 million of constant Ch\$ as of December 31, 2015)								
Commercial loans	8,821,860	1,306,668	1,642,414	1,667,495	1,334,978	1,501,840	1,368,464	8,821,860
Foreign trade loans	521,339	150,153	221,267	38,611	50,828	47,312	13,169	521,339
Current account debtors	28,732	24,538	2,582	1,606	5	—	—	28,732
Factoring operations	62,013	31,114	28,365	1,242	828	465	—	62,013
Leasing transactions	888,189	26,453	35,175	45,913	183,295	199,506	397,847	888,189
Other loans and receivables	374,385	27,908	5,151	6,207	24,747	23,160	287,211	374,385
Subtotals	10,696,518	1,566,834	1,934,954	1,761,074	1,594,681	1,772,283	2,066,691	10,696,518
Letters of credit loans	54,372	1,028	3,116	3,722	12,793	10,193	23,521	54,372
Endorsable mutual mortgage loans	161,438	1,533	4,780	5,721	22,666	21,218	105,520	161,438
Mutual loans financed mortgage bonds	—	—	—	—	—	—	—	—
Other mutual mortgage loans	1,701,573	22,048	43,424	50,521	266,742	105,175	1,213,664	1,701,573
Leasing transactions	278,882	1,083	189	782	3,386	12,166	261,277	278,882
Other loans and receivables	32,354	269	933	1,118	4,413	4,166	21,454	32,354
Subtotals	2,228,619	25,961	52,441	61,865	310,000	152,918	1,625,435	2,228,619
Consumer loans	1,298,194	62,639	68,295	72,312	290,211	517,265	287,472	1,298,194
Current account debtors	52,488	37,793	10,496	4,199	—	—	—	52,488
Credit card debtors	244,942	213,144	24,449	7,348	—	—	—	244,942
Consumer leasing transactions	18,791	104	286	512	5,525	12,239	125	18,791
Other loans and receivables	88,744	30,100	13,313	14,199	31,083	34	15	88,744
Subtotals	1,703,159	343,781	116,839	98,570	326,819	529,539	287,612	1,703,159
Subtotal loans	14,628,296	1,936,576	2,104,234	1,921,509	2,231,500	2,454,739	3,979,739	14,628,296
Loans and receivables to banks	452,069							
Total loans	15,080,365							



	Due in 1 year	Due after 1 year through 5 years	Due after 5 years	Balance as of December 31, 2014
(in million of constant Ch\$ as of December 31, 2015)				
Commercial loans	4,616,577	2,836,818	1,368,464	8,821,859
Foreign trade loans	410,031	98,140	13,169	521,339
Current account debtors	28,727	5	—	28,732
Factoring operations	60,721	1,293	—	62,013
Leasing transactions	107,541	382,801	397,847	888,189
Other loans and receivables	39,266	47,907	287,211	374,385
Subtotals	5,262,862	3,366,964	2,066,691	10,696,517
Letters of credit loans	7,866	22,986	23,521	54,372
Endorsable mutual mortgage loans	12,034	43,884	105,520	161,438
Mutual loans financed mortgage bonds	—	—	—	—
Other mutual mortgage loans	115,993	371,917	1,213,664	1,701,573
Leasing transactions	2,053	15,552	261,277	278,882
Other loans and receivables	2,321	8,579	21,454	32,354
Subtotals	140,267	462,918	1,625,435	2,228,619
Consumer loans	203,246	807,476	287,472	1,298,194
Current account debtors	52,488	—	—	52,488
Credit card debtors	244,941	—	—	244,942
Consumer leasing transactions	902	17,764	125	18,791
Other loans and receivables	57,612	31,117	15	88,744
Subtotals	559,190	856,357	287,612	1,703,159
Subtotal loans	5,962,319	4,686,239	3,979,739	14,628,296
Loans and receivables to banks				452,069
Total loans				15,080,365

The following table presents the interest rate sensitivity of our outstanding loans due after one year as of December 31, 2015.

	<u>As of December 31, 2015</u>
Variable interest rate	
Ch\$	386,489
UF	267,865
Ch\$ indexed to US\$	407,168
Foreign currency	2,268,255
Subtotal	3,329,776
Fixed interest rate	
Ch\$	949,773
UF	2,348,767
Ch\$ indexed to US\$	8,202
Foreign currency	2,029,460
Subtotal	5,336,202
Total	<u>8,665,978</u>



The following table sets forth an analysis of our foreign loans by type and time remaining to maturity as of December 31, 2015:

	2015	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 year	Total
Commercial loans	512	(in million of constant Ch\$ as of December 31, 2015)	64,031	62,791	127,334
Foreign Loans (*)	1,404,180	1,979,969	1,991,400	5,375,550	
Total	1,404,693	2,044,001	2,054,191	5,502,884	

(*) 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:

Loans by Economic Activity	Domestic Loans as of December 31,			Foreign Loans as of December 31,			Total Loans as of December 31,			Distribution percentage as of December 31,		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Manufacturing	499,037	965,965	742,288	332,767	111,397	137,587	831,804	1,077,362	879,875	6.45%	7.68%	6.01%
Mining and Petroleum	328,377	266,661	450,459	457,884	363,055	316,248	786,261	629,716	766,707	6.10%	4.49%	5.24%
Electricity, Gas and Water	146,316	273,576	230,658	351,301	483,644	467,077	497,617	757,220	697,735	3.86%	5.40%	4.77%
Agriculture and Livestock	179,008	179,863	239,540	123,906	123,166	123,981	302,914	303,029	363,521	2.35%	2.16%	2.49%
Forestry and wood extraction	23,650	48,344	36,291	8,875	7,785	7,732	32,525	56,129	44,023	0.25%	0.40%	0.30%
Fishing	1,212	2,199	3,252	—	—	—	1,212	2,199	3,252	0.01%	0.02%	0.02%
Transport and storage	196,092	182,364	242,533	165,982	146,354	105,593	362,074	328,718	348,126	2.81%	2.34%	2.38%
Communications	3,423	3,490	4,034	111,671	91,191	57,944	115,094	94,681	61,978	0.89%	0.67%	0.42%
Construction	854,452	887,305	989,048	257,438	214,999	217,069	1,111,890	1,102,304	1,206,117	8.62%	7.86%	8.25%
Commerce	434,713	415,695	500,551	1,034,412	943,143	808,876	1,469,125	1,358,838	1,309,427	11.39%	9.69%	8.95%
Services	2,695,813	2,620,475	3,128,986	980,883	1,305,238	1,229,567	3,676,696	3,925,713	4,358,553	28.51%	27.98%	29.80%
Others	70,829	286,578	202,313	27,415	167,988	454,891	98,244	454,566	657,204	0.76%	3.24%	4.49%
Subtotal Commercial Loans	5,432,922	6,132,515	6,769,953	3,852,534	3,957,960	3,926,565	9,285,456	10,090,475	10,696,518	72.00%	71.93%	73.12%
Mortgage Loans (1)	1,529,701	1,730,106	1,742,092	459,275	499,452	486,527	1,988,976	2,229,558	2,228,619	15.42%	15.89%	15.23%
Consumer Loans (1)	504,940	568,426	613,367	1,118,309	1,141,416	1,089,792	1,623,249	1,709,842	1,703,159	12.58%	12.18%	11.64%
Total	7,467,563	8,431,047	9,125,412	5,430,118	5,598,828	5,502,884	12,897,681	14,029,875	14,628,296	100%	100%	100%

(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. The table below lists our total amounts outstanding to borrowers in foreign countries as of December 31, 2013, 2014 and 2015. This table does not include foreign trade-related loans to Chilean borrowers.

	As of December 31		
	2013	2014	2015
	(in millions of constant Ch\$)		
Argentina	7,401	—	—
Brazil	39,265	43,064	12,961
Canada	—	58,426	44,064
Cayman Islands	8,249	2,296	—
Colombia	5,142,110	4,921,473	4,802,783
Costa Rica	6,478	4,127	3,260
Ecuador	—	13,194	55
Gabon	—	—	4,529
Japan	8,548	6,642	4,307
Holland	64,366	84,567	83,804
Mexico	81,729	78,243	73,953
Panama	10,490	244,440	322,414
Peru	31,060	97,572	71,835
Switzerland	23,450	—	—
United States	6,972	44,786	78,918
Total	5,430,118	5,598,828	5,502,884

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, 2013, 2014 and 2015.

	As of December 31		
	2013	2014	2015
	(in millions of constant Ch\$)		
Australia	81	85	84
Barbados	792	—	—
Belgium	147	1,044	225
Bulgaria	—	12	—
Canada	481	383	325
China	4	8	5
Colombia	392,106	312,337	274,646
Denmark	16	12	17
France	21	22	—
Germany	8,664	15,999	7,046
Italy	15	14	19
Japan	628	1,689	538
Mexico	81	8	32
Norway	5	81	15
Panama	37,297	1,890	1,887
Spain	7	75	2,405
Sweden	21	26	29
Switzerland	55	88	140
United Kingdom	758	2,806	5,538
United States	261,317	616,024	452,723
Venezuela	13	10	12
Total	702,509	952,612	745,686



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 our 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 2015:



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	125	200	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 2015. This table applies to all potential borrowers with credit risk ratings of 1 to 5 and varies according to whether the customer credit risk is comprised of secured or unsecured obligations.

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

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

All transactions at the Risk Committee level or higher are reviewed by our credit risk managers. All transactions resulting in total customer credit risk in excess of the amounts that can be reviewed by the Superior Committee as shown in the above table must be authorized by the directors committee of our board of directors, or the Directors Committee, 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, we use 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:

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

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.

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 us – 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 $SEV \times PNP \times EXP$ as explained above in relation to individually significant loans. Segmentation is set up in a different way from the individually significant loans. There are profiles primarily using factors such as demographic characteristics, delinquency, collateral ratio to loan balance and external credit ratings which associated results are “scored” and then assigned to a segment where each has an allowance percentage assigned based on the above formula.



Total Loans – models based on group analysis

	As of December 31, 2013		
	<u>Total Loans</u>	<u>Allowances for loan losses</u> (in million of Ch\$ except for percentages)	<u>Risk Index (%)</u>
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%

	As of December 31, 2014		
	<u>Total Loans</u>	<u>Allowances for loan losses</u> (in million of Ch\$ except for percentages)	<u>Risk Index (%)</u>
Commercial	731,776	14,741	2.0%
Leasing commercial	84,841	263	0.3%
Factoring commercial	5,721	143	2.5%
Consumer	1,690,081	33,775	2.0%
Leasing consumer	19,761	59	0.3%
Mortgage	1,948,985	6,515	0.3%
Leasing mortgage	280,573	1,247	0.4%

	As of December 31, 2015		
	<u>Total Loans</u>	<u>Allowances for loan losses</u> (in million of Ch\$ except for percentages)	<u>Risk Index (%)</u>
Commercial	1,147,453	13,153	1.1%
Leasing commercial	134,432	3,691	2.7%
Factoring commercial	15,920	375	2.4%
Consumer	1,684,368	25,848	1.5%
Leasing consumer	18,791	538	2.9%
Mortgage	1,949,737	1,124	0.1%
Leasing mortgage	278,882	7,708	2.8%



Consumer Loans – models based on group analysis

	As of December 31, 2013		
	Total Loans	Allowances for loan losses (in million 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%

	As of December 31, 2014		
	Total Loans	Allowances for loan losses (in million of Ch\$ except for percentages)	Risk Index (%)
Credit cards	241,701	4,096	1.7%
Lines of credit	47,564	1,713	3.6%
Others revolving	4,080	110	2.7%
Installment Consumer loans	781,381	6,577	0.8%
Car loans	37,127	961	2.6%
Student loans	7,182	77	1.1%
Salary discount loans	460,267	8,329	1.8%
Renegotiation	106,904	11,389	10.7%
Others	3,877	524	13.5%

	As of December 31, 2015		
	Total Loans	Allowances for loan losses (in million of Ch\$ except for percentages)	Risk Index (%)
Credit cards	244,942	3,314	1.4%
Lines of credit	52,488	1,684	3.2%
Others revolving	3,645	260	7.1%
Installment Consumer loans	757,879	4,221	0.6%
Car loans	30,222	899	3.0%
Student loans	4,738	66	1.4%
Salary discount loans	492,439	4,731	1.0%
Renegotiation	97,795	10,634	10.9%
Others	221	39	17.5%

With respect to our portfolio of consumer loans and commercial loans under Ch\$200 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 us – 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:

2011

	Individual Portfolio										Group Portfolio						
	Normal Portfolio						Impaired Portfolio				Normal Portfolio	Impaired Portfolio	Subtotal	Total General			
	A1	A2	A3	A4	A5	A6	B1	B2	Total	Impaired					Total		
As of December 31, 2011																	
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	73,174	4,046,310	231,295	68,126	299,421	4,345,731		
Foreign Trade loans	—	53,245	93,925	144,847	36,568	7,432	357	—	336,374	42,190	378,564	8,151	2,266	10,417	388,981		
Lines of credit and overdrafts	—	1,299	5,526	245	1,066	1	49	4	8,190	135	8,325	4,008	1,166	5,174	13,499		
Factored receivables	—	8,755	28,677	36,988	15,308	290	54	—	90,072	356	90,428	2,647	1,951	4,598	95,026		
Leasing contracts	—	11,495	16,698	106,405	89,018	592	2,439	—	226,647	37,655	264,302	19,428	9,996	29,424	293,726		
Other outstanding loans	—	171	42	519	125	12	—	2	871	22	893	77,281	259	77,540	78,433		
Subtotal Commercial loans	236,229	1,077,954	1,371,991	1,328,394	581,682	17,338	17,102	4,600	4,635,290	153,532	4,788,822	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 receivable to customers	236,229	1,077,954	1,371,991	1,328,394	581,682	17,338	17,102	4,600	4,635,290	153,532	4,788,822	1,882,571	143,052	2,025,623	6,814,445		
Financial investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		



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2013

Individual Portfolio

Group Portfolio

As of
December 31,
2013

	Normal Portfolio						Impaired Portfolio			Normal Portfolio		Impaired Portfolio		Subtotal	Total General
	A1	A2	A3	A4	A5	A6	B1	B2	Total	Impaired	Total	Portfolio	Portfolio		

Loans and receivables to banks	140,017	30,469	47,595	—	—	—	—	—	218,081	—	—	—	—	—	218,081
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Loans and receivable to customers

Commercial loans:

Commercial loans	190,904	1,309,328	2,544,546	2,158,738	613,593	39,635	188,112	32,091	7,076,947	197,287	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	417,192	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	15,973	566	16,539	10,952	444	11,396	27,935
Factored receivables	—	1,501	32,596	31,539	1,160	—	718	—	67,514	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	679,752	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	43	9,521	952	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	8,266,899	262,461	8,529,360	704,186	51,910	756,096	9,285,456
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Consumer loans

Mortgage loans	—	—	—	—	—	—	—	—	—	—	—	1,954,173	34,803	1,988,976	1,988,976
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Total loans and receivable to customers

Financial investments	206,608	1,465,962	2,890,674	2,605,555	779,508	48,335	231,601	38,656	8,266,899	262,461	8,529,360	4,237,680	130,641	4,368,321	12,897,681
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100



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2014

Individual Portfolio

Group Portfolio

As of December 31, 2014	Normal Portfolio						Impaired Portfolio		Normal Portfolio		Impaired Portfolio		Total	General Total
	A1	A2	A3	A4	A5	A6	B1	B2	Impaired	Impaired				
Loans and receivables	620,047	145,363	44,820	4,250	—	—	—	—	—	—	—	814,480	—	
Allowances for loan losses	—	(99)	(98)	(74)	—	—	—	—	—	—	—	(271)	—	
As percentage of total loans	—	0.07%	0.22%	1.74%	—	—	—	—	—	—	—	0.03%	—	
Loans and receivable from customers:														
Commercial loans	—	440,672	1,715,679	3,006,527	2,092,385	244,994	142,492	51,957	203,352	7,898,058	357,032	47,988	405,020	8,303,078
Foreign trade loans	—	6,821	160,843	177,597	88,026	8,926	28,230	1,243	23,993	495,679	9,497	375	9,872	505,551
Current account debtors	—	—	8,235	7,008	3,918	264	413	123	1,118	21,079	12,162	1,609	13,771	34,850
Factoring operations	—	—	4,574	30,570	28,474	481	29	—	65	64,193	5,643	78	5,721	69,914
Leasing transactions	—	6,762	69,110	309,153	285,389	31,491	33,432	12,244	34,070	781,651	79,812	5,029	84,841	866,492
Other loans and receivables	2	168	1,686	1,943	1,837	141	86	54	1,560	7,477	302,521	592	303,113	310,590
Subtotal Commercial loans	2	454,423	1,960,127	3,532,798	2,500,029	286,297	204,682	65,621	264,158	9,268,137	766,667	55,671	822,338	10,090,475
Allowances for loan losses	—	(139)	(1,466)	(16,856)	(18,782)	(2,891)	(4,246)	(3,331)	(33,151)	(80,862)	(6,163)	(8,984)	(15,147)	(96,009)
As percentage of total loans	—	0.03%	0.07%	0.48%	0.75%	1.01%	2.07%	5.08%	12.55%	0.87%	0.80%	1.614%	1.84%	0.95%
Consumer loans														
Allowances for loan losses	—	—	—	—	—	—	—	—	—	—	—	—	—	—
As percentage of total loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortgage loans														
Allowances for loan losses	—	—	—	—	—	—	—	—	—	—	—	—	—	—
As percentage of total loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total loans and receivables to customers	2	454,423	1,960,127	3,532,798	2,500,029	286,297	204,682	65,621	264,158	9,268,137	4,619,697	142,041	4,761,738	14,029,875
Allowances for loan losses	—	(139)	(1,466)	(16,856)	(18,782)	(2,891)	(4,246)	(3,331)	(33,151)	(81,133)	(32,591)	(24,152)	(56,743)	(137,605)
As percentage of total loans	—	0.03%	0.07%	0.48%	0.75%	1.01%	2.07%	5.08%	12.55%	0.88%	0.71%	17.00%	1.19%	0.98%
Financial investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—



2015

Individual Portfolio

Group Portfolio

As of December 31, 2015	Normal Portfolio						Impaired Portfolio			Normal Portfolio			Impaired Portfolio			Total			General Total
	A1	A2	A3	A4	A5	A6	B1	B2	Impaired	Total	Portfolio	Portfolio	Portfolio	Portfolio	Total	Total			
Loans and receivables	308,028	64,652	21,379	58,010															452,069
Allowances for loan losses	(111)	(129)																	(240)
As percentage of total loans	0.17%	0.60%																	0.05%
Loans and receivable from customers																			
Commercial loans:																			
Commercial loans	337,942	1,902,372	2,982,307	2,181,402	303,679	122,571	73,698	207,409	8,111,380	627,823	82,657	710,480	8,821,860						
Foreign trade loans	3,558	142,449	148,669	82,726	24,727	33,564	11,082	18,368	465,143	55,512	684	56,196	521,339						
Current account debtors			390	7,837	3,760	184	61	25	757	13,014	2,451	15,718	28,732						
Factoring operations			1,236	30,918	13,182	38	670	49	46,093	15,537	383	15,920	62,013						
Leasing transactions	7,924	46,238	257,945	305,434	54,407	27,788	7,737	46,284	753,757	126,939	7,493	134,432	888,189						
Other loans and receivables	182	547	3,921	2,633	157	79	338	1,469	9,326	351,622	13,437	365,059	374,385						
Subtotal Commercial loans	349,606	2,093,232	3,431,597	2,589,137	383,192	184,733	92,880	274,336	9,398,713	1,190,700	107,105	1,297,805	10,696,518						
Allowances for loan losses	(99)	(1,602)	(10,957)	(16,776)	(9,790)	(3,918)	(18,921)	(59,439)	(121,502)	(8,197)	(9,022)	(17,219)	(138,721)						
As percentage of total loans	0.03%	0.08%	0.32%	0.65%	2.55%	2.12%	20.37%	21.67%	1.29%	0.69%	8.42%	1.33%	1.30%						
Consumer loans																			
Allowances for loan losses																			
As percentage of total loans																			
Mortgage loans																			
Allowances for loan losses																			
As percentage of total loans																			
Total loans and receivable to customers	349,606	2,093,232	3,431,597	2,589,137	383,192	184,733	92,880	274,336	9,398,713	5,043,937	185,646	5,229,583	14,628,296						
Allowances for loan losses	(99)	(1,602)	(10,957)	(16,776)	(9,790)	(3,918)	(18,921)	(59,439)	(121,502)	(34,999)	(17,438)	(52,437)	(173,939)						
As percentage of total loans	0.03%	0.08%	0.32%	0.65%	2.55%	2.12%	20.37%	21.67%	1.29%	0.69%	9.39%	1.00%	1.19%						
Financial investments																			



The following table sets forth our allowances for loan losses:

	As of December 31,		
	2013	2014	2015
	(in million of Ch\$ except for percentages)		
Required allowances	126,039	137,605	173,939
Voluntary allowances	—	—	—
Total allowances for loan losses	126,039	137,605	173,939
Total loan allowances as a percentage of total loans	1.0%	1.0%	1.2%
Total loans	12,897,681	14,029,875	14,628,296

**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,				
	2011	2012	2013	2014	2015
	(in million of Ch\$)				
Current	6,532,592	7,786,077	7,379,542	8,288,910	8,967,944
Overdue 1-29 days	9,046	31,530	38,531	54,791	50,888
Overdue 30-89 days	11,207	13,622	13,092	28,063	37,835
Overdue 90 days or more ("past due")	46,379	42,954	36,396	59,283	68,745
Total loans	6,599,224	7,874,183	7,467,563	8,431,047	9,125,412

Foreign Loans

	As of December 31,				
	2011	2012	2013	2014	2015
	(in million of Ch\$)				
Current	215,221	2,209,789	5,353,411	5,530,306	5,435,928
Overdue 1-29 days	—	9,486	39,349	36,331	23,472
Overdue 30-89 days	—	1,715	9,664	8,824	7,332
Overdue 90 days or more ("past due")	—	8,318	27,694	23,367	36,152
Total loans	215,221	2,229,308	5,430,118	5,598,828	5,502,884

Total Loans

	As of December 31,				
	2011	2012	2013	2014	2015
	(in million of Ch\$, except for percentages)				
Current	6,747,813	9,995,866	12,732,953	13,819,216	14,403,872
Overdue 1-29 days	9,046	41,016	77,880	91,122	74,360
Overdue 30-89 days	11,207	15,337	22,757	36,887	45,167
Overdue 90 days or more ("past due")	46,379	51,272	64,091	82,650	104,897
Total loans	6,814,445	10,103,491	12,897,681	14,029,875	14,628,296
Overdue loans expressed as a percentage of total loans	1.0%	1.1%	1.3%	1.5%	1.5%
Past due loans as a percentage of total loans	0.7%	0.5%	0.5%	0.6%	0.7%

**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,				
	2011	2012	2013	2014	2015
	(in million of Ch\$ except for percentages)				
Total loans (excludes interbank loans)	6,814,445	10,103,491	12,897,681	14,029,875	14,628,296
Impaired loans	296,584	222,712	393,102	406,199	459,982
Allowance for loan losses	102,500	109,601	126,039	137,605	173,939
Impaired loans as a percentage of total loans	4.4%	2.2%	3.0%	2.9%	3.1%
Amounts past due ⁽¹⁾	46,379	51,272	64,091	82,650	104,897
To the extent secured ⁽²⁾	18,849	31,324	27,294	38,758	50,350
To the extent unsecured	27,530	19,948	36,797	43,892	54,546
Amounts past due as a percentage of					
Total loans	0.7%	0.5%	0.5%	0.6%	0.7%
To the extent secured ⁽²⁾	0.3%	0.3%	0.2%	0.3%	0.3%
To the extent unsecured	0.4%	0.2%	0.3%	0.3%	0.4%
Non-performing loans ⁽¹⁾	107,978	117,937	141,667	180,536	196,806
Non-performing loans as a percentage of total loans	1.6%	1.2%	1.1%	1.3%	1.3%
Allowance for loans losses as a percentage of:					
Total loans	1.5%	1.1%	1.0%	1.0%	1.2%
Total impaired loans	34.6%	49.2%	32.1%	33.9%	37.8%
Total amounts past due	221.0%	213.8%	196.7%	166.5%	165.8%
Total amounts past due-unsecured	372.3%	549.4%	342.5%	313.51%	318.88%

- 1) Non - performing loans include the principal and interest of any loan with one installment is 90 days overdue, and do not accrue interest
- 2) Guarantees taken by the Bank to secure collections reflected in its loan portfolios are collateral (urban and rural property, farm land, ships and aircraft, mining claims and other assets) and pledges (inventory, farm assets, industrial assets, plantings and other pledged assets).



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

	As of December 31,				
	2011	2012	2013	2014	2015
Overdue 90 days or more ("Past Due")	46,379	51,272	64,091	82,650	104,897
Domestic Loans	46,379	42,954	36,396	59,283	68,745
Foreign Loans	—	8,318	27,695	23,367	36,152
Total Loans Past Due	46,379	51,272	64,091	82,650	104,897
Amounts Past Due⁽¹⁾					
To the extent secured ⁽²⁾	18,849	31,324	27,294	38,758	50,350
To the extent unsecured ⁽²⁾	27,530	19,948	36,797	43,892	54,546

As of December 31, 2015	Between 90-180	Between 181-240	Between 241-360	More than 360	Total
	days	days	days	days	
(in million of Ch\$)					
Loans and receivables to customers					
Commercial Loans	14,484	19,608	24,078	37,878	96,047
Mortgages Loans	1,066	230	592	2,836	4,724
Consumer Loans	4,126	—	—	—	4,126
Total	19,676	19,838	24,670	40,714	104,897

As of December 31, 2014	Between 90-180	Between 181-240	Between 241-360	More than 360	Total
	days	days	days	days	
(in million of Ch\$)					
Loans and receivables to customers					
Commercial Loans	27,444	12,385	10,151	23,724	73,705
Mortgages Loans	1,139	268	241	2,980	4,629
Consumer Loans	4,316	—	—	—	4,316
Total	32,900	12,654	10,392	26,704	82,650

As of December 31, 2013	Between 90-180	Between 181-240	Between 241-360	More than 360	Total
	days	days	days	days	
(in million 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

As of December 31, 2012	Between 90-180	Between 181-240	Between 241-360	More than 360	Total
	days	days	days	days	
(in million 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

As of December 31, 2011	Between 90-180	Between 181-240	Between 241-360	More than 360	Total
	days	days	days	days	
(in million 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

- (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) Guarantees taken by the Bank to secure collections reflected in its loan portfolios are collateral (urban and rural property, farm land, ships and aircraft, mining claims and other assets) and pledges (inventory, farm assets, industrial assets, plantings and other pledged assets).

**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,				
	2011	2012	2013	2014	2015
	(in million of Ch\$ except for percentages)				
Allowances for loan losses at beginning of period	104,215	102,500	109,601	126,039	137,605
Allowances on acquired loans					
Charge-offs	(54,434)	(59,619)	(107,558)	(101,635)	(116,666)
Provisions established	94,170	119,467	331,009	328,265	398,617
Provisions released ⁽¹⁾	(41,451)	(52,682)	(211,438)	(176,176)	(208,925)
Debt Exchange and loans-sale	—	—	(4,565)	(9,239)	(6,714)
Exchange rate difference ⁽²⁾	—	(65)	8,990	(29,649)	(29,978)
Allowances for loan losses at end of period	<u>102,500</u>	<u>109,601</u>	<u>126,039</u>	<u>137,605</u>	<u>173,939</u>
Ratio of charge-offs to average loans	0.9%	0.6%	0.9%	0.7%	0.8%
Allowances for loan losses at end of period as a percentage of total loans	1.5%	1.1%	1.0%	1.0%	1.2%
Allowances for loan losses at end of period	<u>102,500</u>	<u>109,601</u>	<u>126,039</u>	<u>137,605</u>	<u>173,939</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, 2015.

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,				
	2011	2012	2013	2014	2015
	(in million of Ch\$)				
Consumer loans	31,676	38,764	62,296	62,032	70,744
Mortgage loans	1,782	3,907	2,831	2,506	2,559
Commercial loans	20,976	16,948	42,431	37,097	43,363
Total	<u>54,434</u>	<u>59,619</u>	<u>107,558</u>	<u>101,635</u>	<u>116,666</u>

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

	As of December 31,				
	2011	2012	2013	2014	2015
	(in million of Ch\$)				
Bank debt	19	—	—	—	—
Consumer loans	9,598	10,014	10,803	14,347	11,105
Mortgage loans	574	1,039	1,627	1,277	1,875
Commercial loans	1,787	3,824	5,037	9,321	6,905
Total	<u>11,978</u>	<u>14,877</u>	<u>17,467</u>	<u>24,945</u>	<u>19,885</u>

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, 2013, 2014 and 2015, allowances for loan losses that were attributable to our commercial, consumer and mortgage loans as of each 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, 2015

	<u>Allowance amount</u>	<u>Allowance Amount as a percentage of loans in category</u> (in million of Ch\$ except for percentages)	<u>Allowance Amount as a percentage of total loans</u>	<u>Loans in category as percentage of total</u>
Commercial loans	138,721	1.3%	0.9%	70.9%
Consumer loans	26,386	1.5%	0.2%	11.3%
Residential mortgage loans	8,832	0.4%	0.1%	14.8%
Loans and receivables to banks	240	0.1%	0.0%	3.0%
Total allocated allowances	174,179	1.2%	1.2%	100%

As of December 31, 2014

	<u>Allowance amount</u>	<u>Allowance Amount as a percentage of loans in category</u> (in million of Ch\$ except for percentages)	<u>Allowance Amount as a percentage of total loans</u>	<u>Loans in category as percentage of total</u>
Commercial loans	96,009	1.0%	0.6%	68.0%
Consumer loans	33,834	2.0%	0.2%	11.5%
Residential mortgage loans	7,762	0.3%	0.1%	15.0%
Loans and receivables to banks	271	0.0%	0.0%	5.5%
Total allocated allowances	137,876	0.9%	0.9%	100.0%

As of December 31, 2013

	<u>Allowance amount</u>	<u>Allowance Amount as a percentage of loans in category</u> (in million of Ch\$ except for percentages)	<u>Allowance Amount as a percentage of total loans</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 million of Ch\$ except for percentages)	<u>Allowance Amount as a percentage of total loans</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 million of Ch\$ except for percentages)	<u>Allowance Amount as a percentage of total loans</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%



As of December 31, 2011

	Allowance amount	Allowance Amount as a percentage of loans in category (in million of Ch\$ except for percentages)	Allowance Amount as a percentage of total loans	Loans in category as percentage of total
Total allocated allowances	103,024	1.4%	1.4%	100.0%

Composition of Deposits and Other Commitments

The following table sets forth the composition of our deposits and similar commitments as of December 31, 2013, 2014 and 2015.

	As of December 31,		
	2013	2014	2015
	(in million of Ch\$)		
Current accounts	1,468,622	1,671,220	1,833,746
Other deposits and demand accounts	1,737,779	2,067,625	2,391,431
Advance payments received from customers	138,312	86,029	171,707
Other demand liabilities	106,670	130,074	34,735
Term savings accounts	32,630	31,556	31,573
Time deposits	7,273,216	7,950,992	8,463,703
Other term creditors	31,857	94,418	327
Total	10,789,086	12,031,914	12,927,222

Maturity of Deposits

The following table sets forth information regarding the currency and maturity of our deposits as of December 31, 2015, 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, 2015			
	Ch\$	UF	Foreign Currency (In %)	Total
Demand deposits	18.97	1.70	49.00	34.28
Savings accounts	0.00	1.41	0.34	0.24
Time deposits:				
Maturing within 3 months	60.56	36.55	20.25	37.85
Maturing after 3 but within 6 months	6.03	5.96	8.18	7.18
Maturing after 6 but within 12 months	12.23	26.61	17.19	15.55
Maturing after 12 months	2.22	27.76	5.04	4.90
Total time deposits	81.03	96.89	50.66	65.47
Total deposits	100%	100%	100%	100%



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, 2015.

	As of December 31, 2015			Total
	Ch\$	UF	Foreign Currency	
Maturing within 3 months	2,625,456	195,609	1,397,462	4,218,527
Maturing after 3 but within 6 months	319,174	32,268	552,468	903,910
Maturing after 6 but within 12 months	657,280	155,342	1,125,732	1,938,355
Maturing after 12 months	119,873	164,224	336,480	620,577
Total time deposits	3,721,784	547,444	3,412,142	7,681,369

Minimum Capital Requirements

As of December 31, 2013, 2014 and 2015 the table sets forth our minimum capital requirements set as follows:

	As of December 31,		
	2013	2014	2015
	(in millions of constant Ch\$ except for percentages)		
Net capital base	1,411,341	1,443,427	1,183,723
3% total assets net of provisions	(567,929)	(667,775)	(687,380)
Excess over minimum required equity	843,413	775,652	496,343
Net capital base as a percentage of the total assets, net of provisions	7.3%	6.4%	5.1%
Effective net equity	1,991,289	2,071,647	1,666,708
8% of the risk-weighted assets	(1,204,683)	(1,337,231)	(1,397,276)
Excess over minimum required equity	786,606	734,416	269,432
Effective equity as a percentage of the risk-weighted assets	13.2%	12.4%	9.5%

Our capital ratios levels decreased from 12.4% to 9.5% between 2014 and 2015, following the approval of the merger with Banco Itaú Chile, considering that our shareholders, together with approving the merger, approved a special dividend distribution in the amount of Ch\$239.86 billion that was paid on July 1, 2015.

Short-term Borrowings

Our short-term borrowings (other than deposits and other obligations) totaled Ch\$973,833 million, Ch\$1,131,116 million and Ch\$701,814 million as of December 31, 2013, 2014 and 2015, 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,					
	2013		2014		2015	
	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	342,445	0.43%	661,663	0.06%	260,631	0.36%
Central Bank borrowings	—	—	—	—	—	—
Domestic interbank loans	—	—	—	—	—	—
Borrowings under foreign trade credit lines	631,388	0.60%	469,453	0.92%	441,183	1.20%
Total short-term borrowings	973,833	0.54%	1,131,116	0.42%	701,814	0.89%

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,

	2013		2014		2015	
	Average Balance	Weighted Average Nominal Interest Rate	Average Balance	Weighted Average Nominal Interest Rate	Average Balance	Weighted Average Nominal Interest Rate
	(in millions of constant Ch\$)					
Investments under repurchase agreements	247,148	0.55%	345,098	0.12%	645,487	0.15%
Central Bank borrowing	21,870	5.01%	—	—	—	—
Domestic interbank loans	728	0.00%	377	0.00%	350	0.00%
Borrowings under foreign trade credit lines	537,236	0.57%	639,341	0.55%	511,118	0.89%
Total short-term borrowings	806,982	0.68%	984,816	0.40%	1,156,955	0.48%

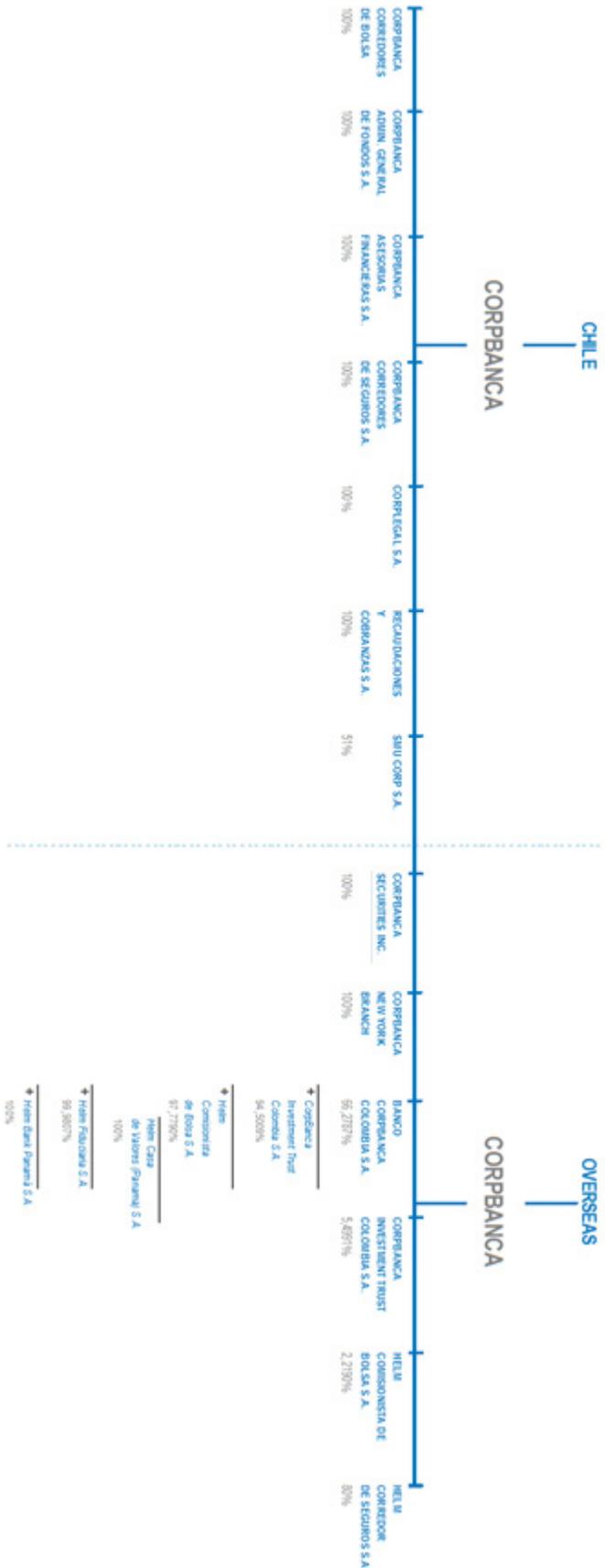
The following table presents the maximum month-end balances of our principal sources of short-term borrowings during the periods indicated:

	Maximum 2013 Month-End Balance	Maximum 2014 Month-End Balance	Maximum 2015 Month-End Balance
	(in millions of constant Ch\$)		
Investments under repurchase agreements	408,760	679,201	1,076,429
Central Bank borrowings	133,583	—	—
Domestic interbank loans	1,550	4,178	1,573
Borrowings under foreign trade credit lines	776,559	951,923	734,798



C. ORGANIZATIONAL STRUCTURE

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



CorpBanca Corredores de Bolsa S.A., CorpBanca Administradora General de Fondos S.A., CorpBanca Asesorias Financieras S.A., CorpBanca Corredores de Seguros S.A., Corpl legal S.A. SMU Corp S.A. and Recaudaciones y Cobranzas S.A. are incorporated and domiciled in Chile. CorpBanca Securities Inc. and CorpBanca New York Branch are incorporated and domiciled in the State of New York, United States. Banco CorpBanca Colombia S.A., CorpBanca Investment Trust Colombia S.A., Helm Comisionista de Bolsa S.A., Helm Corredor de Seguros S.A. and Helm Fiduciaria S.A. are incorporated and domiciled in Colombia. Helm Bank Panama S.A. and Helm Casa de Valores (Panama) S.A. are incorporated and domiciled in Panama.

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, 2015, we owned 38 of the 304 properties where our branches were located. Total branch space as of December 31, 2015 was approximately 96,120 square meters (1,034,627 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, 2014 and 2015 and for the years ended December 31, 2013, 2014 and 2015 have been prepared in accordance with IFRS. Our consolidated results of operations for years ended December 31, 2013, 2014 and 2015 are not comparable because of: (i) the consolidation of Helm Bank as a result of the Helm Bank Acquisition in August 2013; and (ii) the consolidation of Helm Bank for a full fiscal year since 2014. 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

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.

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. In such year, 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%. 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 and 2012, the Chilean GDP continued to grow by 6% and 5.6%, respectively, increases greater than projected by market consensus in each case. Internal demand increased 9.3% and 7.1%, private investment increased 15.7% and 12.3% and private consumption increased 9% and 6.1%, respectively. Unemployment also decreased, from 8.3% in 2010 to 7.2% in 2011 and to 6.5% in 2012

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.

Despite a sustained drop in international trade exports, the Chilean economy has rapidly adjusted to a less favorable international conditions. While GDP grew by 1.7% during 2014, real domestic expenditure decreased by 0.6%, led by a 6.1% contraction rate in real investment. As domestic demand grew softer than total GDP, current account deficit shrank to 1.2% as a percentage of GDP last year from (3.7)% in previous year, putting less pressure on tougher external conditions.

Inflation rate in 2014 accelerated to 4.6% per year, a level not seen since 2008 and considerably higher than Central Bank's 3.0% target. This higher than anticipated inflation rate was due to (i) larger than expected pass-through of foreign currency exchange rate to domestic prices and (ii) increases in specific prices such as sugary drinks, alcoholic beverages and cigarettes in the enactment of the 2014 tax reform. The sharp decline in international oil prices helped ease inflationary pressures towards the end of the year, but overall domestic inflation has evolved at higher levels than anticipated. During 2014, the Central Bank of Chile continued to provide further monetary stimulus to weak economic activity, gradually lowering the monetary policy rate. Nevertheless, through the end of last year, higher persistence in inflation rate has forced Central Bank to reevaluate its monetary policy stance, suggesting a likely increase in monetary policy rate during 2015.

During 2015 the Chilean economy showed a significant slowdown in growth rates within the year, as a result of low levels of confidence, a messy political discussion on reforms and an external scenario characterized by high levels of volatility and significant appreciation of the dollar. During the first half of the year, economic growth was 2.4%, on a year over year comparison, while GDP growth for the second semester was significantly lower at 1.8%. Thus, full year GDP growth rate was 2.1%, with a weaker expansion of 1.8% in domestic demand.

In this context, while the unemployment rate has shown signs of resilience, with an unemployment rate of 6.3% in 2015, (against a 6,3% in 2014), additional labor market data show a deterioration in the quality, composition and degree utilization of employment.

Meanwhile, in line with the sharp depreciation of the exchange rate between the Chilean peso and the U.S. dollar, the inflation rates completed almost two years above the target range, ending 2015 with an annual inflation rate of 4.4%. In this context, the Central Bank of Chile began its process of withdrawal of monetary stimulus in October 2015, completing a second movement in December, bringing the monetary policy rate to 3.5%, maintaining the tightening bias. According to Central Bank Board, one or two additional hikes would be likely to occur during 2016.

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, 4.9% in 2013, 4.4% in 2014 and 3.1% in 2015. According to the DANE 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 5.3% in 2012 and 5% in 2013. In 2014 this sector showed a clear deceleration with negative rates of 1.1% and 0.6% for 2015, given the decline in oil prices around the globe. In contrast, the construction sector accelerated in 2013 to 11.5%, from 5.9% in 2012 and 8.2% in 2011. During 2014 the construction sector grew 10.5% and 3.9% in 2015.

Recent economic activity indicators have also posted mixed results. While Colombian industrial production has recently recovered after been stagnant over the past three years, construction and the financial sector have posted stronger results. In 2015 industry grew 1.2%, while the finance sector grew 4.3% followed by construction with an expansion rate of 3.9%.



Industrial production was depressed in 2012 and 2013, showing annual growths of 0.1% and 0.9% respectively, industrial production swung positive in 2014, and grew by 0.7% for the year ended December 31, 2014. However, industrial production continued to be weak during the early part of 2015 with quarterly negative growths and a speedy recovery during the last half of the year with annual quarterly growth rates for 3.2% and 4%. The rapid recovery of the sector is mainly supported in the reopening of a refinery in Cartagena, which reported growth rates over 15% during the last months of the year.

Additionally, the Colombian retail sector grew by 5.1% in 2014 and 4.1% in 2015. In addition, local cement production rebounded strongly in the month ended December 31, 2014, experiencing a gain of 10% in comparison to the same period in 2013, and confirming the positive performance of the construction industry for the year. In January 31 of 2015, local cement production experienced an increase of 14.5% when compared to the same period in 2014. Additionally, approved housing projects increased by 20.8% in the year ended December 31, 2014, when compared to the year before, which suggests that the Colombian construction sector will remain strong in 2015. Colombian imports grew by only 3.6% in 2013 but grew by 9.2% in 2014. However, exports contracted by 1.7% during 2014, following a growth of 5.3% in 2013. The recent drop in exports is explained by lower oil exports combined with the effects of lower global oil prices. In 2015 exports decreased 33% while imports decelerated at a lower rate of 15%.

Inflation

General

In the past, Chile has experienced high levels of inflation, which has significantly affected our financial condition and results of operations during such periods. 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 2012, 2013, 2014 and 2015, the inflation rate was 1.5%, 3.0%, 4.6% and 4.4%, 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 fluctuate 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 2012, 2013, 2014 and 2015 was 2.4%, 1.9%, 3.7% and 6.8% respectively. The 12-month inflation rate for 2015 rose by 3.11%. The components that led to such level of inflation in 2015 were food (a 10.85% increase from 2014), housing (a 5.38% increase from 2014) and health (a 5.30% increase from 2014).

UF-denominated Assets and Liabilities

The UF is revalued by the INE 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\$23,309.56, Ch\$24,627.10 and Ch\$25,629.09 as of December 31, 2013, 2014 and 2015, 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\$1,642,003 million, Ch\$1,576,818 million and Ch\$1,810,203 million during the years ended December 31, 2013, 2014 and 2015, 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 2.8%, 2.7% and 2.3% during the years ended December 31, 2013, 2014 and 2015, 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 2013 to 2015, we decreased our percentage of foreign currency based loans in our total loan portfolio from 48.8% to 46.6%.

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 the Central Bank of Colombia and movements in long-term real rates.

Interest Rates in Chile

The Central Bank of Chile manages short-term interest rates based on its objectives of keeping the stability of the currency. Because our liabilities are generally re-priced 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”.

Interest Rates in Colombia

The Central Bank of Colombia manages short-term interest rates based on its objectives of maintaining a low and stable inflation rate, stabilizing output around its natural levels and contributing to the preservation of financial stability.

Colombian commercial banks, finance corporations and financing companies are required to report data to the Central Bank of Colombia on a weekly basis regarding the total volume (in Colombian pesos) of certificates of deposit issued during the prior week and the average interest rates paid for certificates of deposit with maturities of 90 days. Based on such reports, the Central Bank of Colombia calculates the DTF rate, which is the main benchmark interest rate in Colombia and is published at the beginning of the following week. The DTF is the weighted average interest rate paid by commercial banks, finance corporations and financing companies for certificates of deposit with maturities of 90 days.

For the week of March 21 of 2016, the DTF rate was 6.36%. The Central Bank of Colombia also calculates the interbank rate (*Interés Bancario de Referencia*), or IBR, which acts as a reference of overnight and one-month interbank loans, based on quotations submitted each business day by eight participating banks to the Central Bank of Colombia. Using a weighted average of the quotations submitted, the Central Bank of Colombia calculates the overnight IBR each business day. The one-month IBR is calculated each Tuesday. Article 884 of the Colombian Commercial Code provides for a limit on the amount of interest that may be charged in commercial transactions. The limit is 1.5 times the current banking interest rate (*Interés Bancario Corriente*), calculated as the



average of the interest ordinarily charged by banks within a set period of time. The current banking interest rate is certified by the Colombian Superintendency of Finance.

A significant portion of our banking subsidiaries' assets are linked to the DTF; accordingly, changes in the DTF affect our banking subsidiaries' net interest income. The average DTF was 7.96% during 2007, and 9.69% during 2008. With the loosening of monetary policy that began in late 2008, the DTF decreased throughout 2009, reaching a low of 4.11% and an average of 6.22% during 2009, and a low of 3.39% and an average of 3.67% during 2010. As the economy recovered and the output gap began to close, the Central Bank of Colombia increased its interest rate throughout 2011, starting in February of that year, and through to the first quarter of 2012. As the economy began to slow down more than expected, due to the intensification of the European crisis during 2012, the Central Bank of Colombia decreased the interest rate by 100 basis points during the second half of that year, lowering it to 4.25% on December 31, 2012. Additional cuts of 100 basis points took place during the first quarter of 2013, bringing the policy rate to 3.25% on March 31, 2013. The policy rate has remained stable through the remainder of 2013, as inflation remained subdued throughout the year, supporting a healthy and gradual recovery pace of economic activity. The policy rate remained stable throughout 2013 and until March of 2014. On average, the DTF went from of 7.96% in 2007 to 3.88% in the first quarter of 2014.

From April of 2014 through August of 2014, the Central Bank of Colombia increased the Repo Rate by an aggregate 125 bps to 4.50%. This increase was a result of accelerated growth and intended to controlled inflation. The interest rate remained unchanged from August 2014 until August 2015, due to the uncertainty surrounding the local economy after the recent fall in global oil prices. On September 2015 the Central Bank decided to increase interest rates by 25 bps from 4.50% to 4.75%, given the record high inflation, the increase on inflation expectations, and a rapid deterioration of the current account deficit above 6% of GDP. Since inflation expectations have increased rapidly and remain above the upper bound of the inflation target of 4%, the Central Bank has increased interest rates regardless of the negative GDP gap. As of March of 2016, the Central Bank of Colombia has increased rates by 200 bps to 6.50% arguing that the internal demand has grown faster than expected.

The DTF has slowly adjusted to the new upward trend in monetary policy moving from 4.34% in 2014 to 5.22% at the end of December 2015. However, a large portion of the adjustment was observed during the first months of 2016, as a response to the new liquidity conditions of the market, taking the DTF rate to 6.36% during the third week of March of 2016.

Currency Exchange Rates

A material portion of our assets and liabilities is denominated in foreign currencies, principally the U.S. dollar and the Colombian peso. 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 peso) 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 converted 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 2013, the Chilean peso depreciated against the U.S. dollar by 9.9% as compared to 2012. In 2014, the Chilean peso depreciated against the U.S. dollar by 15.0% as compared to 2013. In 2015 the Chilean peso depreciated against the U.S. dollar by 17.3% as compared to 2014. The exchange rate between the Chilean peso and the U.S. dollar as of December 31, 2013, 2014 and 2015 was Ch\$524.61, Ch\$606.75 and Ch\$710.16 per US\$1.00, respectively. The Chilean peso may be subject to significant fluctuations in the future.

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, 2013, 2014 and 2015, the gap between foreign currency denominated assets and foreign currency denominated liabilities, including forward contracts, was Ch\$503,333 million, Ch\$78,883 million and Ch\$273,399 million, respectively.



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 in accordance with the guidelines as set forth by the SBIF. 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, 2015, our allowance for loan losses was Ch\$173,939 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 1 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, 2013, 2014 and 2015

Introduction

In 2015 our net income was of Ch\$238.7 billion, of which 77% corresponded to Chile and 23% to Colombia, a decrease of 12.8% compared with 2014. While in 2014 we had stronger results from Colombia, during 2015 we recorded higher than expected results from Chile and lower than planned results from Colombia. The latter is explained by unfavorable exchange rate movements



between the Colombian peso and the Chilean peso and higher provisions for loan losses as a consequence of difficulties experienced by the Colombian oil & gas industry and related sectors; while Chile's operations had been favored by commercial customer driven results, higher net interest margin as consequence of higher UF variations and lower loan loss provisions than planned.

These extraordinary results have been achieved under lower than expected economic activity in Chile and Colombia. In particular, CorpBanca Colombia has been able to offset this more challenging economic context with the positive impact of cost savings already achieved from the completion of some of the stages of the merger between CorpBanca Colombia and Helm Bank. In the case of Chile, the stronger results have been achieved despite all the activities related to the merger with Banco Itaú Chile, efforts that have been taking higher momentum after the extraordinary shareholders meeting that approved the transaction in June 2015 and the SBIF's authorization, granted in September, 2015.

Net Income

Our consolidated net income as reported in our consolidated financial statements for the year ended December 31, 2015 was Ch\$238,665 million, a 12.8% or Ch\$35,036 million decrease from Ch\$273,701 million in 2014 which represented a 56.2% or Ch\$98,462 million increase from Ch\$175,239 million in 2013.

The decrease in our consolidated net income for the year ended December 31, 2015 was primarily due to: (i) higher provisions for loan losses; (ii) a negative translation effect COP/Ch\$ of our Colombian subsidiary; (iii) the negative impact of lower inflation in Chile on net interest margin; and (iv) higher tax rates.



The following table sets forth the components of our net income for the years ended December 31, 2013, 2014 and 2015:

	For the Year Ended			% Change from 2015/2014	% Change from 2014/2013
	December 31,				
	2013	2014	2015		
	(in millions of constant Ch\$ except for percentages)				
Components of net income:					
Net interest income	457,690	630,884	620,579	(1.6)%	37.8%
Net service fee income	117,977	161,590	152,847	(5.4)%	37.0%
Trading and Investment, foreign exchange gains and other operating income	127,039	199,225	211,153	6.0%	56.8%
Provisions for loan losses	(102,072)	(127,272)	(169,748)	33.4%	24.7%
Income attributable to investment in other companies	1,241	1,799	1,300	(27.7)%	45.0%
Total operating expenses	(362,145)	(509,672)	(480,789)	(5.7)%	40.7%
Income before income taxes	239,730	356,554	335,342	(5.9)%	48.7%
Income taxes	(64,491)	(82,853)	(96,677)	16.7%	28.5%
Net income for the year	175,239	273,701	238,665	(12.8)%	56.2%

Net Interest Income

The following table sets forth the components of our net interest income for the years ended December 31, 2013, 2014 and 2015:

	For the year ended December 31,			% Change from 2015/2014	% Change from 2014/2013
	December 31,				
	2013	2014	2015		
	(in millions of constant Ch\$ except for percentages)				
Interest income	1,007,106	1,320,124	1,299,480	(1.6)%	31.1%
Interest expense	(549,416)	(689,240)	(678,901)	(1.5)%	25.4%
Net interest income	457,690	630,884	620,579	(1.6)%	37.8%

The following table sets forth information as to the components of our interest income for the years ended December 31 2013, 2014 and 2015:

	For the year ended December 31,			% Change from 2015/2014	% Change from 2014/2013
	December 31,				
	2013	2014	2015		
	(in millions of constant Ch\$ except for percentages)				
Interest income	1,007,106	1,320,124	1,299,480	(1.6)%	31.1%
Average interest-earning assets:					
Loans	11,505,946	13,895,505	14,622,229	5.2%	20.8%
Financial investments	917,630	1,161,414	1,310,924	12.9%	26.6%
Interbank deposits	384,045	411,955	465,557	13.0%	7.3%
Total average interest-earning assets	12,807,621	15,468,875	16,398,711	6.0%	20.8%



The following table sets forth information as to the components of our interest expense for the years ended December 31 2013, 2014 and 2015:

	For the year ended December 31,				
	2013	2014	2015	% Change from 2015/2014	% Change from 2014/2013
	In millions of constant Ch\$, except for percentages				
Interest expense	549,416	689,240	678,901	(1.5)%	25.4%
Average interest-earning liabilities:					
Bonds	2,199,545	2,609,908	3,025,930	15.9%	18.7%
Time deposits	7,055,890	7,849,494	8,230,208	4.9%	11.2%
Central Bank borrowings	—	—	—	—	—
Repurchase agreements	269,419	345,097	645,487	87.0%	28.1%
Mortgage finance bonds	130,991	105,851	87,375	(17.5)%	(19.2)%
Other interest-bearing liabilities	2,283,273	3,210,058	3,310,424	3.1%	40.6%
Total average interest-bearing liabilities	11,939,118	14,120,408	15,299,424	8.3%	18.3%

2015 Compared to 2014:

Our interest income was Ch\$1,299,480 million for the year ended December 31, 2015, a decrease of 1.6% as compared to Ch\$1,320,124 million for the year ended December 31, in 2014. The decrease in interest income was primarily the result of a negative translation effect of the COP\$ in relation to the Ch\$² of our Colombian subsidiary (Ch\$0.2266 per 1COP\$ in 2015 vs. Ch\$0.2532 per 1COP\$ in 2014) as well as a lower UF variation in Chile (4.1% in 2015 vs. 5.7% in 2014). Despite the negative exchange rate effects, our Colombian subsidiaries' net interest income in its local currency under Chilean GAAP increased 13.5% from COP\$1,017,818 million in 2014 to COP\$1,155,333 million in 2015.

The aforementioned factors negatively impacted our net interest margin (net interest income divided by average interest-earning assets), which decreased to 3.8% in 2015 from 4.1% in 2014.

2014 Compared to 2013:

Our interest income was Ch\$1,320,124 million for the year ended December 31, 2014, an increase of 31.1% as compared to Ch\$1,007,106 million for the year ended December 31, in 2013. The increase in interest income was primarily the result of: (i) the consolidation of Helm Bank into our financial statements for a full year in 2014; (ii) higher UF variation of 5.65% in 2014 versus 2.05% in 2013, which resulted in increased interest income from our UF loans and our UF investment portfolio; and (iii) higher loan activity both in Chile and Colombia. The increase in our loan activities in Chile and Colombia was reflected by an increase in the average loan balance. During this period, the balance of our average loans grew by 20.8% to Ch\$13,895,505 million for the year ended December 31, 2014, from Ch\$11,505,946 million for the year ended December 31, 2013.

Despite the 31.1% increase in our interest income during the period, our interest expense increased by only 25.4% to Ch\$689,240 for the year ended December 31, 2014, as compared to Ch\$ 549,416 for the year ended December 31, 2013, reflecting improved margins on our loans. This increase was the result of: (i) the consolidation of the results of Helm Bank for a full year in 2014, and (ii) an increase in our average interest-earning liabilities, in particular in bonds and time deposits. This increase was partly offset by: (i) a decrease of 1.5% (150 basis points) in the Central Bank monetary policy interest rate in Chile; and (ii) a decrease in our cost of funding in time deposits toward historical levels.

² Consolidated financial statements for CorpBanca use the Chilean peso as functional currency. CorpBanca Colombia financial statements are translated from Colombian peso to Chilean peso for consolidation purposes, being only the exchange rate variation in its income statement accounts reflected in 2015 results. CorpBanca has decided not to hedge this translation risk effect in profits and losses as long as net income from Colombian operations is retained as primarily source of capitalization. Since we have decided to retain earnings to support future grow in Colombia, an Foreign exchange hedge for financial statement balances is not efficient as it would be if there were a cash flow coming from our Colombian subsidiary. CorpBanca's management reevaluates this strategy on an annual basis.



As a result of the above, our net interest income increased by 37.8% to Ch\$630,884 million for the year ended December 31, 2014, as compared to Ch\$ 457,690 million for the year ended December 31, 2013.

Net interest margin (net interest income divided by average interest-earning assets) increased from 3.6% in 2013 to 4.1% in 2014 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, 2013, 2014 and 2015:

	As of December 31,			% Change from 2015/2014	% Change from 2014/2013
	2013	2014	2015		
	<i>(in millions of constant Ch\$ as of December 31, 2015 except for percentages)</i>				
Total loans (excludes interbank loans)	12,897,681	14,029,875	14,628,296	4.3%	8.8%
Past due loans ⁽¹⁾	64,091	82,650	104,897	26.9%	29.0%
Non-performing loans ⁽²⁾	141,667	180,536	196,806	9.0%	27.4%
Impaired loans ⁽³⁾	393,102	406,199	459,982	13.2%	3.3%
Allowances for loan losses	126,039	137,605	173,939	26.4%	9.2%
Allowances for loan losses as a percentage of total loans	1.0%	1.0%	1.2%	21.2%	0.4%
Allowances for loan losses as a percentage of non-performing loans	89.0%	76.2%	88.4%	16.0%	(14.3)%
Allowances for loan losses as a percentage of impaired loans	32.1%	33.9%	37.8%	11.6%	5.7%
Non-performing loans as a percentage of total loans	1.1%	1.3%	1.3%	4.6%	17.2%
Allowances for loan losses as a percentage of past due loans	196.7%	166.5%	165.8%	(0.4)%	(15.3)%

- (1) Past due loans include all installments and lines of credit more than 90 days overdue. Do 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.

2015 Compared to 2014:

Allowances for loan losses (excluding allowances for loan loss on loans and receivables to banks) increased by 26.4% to Ch\$173,939 million as of December 31, 2015 compared to Ch\$137,605 million as of December 31, 2014. Higher allowances for loan losses resulted primarily from difficulties experienced by the Colombian oil & gas industry and related sectors which led to higher default risk in loans exposed to these industries. Despite the increased allowances with respect to our Colombian subsidiary, our Chilean operations benefitted from lower allowances for loan losses than previously anticipated, partly offsetting the increase experienced in Colombia.

2014 Compared to 2013:

Allowances for loan losses (excluding allowances for loan loss on loans and receivables to banks) increased by 9.2% to Ch\$137,605 million as of December 31, 2014 compared to Ch\$126,039 million as of December 31, 2013. The increase in our allowances for loan losses was primarily due to the growth in our loan portfolio, which required a corresponding increase in our allowance for loan losses. Despite this increase, our asset quality was unchanged from 2013, as allowances for loan losses as a percentage of total loans remained at 1.0% in 2014, which was the same proportion as in 2013.

Provisions for Loan Losses

2015 Compared to 2014:

Provisions for loan losses increased by 33.4% to Ch\$169,748 million for the year ended December 31, 2015, compared to Ch\$127,272 million for the year ended December 31, 2014. The increase in our provisions for loan losses is due to (i) the depreciation of the Ch\$; (ii) the downgrade of some of our clients in the Corporate segment within the segment of Large, Corporate and Real Estate Companies; and (iii) higher reserves in Colombia to prevent



further deterioration in the gas and oil sector. Our current exposure to oil and gas sector is 2.1% of our consolidated loan portfolio, of which 1.5% represented Colombian exposure to such sector. Nevertheless, CorpBanca Colombia provisions in 2015 benefited from a new regulatory standard for leasing operations that allowed them to release Ch\$6.2 billion in loan loss provisions that partly offset.

2014 Compared to 2013:

Provisions for loan losses increased by 24.7% to Ch\$127,272 million for the year ended December 31, 2014, compared to Ch\$102,072 million for the year ended December 31, 2013. The increase in our provisions for loan losses in 2014 was primarily the result of: (i) the consolidation of Helm Bank in 2014 for a full year; (ii) the growth of our loan portfolio in 2014 compared to 2013, which resulted in higher provisions.

Net Service Fee Income

2015 Compared to 2014:

Our net service fee income (including income from financial advisory services) for the year ended December 31, 2015 was Ch\$152,847 million, representing a 5.4% decrease when compared to Ch\$161,590 million, for the year ended December 31, 2014. Our income from service fees during the year ended December 31, 2015 decreased by 0.8% to Ch\$200,401 million from Ch\$202,013 million for the year ended December 31, 2014. This decrease was further negatively affected by a 17.6% increase in our expenses from service fees to Ch\$47,554 million for the year ended December 31, 2014, from Ch\$40,423 million for the year ended December 31, 2014.

The decrease in our net service fee income, was driven primarily by lower flat fees and insurance commissions in Colombia and the devaluation of the COP\$ relative to the Chilean Peso that were partly offset by increased commercial activity of our real estate segment within the segment of Large, Corporate and Real Estate Companies the positive repricing effect of the Redbanc (interconnected network between banks through ATM) rate applied to ATMs transactions and the positive effects of the consolidation of Instacob, which we acquired on March 2015.

2014 Compared to 2013:

Our net service fee income (including income from financial advisory services) for the year ended December 31, 2014 was Ch\$161,590 million, representing a 37.0% increase when compared to Ch\$117,977 million, for the year ended December 31, 2013. Our income from service fees during the year ended December 31, 2014 increased by 39.5% to Ch\$202,013 million from Ch\$144,777 million for the year ended December 31, 2013. This increase was partially offset by a 37.6% increase in expenses from service fees to Ch\$40,423 million for the year ended December 31, 2014, from Ch\$26,800 million for the year ended December 31, 2013.

The increase in our net service fee income, was driven primarily by: (i) the consolidation of Helm Bank for a full year in 2014, compared to only five months in 2013; (ii) higher fees resulting from our financial advisory services and insurance brokerage business; and (iii) increased commercial activity in the markets in which we operate, including increased loan activity and other banking services and products, which resulted in increased billing and collection of fees related to such products and services. Our expenses from service fees were primarily the result of the consolidation of Helm Bank for a full year in 2014, as well as other organic growth of our expense structure.

**Other Net Operating Income**

The following table sets forth the components of our other net operating income for the years ended December 31, 2013, 2014 and 2015:

	For the year ended December 31,			% Change from 2015/2014	% Change from 2014/2013
	2013	2014	2015		
	(in millions of constant Ch\$ except for percentages)				
Trading and investment income, net	101,287	183,693	338,698	84.4%	81.4%
Foreign exchange gains (losses), net	(13,906)	(13,426)	(151,197)	1026.2%	(3.5)%
Other operating revenue	39,658	28,958	23,652	(18.3)%	(27.0)%
Trading and investment, foreign exchange gains and other operating income	127,039	199,225	211,153	6.0%	56.8%

2015 Compared to 2014:

In the year ended December 31, 2015, trading and investment, foreign exchange gains and other net operating income increased by 6.0% to Ch\$211,153 million from Ch\$199,225 million in 2014. This increase was mainly the result of (i) a higher valuation of our forward and swap portfolio, driven by foreign exchange hedges, (ii) increasing commercial activity of our distribution desk both in derivatives transactions with customers and in regular loan portfolio sales, and (iii) the devaluation of the Chilean peso against the U.S. dollar over our hedge taxes in US\$.

2014 compared to 2013:

In the year ended December 31, 2014, trading and investment, foreign exchange gains and other net operating income increased by 56.8% to Ch\$199,225 million. This 56.8% increase was mainly due to an increase of 81.4% in trading and investment income (net) that was partially offset by a decrease of 3.5% in foreign exchange results and a decrease of 27.0% in our other operating income.

Trading and investment income net of foreign exchange gains (net) results benefited from (i) higher than expected inflation rate in Chile, which increased our revenues obtained from managing the gap between assets and liabilities indexed to UF. In Chile, the balance sheet of banks typically reflects more assets than liabilities indexed to UF, thereby creating a gap between those assets and liabilities. As there is a permanent UF variation increase in Chile, the managing of this gap benefits the banking industry, (ii) increased client-driven financial derivative activity, in the context of the appreciation of the U.S. Dollar against the Chilean Peso and the Colombian Peso, and (iii) the consolidation of Helm Bank for a full calendar year.

Other operating income decreased by 27.0% in 2014 compared to 2013 due to one-time revenue from the sale of 31 real estate properties in 2013.

Operating Expenses

The following table sets forth the components of our operating expenses for the years ended December 31, 2013, 2014 and 2015:

	For the year ended December 31,			% Change from 2015/2016	% Change from 2014/2013
	2013	2014	2015		
	(in millions of constant Ch\$ except for percentages)				
Personnel salary and expenses	165,009	219,312	202,754	(7.5)%	32.9%
Administration expenses	139,614	213,140	211,603	(0.7)%	52.7%
Depreciation and amortization	42,288	51,613	42,905	(16.9)%	22.1%
Impairment	—	1,308	332	(74.6)%	—
Other operating expenses	15,234	24,299	23,195	(4.5)%	59.5%
Total operating expenses	362,145	509,672	480,789	(5.7)%	40.7%



2015 Compared to 2014:

Operating expenses decreased by 5.7% to Ch\$480,789 million for the year ended December 31, 2015 from Ch\$509,672 million for the year ended December 31, 2014. The improvement is primarily the result of synergies already delivered in Colombia and the absence of one-time expenses related to the merger process between CorpBanca Colombia and Helm Bank.

Regarding the expenses related to the merger process with Banco Itaú Chile, in 2015 we totalled Ch\$21.8 billion in pre-merger expenses compared to Ch\$22.2 billion in 2014.

2014 Compared to 2013:

Operating expenses increased by 40.7% to Ch\$509,672 million for the year ended December 31, 2014 from Ch\$362,145 million for the year ended December 31, 2013. The increase in operating expenses was the result of (i) the incorporation of Helm Bank for a full year in 2014 including one-time costs related to the merger between CorpBanca Colombia and Helm Bank, (ii) higher bonus provisions and salaries as a result of both Chilean inflation, as well as a result of collective bargaining negotiations concluded in Chile during 2014, (iii) higher insurance premiums, and (iv) higher rent expenses which resulted from the consummation in 2013 of sale-leaseback transactions relating to 31 of our formerly-owned real estate properties, and (v) advisory services and associated fees related to the pending merger between Itaú Chile and CorpBanca.

Income Taxes

2015 Compared to 2014:

Our income tax expenses increased to Ch\$96,677 million for the year ended December 31, 2015 from Ch\$82,853 million for the year ended December 31, 2014. This 16.7% increase is due to higher tax rates, both in Chile and Colombia, and depreciation of the Colombian Peso relative to the Chilean Peso that resulted in higher tax expense from our investment in Colombia -which despite of been made in COP\$, for tax purposes is considered to be in US dollars³- this impact is offset by the gains on the fiscal hedge as previously mentioned.

2014 Compared to 2013:

Our income tax expenses increased to Ch\$82,853 million for the year ended December 31, 2014 from Ch\$64,491 million for the year ended December 31, 2013. This increase was mainly due to a combination of our higher income before taxes that we experienced in 2014, combined with a higher tax rate in Chile. As described below and in “Item 4—Information on the Company—B. Business Overview—Recent Regulatory Developments in Chile”, the governments of Chile and Colombia have recently adopted changes to their respective tax codes that will result in an increased marginal tax rate for us and certain of our subsidiaries.

In September 2014, Chile enacted Law 20,780, which amended the Chilean income tax system, increasing rates applicable to us, in order to increase revenue collection to finance education reform, to make the Chilean tax system more equitable, and to simplify the previously existing tax system. As described in “Item 4—Information on the Company—B. Business Overview—Recent Regulatory Developments in Chile”, one of the most important changes introduced by the Tax Reform is the creation of two separate taxation systems in the Chilean Income Tax Law: the attributed income system and the semi-integrated system. The law also provides gradual increases in the corporate income tax rate from 20% in 2013 to 21% in 2014, 22.5% in 2015, 24% in 2016, and 25% or 27% in 2018 depending on the tax system chosen by the applicable taxpayer. The impact of this rate change on deferred taxes resulted in a credit to our profit for the year ended December 31, 2014 of Ch\$369 million.

Additionally, in December 2014, Colombia enacted an amendment to the Colombian tax laws through Law 1,739. Among the more important modifications introduced by the Colombian tax reform was a gradual and transitory increase in income taxes between 2015 and 2018. This modification will raise the income tax rate in Colombia from 34%, in effect for fiscal year 2014, to 39%

³ For tax purposes, the Chilean IRS considers that our investment in Colombia is denominated in US dollar. As we have to translate the valuation of this investment from US dollar to Chilean peso in our book each month, the volatility of the exchange rate generates a significant impact on the net income attributable to shareholders. In order to limit that effect, the management decided to hedge it with a derivative that has to be analyzed along with income tax expenses.



in 2015, 40% in 2016, 42% in 2017 and 43% in 2018. It will return to 34% in 2019 and beyond. The impact of this rate change on deferred taxes resulted in a charge to profit for the period of Ch\$890 million (credit of Ch\$82 million in 2013 for the effect of the tax reform in Law 1,607 on December 26, 2012).

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 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 U.S.\$60 million; this segment also includes real estate companies and financial institutions.
- Companies include a full range of financial products and services for companies with annual sales under U.S.\$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.

**Year ended December 31, 2015 Results**

The following table presents summary information related to each of our operating segments for the year ended December 31, 2015:

	For the Period Ending December 31, 2015							
	Commercial Banking		Retail Banking			Non-banking Financial Services	Colombia	Total
	Large, Corporate and Real Estate Companies	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International			
	(in million of Ch\$)							
Net Interest income	59,669	77,694	75,109	25,907	80,228	25,772	276,200	620,579
Net services fees income	44,454	16,436	32,479	7,119	(572)	(3,650)	56,581	152,847
Trading and investment income, net	4,291	—	17,210	—	77,585	154,272	85,340	338,698
Foreign exchange gains (losses), net	31,265	7,967	162	—	(3,623)	(206,251)	19,283	(151,197)
Other operating income	—	2,889	20	—	—	6,935	13,808	23,652
Provision for loan losses	(2,981)	(12,792)	(10,497)	(5,775)	—	(10,796)	(126,907)	(169,748)
Gross Operational Margin	136,698	92,194	114,483	27,251	153,618	(33,718)	324,305	814,831
Other income and expenses	—	—	—	—	—	230	1,070	1,300
Total Operating Expenses	(22,101)	(35,000)	(63,477)	(17,305)	(13,400)	(105,817)	(223,689)	(480,789)
Income before taxes	114,597	57,194	51,006	9,946	140,218	(139,305)	101,686	335,342
Averages Loans	3,919,595	2,107,206	2,994,312	171,186	95,284	23,177	5,311,468	14,622,229
Averages Investments	—	—	—	—	569,839	—	1,220,340	1,790,179

Year ended December 31, 2014 Results

The following table presents summary information related to each of our operating segments for the year ended December 31, 2014:

	As of December 31, 2014							
	Commercial Banking		Retail Banking			Non-Banking Financial Services	Colombia	Total
	Large Corporate and Real Estate Companies	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International			
	(in million of Ch\$)							
Net interest income	53,014	75,295	73,935	25,528	94,736	18,263	290,113	630,884
Net services fees income	40,097	15,399	27,971	7,880	(255)	(1,653)	72,151	161,590
Trading and investment income, net	(569)	—	16,144	—	27,388	88,815	51,915	183,693
Foreign exchange gains (losses), net	20,189	5,974	888	2	12,767	(120,645)	67,399	(13,426)
Other operating income	—	3,025	13	—	—	6,514	19,406	28,958
Provision for loan losses	(1,643)	(16,101)	(11,718)	(6,549)	—	(1,161)	(90,100)	(127,272)
Gross operational margin	111,088	83,592	107,233	26,861	134,636	(9,867)	410,884	864,427
Other income and expenses	6,357	—	—	—	—	(6,164)	1,606	1,799
Total operating expenses	(19,745)	(36,004)	(65,669)	(17,136)	(13,807)	(100,937)	(256,374)	(509,672)
Income before taxes	97,700	47,588	41,564	9,725	120,829	(116,968)	156,116	356,554
Average loans	3,791,937	1,778,057	2,414,564	154,955	63,622	153	5,692,217	13,895,505
Average investments	—	—	—	—	636,437	—	524,977	1,161,414

**Year ended December 31, 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	Colombia	
	Large Corporate and Real Estate Companies	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International			
	(in million 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

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 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 cash and highly liquid assets that can be quickly monetized, including financial investments and Central Bank of Chile, Central Bank of Colombia and government securities.

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 as a source of liquidity. These deposits include 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 UF 5,330,000 in 25 year subordinated bonds to be used to finance our normal business activities and improve our balance sheet structure. In 2009, we placed UF 4,670,000 in 26 year subordinated bonds with the same purpose, taking advantage of favorable market conditions. 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. This loan was amended and restated: **(a)** on July 22, 2014 to increase the size of the loan to US\$490 million and to extend the term of the loan by an additional fifteen months period; and **(b)** on September 23, 2015 to reflect a partial prepayment and to extend the term of the loan. Consequently, the loan, for an aggregate principal amount of up to US\$ 315,000,000 shall mature on the earlier of April 14, 2017 or the date of any acceleration of maturity pursuant to the terms of the same.

On January 16, 2013, we issued US\$800 million aggregate principal amount of 3.125% Senior Notes due 2018 in an SEC registered transaction. The net proceeds of this offering were used for general corporate purposes, primarily to fund lending activities. On September 22, 2014, we issued US\$750 million aggregate principal amount of 3.875% Senior Notes due 2019, in accordance with



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Rule 144A and Regulation S under the U.S. Securities Act of 1933. The net proceeds of this offering were used for general corporate purposes, primarily to fund lending activities.

In addition, our Colombian operations manage their own funding costs in Colombian pesos, therefore they are not dependant on CorpBanca for their funding needs. As of December 31, 2015, 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 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 US\$170,000,000.00 at a variable interest rate, maturing on March 15, 2024, and the IFC Parties subscribed and paid in full the purchase price for the bonds pursuant to the terms and conditions stated therein. In addition, on March 2, 2016 CorpBanca Colombia placed bonds in the Colombian local market totaling COP\$300,000 million at a tenor of 2 years and 1 year.

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 million). 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).

In line with our goal of asset and liability management and growth, during 2015 we issued Ch\$46,720 million and UF 5.05 million in senior local bonds. As of December 31, 2015 we had outstanding senior bonds in the aggregate amount of Ch\$2,215,515 million (UF 86.45 million) and outstanding subordinated bonds in the aggregate amount of Ch\$932,278 million (UF 36.38 million).

On December 1, 2015 we entered into a bilateral credit facility for an aggregate principal amount of US\$50,000,000 with Bank of America, N.A. The credit agreement is subject to terms and conditions common for this type of transactions and shall mature on December 4, 2017.

As of December 31, 2015, 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\$ 2,270,160 million. In addition, as of December 31, 2015, we maintained sufficient levels of cash and deposits in banks in the amount of Ch\$1,004,757 million to satisfy our wholesale short-term obligations in the amount of Ch\$1,404,312 million.

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, 2015, our shareholder's equity was in excess of that required by Chilean regulatory requirements. According to the Chilean General Banking Act, 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) voluntary loan loss allowances in an amount up to 1.25% of a bank's risk-weighted assets (if a 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 Act 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 Act, a bank must have a minimum paid-in capital and reserves of UF 800,000 (Ch\$20,503.3 million or US\$28.9 million as of December 31, 2015). 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\$15,377.5 million or US\$21.7 million as of December 31, 2015) 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,		
	2013	2014	2015
	(in million of constant Ch\$ except for percentages)		
Net capital base	1,411,341	1,443,427	1,183,723
3% total assets net of provisions	(567,929)	(667,775)	(687,380)
Excess over minimum required equity	843,413	775,652	496,343
Net capital base as a percentage of the total assets, net of provisions	7.3%	6.4%	5.1%
Effective net equity	1,991,289	2,071,647	1,666,708
8% of the risk-weighted assets	(1,204,683)	(1,337,231)	(1,397,276)
Excess over minimum required equity	786,606	734,416	269,432
Effective equity as a percentage of the risk-weighted assets	13.2%	12.4%	9.5%

Our capital ratios levels decreased from 12.4% to 9.5% between 2014 and 2015, following the approval of the merger with Banco Itaú Chile, considering that our shareholders, together with approving the merger, approved a special dividend distribution in the amount of Ch\$239.86 billion that was paid on July 1, 2015.

Financial Investments

The following tables set forth our investment in Chilean government and corporate securities and certain other financial investments as of December 31, 2013, 2014 and 2015. 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,		
	2013	2014	2015
	(in million of Ch\$)		
Held-for-trading:			
Chilean Central Bank and Government securities:			
Chilean Central Bank bonds	746	—	—
Chilean Central Bank notes	—	—	—
Other Chilean Central Bank and Government securities	9,106	4,822	6,210
Other National institution securities:			
Bonds	—	2,548	2,340
Notes	18,582	13,320	34,404
Other securities	133	15	551
Foreign institution securities:			
Bonds	326,141	542,791	192,427
Notes	—	—	—
Other securities	64,443	110,615	57,875
Mutual funds investments			
Funds managed by related organizations	12,495	11,787	28,092
Funds managed by third parties	37	—	2,000
Total	431,683	685,898	323,899

	As of December 31,		
	2013	2014	2015
	(in million of Ch\$)		
Available-for-sale			
Chilean Central Bank and Government securities			
Chilean Central Bank securities	334,718	276,487	527,444
Chilean Treasury bonds	847	253,999	258,306
Other Government securities	21,769	6,442	859
Other financial instruments			
Promissory notes related to deposits in local banks	78,712	54,162	65,778
Chilean mortgage finance bonds	313	203	92
Chilean financial institutions bonds	17,985	—	29,329
Other local investments	136,623	51,526	53,630
Financial instruments issued abroad			
Foreign governments and central bank instruments	212,280	434,392	629,297
Other foreign investments	85,840	79,685	360,053
Impairment provision	—	—	—
Unquoted securities in active markets			
Chilean corporate bonds	—	—	—
Other investments	—	—	—
Impairment provisions	—	—	—
Total	889,087	1,156,896	1,924,788



As of December 31,

2013	2014	2015
(in million 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	8,632	7,175	5,543
Financial instruments issued abroad			
Foreign governments and central bank instruments	93,750	—	—
Other foreign investment	135,140	183,502	164,648
Impairment provisions	—	—	—
Unquoted securities in active markets			
Chilean corporate bonds	—	—	—
Other investments	—	—	—
Impairment provision	—	—	—
Total	<u>237,522</u>	<u>190,677</u>	<u>170,191</u>



We do not hold securities of any issuer other than the Central Bank of Chile and the Colombian Ministry of Finance, in which 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:

<u>As of the end of:</u>	<u>Peso- Denominated Five-year bond</u>	<u>Peso- Denominated Ten-year bond</u>	<u>UF- Denominated Five-year bond</u>	<u>UF- Denominated Ten-year bond</u>
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	—	—	—	—
2014				
January	—	—	—	—
February	—	—	—	—
March	—	—	—	—
April	—	—	—	—
May	—	—	—	—
June	—	—	—	—
July	—	—	—	—
August	—	—	—	—
September	—	—	—	—
October	—	—	—	—
November	—	—	—	—
December	—	—	—	—
2015				
January	—	—	—	—
February	—	—	—	—
March	—	—	—	—
April	4.29	—	—	—
May	—	—	—	—
June	4.11	—	—	—
July	4.02	—	—	—
August	—	—	—	—
September	—	—	—	—
October	—	—	—	—
November	—	—	—	—
December	—	—	—	—

Our total financial instruments as a percentage of total assets increased to 11.6% as of December 31, 2015 due to a 2.2% increase in total assets as a consequence of an increase of our loan portfolio.



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, 2015:

Held-for-trading	In one year or less	Weighted average Nominal Rate	After one year through five years	Weighted average Nominal Rate	After five years through ten years	Weighted average Nominal Rate	After ten years	Weighted average Nominal Rate	Total
	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$
(in million of Ch\$, except for percentages)									
Central Bank and Government securities:									
Chilean Central Bank securities	—	—	—	—	—	—	—	—	—
Chilean Central Bank notes	—	—	—	—	—	—	—	—	—
Others Government securities	6,210	—	—	—	—	—	—	—	6,210
Other national institution securities:									
Bonds	1,561	—	—	—	—	—	779	1.58	2,340
Notes	34,404	0.11	—	—	—	—	—	—	34,404
Other securities	551	—	—	—	—	—	—	—	551
Foreign institution securities:									
Bonds	211	0.01	21,076	0.07	102,804	0.06	68,336	0.07	192,427
Notes	—	—	—	—	—	—	—	—	—
Other securities	46,708	0.04	8,978	0.03	—	—	2,189	0.06	57,875
Mutual fund investments:									
Funds managed by related organizations	21,954	1.00	6,138	0.072	—	—	—	—	28,092
Funds managed by third parties	2,000	0.50	—	—	—	—	—	—	2,000
Total Held—for—trading	113,599	0.25	36,192	0.06	102,804	0.06	71,304	0.09	323,899
Available—for—sale									
(in million of Ch\$, except for percentages)									
Chilean Central Bank and Government securities:									
Chilean Central Bank securities	81,672	0.68	331,979	0.59	113,793	0.59	—	—	527,444
Chilean treasury bonds	10,086	0.81	214,738	0.65	33,482	0.47	—	—	258,306
Others Government securities	859	0.63	—	—	—	—	—	—	859
Other financial instruments:									
Promissory notes related to deposits in local banks	65,778	0.28	—	—	—	—	—	—	65,778
Chilean mortgage finance bonds	16	1.01	44	1.04	31	0.91	—	—	92
Chilean financial institution bonds	—	—	29,329	1.29	—	—	—	—	29,329
Other local investments	5,843	1.25	14,480	1.29	33,252	1.23	56	0.92	53,630
Financial instruments issued abroad:									
Foreign Government and central bank instruments	132,086	0.05	340,439	0.05	117,231	0.05	39,541	0.05	629,297
Other foreign investments	135,035	2.35	168,072	8.63	46,917	8.16	10,031	6.15	360,053
Impairment provision	—	—	—	—	—	—	—	—	—
Unquoted securities in active markets									
Chilean corporate bonds	—	—	—	—	—	—	—	—	—
Other foreign investments	—	—	—	—	—	—	—	—	—
Impairment provision	—	—	—	—	—	—	—	—	—
Total	431,375	0.22	1,099,080	0.37	344,706	0.38	49,628	0.04	1,924,788
Held to maturity									
(in million 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	—	—	—	—	—	—	—	—	—



Held to maturity	Within one year	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 million of Ch\$, except for percentages)									
Chilean financial institution bonds	—	—	—	—	—	—	—	—	—
Other local investments	2,171	0.96	3,372	0.96	—	—	—	—	5,543
Financial instruments issued abroad:									
Foreign government and central bank instruments	—	—	—	—	—	—	—	—	—
Other foreign investments	149,932	1.01	8,968	0.05	—	—	5,748	0.05	164,648
Impairment provision	—	—	—	—	—	—	—	—	—
Unquoted securities in active markets									
Chilean corporate bonds	—	—	—	—	—	—	—	—	—
Other investments	—	—	—	—	—	—	—	—	—
Impairment provision	—	—	—	—	—	—	—	—	—
Total	152,103	0.01	12,340	0.26	—	—	5,748	—	170,191

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. 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 current capital adequacy requirements following Basel standards, as they did in respect of 2013 dividends, 2014 dividends and 2015 dividends. CorpBanca Colombia 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) 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,		
	2013	2014	2015
	(in million of constant Ch\$ as of December 31, 2015)		
Net cash (used in) provided by operating activities	227,949	(338,361)	239,571

Our net cash provided by operating activities for the year ended December 31, 2015 increased from Ch\$(338,361) million in 2014 to Ch\$239,571 million in 2015. This increase in net cash provided by operating activities was mainly due to (i) the negative impact of the slowdown both in the Chilean and the Colombian economies in our loan portfolio; and (ii) the depreciation of the Chilean peso against the US dollar.

Net Cash (Used in) Investing Activities

	For the Year Ended December 31,		
	2013	2014	2015
	(in million of constant Ch\$ as of December 31, 2015)		
Net cash used in investing activities	(277,704)	(106,810)	(33,845)

Our net cash used in investing activities decreased from Ch\$(106,810) million for the year ended December 31, 2014 to Ch\$(33,845) million for the year ended December 31, 2015. This 68.3% decrease in net cash used in investing activities was mainly due to the fact that in 2015 we did not made any significant investment.

Net Cash Provided by Financing Activities

	For the Year Ended December 31,		
	2013	2014	2015
	(in million of constant Ch\$ as of December 31, 2015)		
Net cash provided by financing activities	649,518	515,980	(410,813)

Our net cash provided by financing activities decreased from Ch\$515,980 million for the year ended December 31, 2014 to Ch\$(410,813) million for the year ended December 31, 2015. This 179.6% decrease in net cash provided by financing activities was mainly due to due to the fact that we issued less debt due to the economic slowdown, which result was partly offset by an increase in (i) our dividend payment due to the distribution of a special dividend in July 1st, 2015 and (ii) bonds redemption.

Deposits and Other Borrowings

The following table sets forth our average month-end balance of our liabilities for the years ended December 31, 2013, 2014 and 2015, in each case together with the related average nominal interest rates paid thereon.



	As of December 31,								
	2013			2014			2015		
	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	7,055,890	361,643	5.1%	7,849,494	349,165	4.4%	8,230,208	329,608	4.0%
Central Bank borrowings	—	—	—	—	—	—	—	—	—
Repurchase agreements	269,419	14,736	5.5%	345,097	28,142	8.2%	645,487	36,484	5.7%
Mortgage finance bonds	130,991	8,323	6.4%	105,851	10,466	9.9%	87,375	7,256	8.3%
Bonds	2,199,545	119,888	5.5%	2,609,908	200,804	7.7%	3,025,930	197,730	6.5%
Other interest bearing-liabilities	2,283,273	44,826	2.0%	3,210,058	100,663	3.1%	3,310,424	107,823	3.3%
Subtotal interest-bearing liabilities	<u>11,939,118</u>	<u>549,416</u>	<u>4.6%</u>	<u>14,120,408</u>	<u>689,240</u>	<u>4.9%</u>	<u>15,299,424</u>	<u>678,901</u>	<u>4.4%</u>
Non-interest bearing liabilities:									
Non-interest bearing deposits	1,471,475			2,731,621			2,680,291		
Derivates	230,679			520,154			734,324		
Other non-interest bearing liabilities	380,933			468,959			633,989		
Equity	1,376,012			1,504,727			1,326,176		
Subtotal non-interest bearing liabilities	<u>3,459,098</u>	<u>—</u>		<u>5,225,461</u>	<u>—</u>		<u>5,374,781</u>	<u>—</u>	
Total	<u>15,398,216</u>	<u>549,416</u>		<u>19,345,868</u>	<u>689,240</u>		<u>20,674,205</u>	<u>678,901</u>	

Our current funding strategy is to continue to utilize all sources of funding in accordance with their cost, their availability and our general asset and liability management strategy. Our most important source of funding is our time deposits. Time deposits represented 53.8% of our average interest bearing liabilities for the year ended December 31, 2015. 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 and other demand liabilities increased by 12.05% as of December 31, 2015 compared to December 31, 2014. 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, 2015 decreased to Ch\$620,579 million, or by (1.6)%, when compared to the year ended December 31, 2014. 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 income depends significantly on our net interest income. For the years ended December 31, 2013, 2014 and 2015, net interest income over total operating income represented 65.1%, 63.6% and 63.0%, 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:

- Higher levels of uncertainty related to the expectation of a possible global economic recession and a higher than expected slowdown of Chinese economic activity, which may translate into an upward adjustment of risk premium and higher global interest rates;
- In this context, the upturn in the Chilean and/or Colombian economies could be weaker than expected. Higher than anticipated unemployment rates and lower economic growth could increase provision expenses and decrease our rate of loan growth in the future; and
- Finally, uncertainty relating to the implementation of the Labor Reform do not allow us to predict its effects.

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 contractual arrangements to which an unconsolidated entity is a party, under which CorpBanca has:

- Any obligation under certain guarantee contracts;
- A retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for such assets;
- Any obligation under certain derivative instruments;
- Any obligation under a material variable interest held by CorpBanca in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to CorpBanca, or engages in leasing, hedging or research and development services CorpBanca.

Such commitments are agreements to lend money 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 aggregate amount outstanding of these commitments was Ch\$5,582,672 million as of December 31, 2015.

Contingent loans 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 event, 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, letters of credit, bank guarantees, cleared lines of credit, other credit commitments and other contingencies.

The total amount of contingent loans held off balance sheet as of December 31, 2013, 2014 and 2015 was Ch\$2,751,929 million, Ch\$3,191,435 million and Ch\$3,285,411 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 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 sheet balance.

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, 2015, 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, 2015. 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 million of Ch\$)				
Time deposits and saving accounts	7,948,599	637,279	31,111	100,488	8,717,477
Deposits and other demand liabilities	2,529,999	1,901,621	—	—	4,431,619
Bank obligations	1,280,826	288,470	12,369	86,555	1,668,219
Investments under repurchase agreements	260,631	—	—	—	260,631
Issued debt instruments	441,817	191,933	1,124,216	1,469,589	3,227,554
Other financial liabilities	9,597	1,077	295	3,506	14,475
Financial derivative contracts (all speculative and hedging instruments)	(40,252)	(89,094)	(97,265)	(70,045)	(296,655)
Total contractual obligations	<u>12,431,216</u>	<u>2,931,285</u>	<u>1,070,726</u>	<u>1,590,093</u>	<u>18,023,321</u>

(*) The variable rates projections are obtained from the FRA rates of the respective projection curves. The parities used to convert the amounts to Chilean pesos correspond to the accounting parities used in the referred date.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

We are managed by our 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. Pursuant to the provisions of our bylaws, members of the board of directors are generally elected for three-year terms. All of the members of the board of directors were elected on March 11, 2016 for a three-year period; however, it has been announced that after the consummation of the Itaú-CorpBanca Merger, a new board of directors will be appointed for the merged bank. 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 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 us.

Our current directors are as follows:

Directors	Position	Age
Jorge Andrés Saieh Guzmán	Chairman and director	45
Fernando Aguad Dagach	First vice chairman and director	56
Jorge Selume Zaror	Second vice chairman and director	64
Ana Beatriz Holuigue Barros	Director	60
Julio Barriga Silva	Director	78
Francisco Mobarec Asfura	Director	65
Gustavo Arriagada Morales	Director	62
José Luis Mardones Santander	Director	65
Hugo Verdegaal	Director	66
María Catalina Saieh Guzmán	Alternate director	33
Álvaro Barriga Oliva	Alternate director	44

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. 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, as member of the board of the Chilean National Press Association 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. Jorge Andres Saieh Guzmán and María Catalina Saieh Guzmán are siblings.

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 Clinica Indisa, Andean Region – Laureate International, Universidad Andrés Bello, Universidad Las Americas, Instituto Profesional AIEP and Blanco y Negro. 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.

Ana Beatriz Holuigue Barros became a director on October 20, 2015 after serving as alternate director since 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.

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 Banco del Estado de Chile (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 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 Banco del Estado de Chile, chairman of Empresa Portuaria Valparaíso, director of Metro Regional de Valparaíso (Merval), 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. Ms. Saieh was also vice-chairman of the board of Consorcio Periodístico de Chile S.A. (COPESA) during 2007 and chairman of the board of CorpVida Insurance Company. 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 also serves similar positions on a variety of different boards. She 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. Alvaro Saieh Bendeck is the father of María Catalina Saieh Guzmán. María Catalina Saieh Guzmán and Jorge Andres Saieh Guzmán are siblings.

Alvaro Barriga Oliva became an alternate director on March 20, 2015. Mr. Barriga has been the general counsel of Corp Group for the last 15 years. He previously served as a member of the board of directors of SMU S.A. (20011-2014) and as general counsel of COPESA. He received his Law degree from the Diego Portales University and holds a Masters in Corporate Law from New York University.

Our current Executive Officers are as follows:

<u>Executive Officer</u>	<u>Position</u>	<u>Age</u>
Fernando Massú Tare*	Chief Executive Officer	57
Eugenio Gigogne Miqueles	Chief Financial Officer	50
José Francisco Sánchez Figueroa	Corporate Director – Wholesale banking	60
Cristián Canales Palacios	Corporate Director – Legal & Control	50
Richard Kouyoumdjian Inglis	Corporate Director – Products, Marketing & Quality Service	49
Jorge Hechenleitner Adams	Division Head – Wealth Management	57
Gerardo Schlotfeldt Leighton	Division Head – Banco Condell	54
Pedro Silva Yrarrázaval	Division Head – International and Finance	54
Jorge Garrao Fortes	Division Head – Retail Credit Risk	42
José Brito Figari	Division Head – Commercial Credit Risk	53
Patricia Retamal Bustos	Division Head – Synergies & Customer Service	42
Rodrigo Oyarzo Brncic	Division Head – Corporate & Large Companies	43
Ricardo Torres Borge	Division Head – Real Estate	49
Rodrigo Arroyo Pardo	Division Head – Wholesale Treasury	43
Gerardo Reinike Herman	Division Head – Commercial Financial Products	44
Pablo de la Cerda Merino	Division Head – Legal Services	56
Marcela Leonor Jiménez Pardo	Division Head – Human Resources	39
Américo Becerra Morales	Division Head – Operations & IT	53
Cristián Guerra Bahamondes	Division Head – IT	38
Jorge Max Pozuelos	Officer – Retail Banking	44
Hernan Cerda Jaramillo	Officer – SME Banking	41
Patricio Jimenez Anguita	Officer – Companies Banking	58
José Manuel Mena Valencia	Comptroller Division Head**	59
Felipe Cuadra Campos	Compliance Division Head**	40
Fernando Burgos Concha	General Manager – New York Branch	61
Jaime Munita Valdivieso	Chief Executive Officer – Banco CorpBanca Colombia	45

* Mr. Fernando Massú Taré’s tenure as CorpBanca’s Chief Executive Officer terminated on March 28, 2016 after his resignation and Mr. Cristián Canales Palacios was appointed as Chief Executive Officer until the consummation of the Itaú-CorpBanca Merger.

** Each of Mr. José Manuel Mena Valencia and Mr. Felipe Cuadra Campos reports to the audit committee and coordinates with senior management through the director of Legal & 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 Ibáñez 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 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 corporate 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 corporate director of Legal & 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 corporate director of Products, Marketing & Quality Service in September 2014. He previously served as director of Shared Services between March 2012 and August 2014. He also 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.

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.

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.

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 & Customer Service in December 2014. She previously served as Division Head of Synergies between January 2012 and November 2014. 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.

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 Commercial 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.

Pablo de la Cerda Merino has served as the Division Head of Legal Services 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 LL.M. 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 and IT in September 2014. He previously served as Division Head of Operations between April 2012 and August 2014. Previously, he also 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.

Cristián 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.

Jorge Max Pozuelos became Retail Banking Officer in October 2009. Previously he served as “Gerente Zonal en la División Comercial Personas” since 2006. Mr. Max received a B.A. in Business and Administration from Universidad Diego Portales and a M.B.A. from the Universidad Católica de Chile.

Hernán Cerda Jaramillo became SME Banking Officer in June 2015. Previously he served as SME and Companies Officer since 2010. Mr. Cerda received a B.A. in Business and Administration from Universidad Diego Portales.

Patricio Jimenez Anguita became Companies Banking Officer in June 2015. Previously he served as Commercial Credit Risk Officer since 2004. Mr. Jimenez received an undergraduate degree in Industrial Civil Engineering from the Universidad de Santiago.

José Manuel Mena Valencia became our Comptroller Division Head in March 2008. From 1995 to 2008 Mr. Mena served as the CEO at Banco del Estado de Chile. Previously, he was CFO at Banco Osorno y La Unión. 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 Terrie 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, 2015, 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 11, 2016, 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 Act. See “Item 7.B. Related Party Transactions”. In the year ended December 31, 2015, we paid our senior management and directors-audit committee members an aggregate of Ch\$18,622 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:

<u>Director</u>	<u>Date of Expiration of Term</u>
Jorge Andrés Saieh Guzmán	March 2019
Fernando Aguad Dagach	March 2019
Jorge Selume Zaror	March 2019
Ana Beatriz Holuigue Barros	March 2019
Julio Barriga Silva	March 2019
Francisco Mobarec Asfura	March 2019
Gustavo Arriagada Morales	March 2019
José Luis Mardones Santander	March 2019
Hugo Verdegaal	March 2019
María Catalina Saieh Guzmán	March 2019
Alvaro Barriga Oliva	March 2019

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. In the Ordinary Shareholders’ Meeting held on March 11, 2016, the board of directors of CorpBanca was renewed in its entirety. Consequently, the nine persons listed above were elected as holders of the office of director until the next shareholders meeting to be held approximately 10 days after the completion of our legal merger with Banco Itaú Chile.

BOARD COMMITTEES

Audit Committee

Our board maintains an audit committee which is currently comprised of five members, including four directors and one non-director members. The current members of the audit committee are Messrs. Gustavo Arriagada Morales, who chairs it, José Luis Mardones Santander, Hugo Verdegaal, María Catalina Saieh Guzmán and Juan Echeverría González. The permanent consultant was Mr. Alejandro Ferreiro Yazigi.

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. Moreover, they may not accept any payment or



other compensatory fee from us, other than in their capacity as members of the board of directors, of the audit committee or of other committees. All the members of the audit committee receive a monthly remuneration.

A description of the experience and qualifications for Messrs. Gustavo Arriagada Morales, José Luis Mardones Santander, Hugo Verdegaal and María Catalina Saieh Guzmán, each of whom is a director of the Company is included in Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management. Below we include a summary of the experience and qualification for Juan Echeverría González, who is a non-director member of the audit committee.

Juan Echeverría González 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.

The audit committee’s responsibilities are, among others:

- proposing external auditors and rating agencies to 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;
- 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;
- setting procedures for the reception, consideration and treatment of complaints regarding accounting, internal accounting controls or other auditing matters, and for the confidential submission by employees of questionable matters regarding accounting or auditing matters;
- ensuring that internal auditing has the resources and sufficient support to properly perform its duties; monitoring the solutions provided to identified matters; and generally ensuring the implementation and consolidation of best practices in the bank.
- approving the crime prevention model and designating the company that will certify it;
- reviewing semiannually the performance of the compliance manager and ensuring that he or she is empowered with sufficient authority and resources to fulfill his or her duties;
- approving the audit charter, the code of ethics and the internal auditing manual;
- reviewing the strategic plan, budget and human resource structure of the bank’s comptroller;



- proposing to the board of directors the appointment, reappointment or removal of the comptroller manager, evaluating his or her performance and approving his or her annual compensation;
- examining any alleged fraud and potential breaches of laws and regulations communicated through internal auditing;
- setting criteria for the selection and evaluation of the external auditors; and
- verifying the compliance of the rotation policy for external auditors.

The audit committee has charters that establish their composition, organization, objectives, duties, responsibilities and extension of its activities. The SBIF requires 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 its activities. The report must also be presented to the annual shareholders' meeting. According to their charter, the audit committee a meet twice per month.

Directors Committee

Our board maintains a directors committee which is currently comprised of four members, including three directors and one non-director members. The current members of the directors committee are Messrs. Gustavo Arriagada Morales, who chairs it, Hugo Verdegaal, José Luis Mardones Santander and Juan Echeverría González.

The directors 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.

A description of the experience and qualifications for Messrs. Gustavo Arriagada Morales, Hugo Verdegaal and José Luis Mardones Santander, each of whom is a director of the Company is included in Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management. A description of the experience and qualifications for Mr. Juan Echeverría González, who is a non-director member of the director committee and the audit committee is included in Item 6. Directors, Senior Management and Employees—C. Board Practices—Board Committees—Audit Committee.

The directors committee has charters that establish their composition, organization, objectives, duties, responsibilities and extension of its activities. The SBIF requires the directors committee to meet at least every four months and to provide an annual written report to the board of directors informing it of its activities. The report must also be presented to the annual shareholders' meeting. According to their charter, the directors committee a meet twice per month.

OTHER COMMITTEES

Corporate Governance Committee

The corporate governance committee was established by the board of directors as an advisory body of it that aims to ensure the existence and development of better corporate governance practices for financial institutions. For that purpose, it is in charge of evaluating practices and policies that are currently in execution, making proposals to the board of directors of improvements, adjustments or reforms and pursuing for the proper implementation and applications of said practices and policies of corporate governance. The committee performs its duties with respect to the bank, its affiliates and related entities abroad.

The committee is composed of five directors and is empowered to engage external consultants. During 2015, Ms. María Catalina Saieh Guzmán was the chairperson of the committee and the other members were Ms. Ana Holuigue Barros, Mr. José Luis Mardones Santander, Mr. Gustavo Arriagada Morales and Mr. Alvaro Barriga Oliva (all of whom were directors). The permanent consultant was Mr. Alejandro Ferreiro Yazigi.

During 2015, the committee met 10 times.



The committee is regulated by its by-laws, by applicable legal and regulatory rules and by the principles established by the Organization for Economic Co-operation and Development (OECD) as well as those defined by the Basel Committee on Banking Supervision on good corporate governance matters for financial institutions.

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 Division Head of Human Resources and the Compliance Division Head.

Social and Environmental Committee

The purpose of this committee is to adopt measures to ensure proper and efficient assessment of social and environmental impacts generated by the activities and projects that we finance, to meet the requirements of the IFC and to reduce the risks to us of assuming the costs transferred by these indirect social and environmental risks. Additionally, this committee proposes internal policies and procedures on environmental and corporate social responsibility matters to the Bank's board of directors.

The committee is comprised of the persons holding the positions of corporate director of Legal and Control, corporate director of Wholesale banking, Commercial Credit Risk Division Head, Companies and Retail Banking Division Head, Large Companies and Corporate Division Head, International Banking Officer, SME Banking Officer, Companies Banking Officer, Legal Services Division Head and the Environmental Officer. The committee may invite to its meetings any Bank executive or associate that it deems necessary.

D. EMPLOYEES

As of December 31, 2015, on a consolidated basis, we had 7,545 employees. Approximately 37.5% of our employees were unionized as of December 31, 2015. 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. Our employees are covered by a collective bargaining agreement, which we entered into on August 1, 2014, which provides for improved benefits and has a term of four years.

The table below shows our employees by geographic area:

	Year ended December 31,		
	2013	2014	2015
Chile	3,724	3,714	3,811
Colombia	3,548	3,716	3,707
United States	26	26	27
Total	7,298	7,456	7,545

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. As of the date hereof, Corp Group Banking S.A. and Compañía Inmobiliaria y de Inversiones Saga SpA, controlled by Mr. Saieh Bendeck, beneficially own approximately 43.73%, and 6.15% of our outstanding shares, respectively.

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, 2015, we had 340,358,194,234 common shares outstanding.

The following table sets forth information with respect to the record and beneficial ownership of our capital stock as of December 31, 2015:

Shareholders	Number of Shares	Percentage of Total Share Capital	Number of Votes	Percentage of Voting and Dividend Rights
Corp Group Banking S.A.	148,835,852,909	43.73%	148,835,852,909	43.73%
Compañía Inmobiliaria y de Inversiones Saga SpA ⁽¹⁾	20,918,589,773	6.15%	20,918,589,773	6.15%
Cía. de Seguros Confuturo S.A. (former CorpVida)	—	—	—	—
Cía. de Seguros CorpSeguros S.A.	—	—	—	—
Others investment companies	—	—	—	—
Total Saieh Group	169,754,442,682	49.88%	169,754,442,682	49.88%
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	71,903,556,140	21.13%	71,903,556,140	21.13%
AFPs (Administradoras de Fondos de Pensiones)	2,901,375,999	0.85%	2,901,375,999	0.85%
Securities Brokerage	32,526,108,137	9.56%	32,526,108,137	9.56%
Insurance Companies ⁽²⁾	8,686,054,604	2.55%	8,686,054,604	2.55%
Other minority shareholders ⁽³⁾	27,751,654,781	8.15%	27,751,654,781	8.15%
Others	143,768,749,661	42.24%	143,768,749,661	42.24%
Total	340,358,194,234	100.00%	340,358,194,234	100.00%

(1) Includes 926,513,842 shares owned by Saga that are under custody.

(2) Since November 2013, includes Conseguros (former CorpVida) and CorpSeguros (1.18%) which are no longer controlled by the Saieh Group.

(3) Includes Moneda's funds with a total of 2.69% ownership.

As of February 29, 2016, ADR holders (through the depositary) and foreign investors held approximately 28.49% of our total common shares, represented by five registered shareholders (Deutsche Bank Trust Company Americas - ADRs; Banco de Chile on behalf of non-resident third parties; Banco Itaú on behalf of investors; Banco Santander on behalf of foreign investors; Sierra Nevada Investments Chile Dos Ltda.). The remaining 71.51% of our total shares were held locally, in Chile, represented by 243,375,171,062 shares held by local shareholders. All of our shareholders have identical voting rights.

Corp Group Banking and Saga accounted for approximately 43.73% and 6.15%, respectively, of our outstanding common shares as of December 31, 2015. In connection with the pending Itaú-CorpBanca Merger, between August and September 2014 and February 2016, Corp Group Banking and Saga sold 5,208,000,000 and 344,218 common shares, respectively, of CorpBanca, decreasing its joint share ownership by 1.53%. Corp Group Banking and Saga are each controlled by Mr. Saieh who, together with members of his family, controls CorpBanca.



After the closing of the Itaú-CorpBanca Merger, Itaú Unibanco and our current controlling shareholders will beneficially own 33.58% and 33.13% of our outstanding common shares, respectively. 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.

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 Act 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 Act, transactions between a bank and its affiliates are subject to certain additional restrictions.

Under the Chilean Corporations Act, a “related party transaction”, in the case of an open stock corporation, is any operation between such 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 control 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 arm’s length and the corporation has followed the procedure indicated in the Chilean Corporations Act. 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 will be held 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 Act in all transactions with related parties and affirm that we will continue to comply with such requirements.

As of December 31, 2013, 2014 and 2015, loans to related parties totaled Ch\$364,424 million, Ch\$228,989 million and CCh\$131,858 million, respectively, and related party receivables, other than loans, totaled Ch\$27,325 million, Ch\$18,157 million and CCh\$16,805 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, 2013, 2014 and 2015, loans to related parties were as follows:

<u>As of December 31, 2015</u>	<u>Operating Companies</u>	<u>Investment Companies</u>	<u>Individuals</u>
	<u>(in million of constant Ch\$ as of December 31, 2015)</u>		
Loans and receivables to customers:			
Commercial loans	86,595	24,406	3,863
Mortgage Loans	—	—	16,451
Consumer Loans	—	—	2,362
Loans and receivables to customers - gross	<u>86,595</u>	<u>24,406</u>	<u>22,676</u>
Provision for loan losses	<u>(1,731)</u>	<u>(6)</u>	<u>(82)</u>
Loans and receivables to customers, net	<u>84,864</u>	<u>24,400</u>	<u>22,594</u>
Other	28,972	674	2,910
<u>As of December 31, 2014</u>	<u>Operating Companies</u>	<u>Investment Companies</u>	<u>Individuals</u>
	<u>(in millions of constant Ch\$ as of December 31, 2014)</u>		
Loans and receivables to customers:			
Commercial loans	181,576	31,351	1,741
Mortgage Loans	—	—	14,580
Consumer Loans	—	—	2,592
Loans and receivables to customers - gross	<u>181,576</u>	<u>31,351</u>	<u>18,913</u>
Provision for loan losses	<u>(2,650)</u>	<u>(154)</u>	<u>(47)</u>
Loans and receivables to customers, net	<u>178,926</u>	<u>31,197</u>	<u>18,866</u>
Other	76,396	312	2,304
<u>As of December 31, 2013</u>	<u>Operating Companies</u>	<u>Investment Companies</u>	<u>Individuals</u>
	<u>(in millions of constant Ch\$ as of December 31, 2013)</u>		
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	<u>(2,334)</u>	<u>(10,792)</u>	<u>(86)</u>
Loans and receivables to customers, net	<u>159,087</u>	<u>182,284</u>	<u>23,053</u>
Other	71,457	332	2,166



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 2013, 2014 and 2015, and in accordance with IFRS, the total gross amounts of related party loans outstanding amounted to Ch\$435,106 million, Ch\$272,962 million and Ch\$284,941 million, respectively.

OTHER TRANSACTIONS WITH RELATED PARTIES

During 2013, 2014 and 2015, we had the following income (expenses) from services provided to (by) related parties:

Company	For the year ended December 31,		
	2013	2014	2015
	Income (expenses)	Income (expenses)	Income (expenses)
	(in million of nominal Ch\$)		
Transbank S.A.	(2,430)	(3,617)	(5,469)
Inmobiliaria Edificio Corp Group S.A.	(2,740)	(3,067)	(4,298)
Corp Group Interhold S.A. and Corp Group Holding Inversiones Ltda.	(2,632)	(2,805)	(2,664)
Redbanc S.A.	(1,782)	(2,016)	(2,028)
Promoservice S.A.	(1,508)	(1,188)	(1,677)
Recaudaciones y Cobranzas S.A.	(971)	(1,943)	—
Operadora de Tarjeta de Crédito Nexus S.A.	(846)	(936)	(1,018)
Fundación Corpgroup Centro Cultural	(736)	(1,505)	(3,550)
Fundación Descubreme	(80)	(78)	(193)
Compañía de Seguros Vida Corp S.A.	(318)	(159)	(160)
Empresa Periodistica La Tercera S.A.	(163)	(282)	—
SMU S.A. Rendic Hnos S.A.	(1,928)	(2,092)	(2,054)
Corp Research S.A.		(408)	(426)
CAI Gestion Inmobiliaria S.A		(219)	(58)
Grupo de Radios Dial S.A		(177)	(189)
Hotel Corporation of Chile S.A		(132)	(160)
Pulso Editorial S.A		(111)	(697)
Corp Imagen y diseños S.A		(76)	(89)
Asesorias e Inversiones Rapelco Limitada S.A		(49)	(53)
	(16,134)	(20,859)	(24,783)

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 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 as disclosed in Note 22 to our audited consolidated financial statements included herein.



We are also involved in litigation with the SBIF before the *Corte de Apelaciones de Santiago* (Santiago Court of Appeals). On December 30, 2015, the SBIF issued letter N° 16,191 (or Letter 16,191) whereby we were informed that as a consequence of the appointment of the former member of our board of directors, Mr. Rafael Guilisasti Gana, as member of the boards of directors of Norte Grande S.A., Sociedad de Inversiones Oro Blanco S.A. and Sociedad de Inversiones Pampa Calichera S.A., the SBIF had commenced a special review on the corporate group known as “Cascadas” in order to verify our compliance with credit limitations set forth in the Chilean General Banking Act. The SBIF concluded that all the companies of the Cascadas group are part of a “corporate organizational structure” to exercise control over SQM S.A., therefore, they should be considered a single debtor for the purposes of computing the above referenced credit limitations. As a consequence of the above, the SBIF concluded that CorpBanca violated the individual lending limits set forth in article 84 N° 1 of the Chilean General Banking Act in relation to article 85 of the same norm regarding the companies that constitute the Cascadas group. In light of the foregoing, the SBIF imposed a fine on CorpBanca of 10% of the excess of such credit limitations equal to Ch\$21,764,507,494 (U.S.\$30.65 million).

Our board of directors, in a special meeting held on January 4, 2016, unanimously instructed the management of the bank to exercise any and all available actions and claims in order to rescind in its entirety Letter 16,191, due to material legal grounds and the fact that in imposing the fine the SBIF violated the most basic principles of due process. Consequently, on January 18, 2016, CorpBanca filed a *reclamación* (complaint) before the Santiago Court of Appeals against the SBIF, after having paid the full amount of the fine as this advanced payment is a mandatory requirement imposed by the Chilean law in order to file the *reclamación*. The complaint filed by the bank seeks that Letter 16,191 is declared null and void, together with the fine imposed thereby; the restitution of the funds paid (which are held, in the meantime, in a special account of the SBIF at Banco del Estado de Chile, which can be withdrawn only to reimburse them to CorpBanca if the Court accepts the claim, or to give the amount to the State upon dismissal of the *reclamación*) by CorpBanca and the complete acquittal of the bank.

Pursuant to local regulation, on March 4th, 2016, the Court gave the SBIF a term to reply to CorpBanca’s claims. Such response was filed on March 17th, 2016.

DIVIDEND POLICY

Under the Chilean Corporations Act, 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. 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.

At our ordinary shareholders’ meeting held on March 11, 2016, our shareholders approved a new dividend policy for 2016 providing for the distribution of the 100% of the fiscal year’s net income, calculated as total net income for the period less an amount provisioned to comply with the Optimal Minimum Regulatory Capital, as this term is defined in the Shareholders’ Agreement. See Item 10. Additional Information—C. Material Contracts, Shareholders Agreement. Although our board of directors has adopted the aforementioned dividend policy for Corpbanca, 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 dividend policy was 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 until March 11, 2016. Dividend distributions in 2013, 2014 and 2015 each amounted to 50%, 57% and 50% of net income for the immediately preceding fiscal year, respectively.

In the event that dividends are paid, holders of ADSs will be entitled to receive dividends to the same extent as the owners of common shares. Dividends received by holders of ADSs will, absent changes in Chilean exchange controls or other laws, be converted into U.S. dollars and distributed net of currency exchange expenses and fees of the depository and will be subject to Chilean withholding tax, currently imposed at the rate of 35% (which may be subject to credits in certain cases). Owners of ADSs are not charged with any fees with respect to cash or stock dividends.

B. SIGNIFICANT CHANGES

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.

	Santiago Stock Exchange		New York Stock Exchange	
	Common Stock		ADSs	
	High	Low	High	Low
	(Ch\$ per share (1))		(US\$ per ADS(2))	
Annual Price History				
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
2014	7.79	5.92	21.14	15.82
2015	7.90	5.53	18.78	11.70
Quarterly Price History				
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
2014 2nd Quarter	6.92	6.44	18.88	17.38
2014 3rd Quarter	7.71	6.74	19.67	17.55
2014 4th Quarter	7.79	7.17	20.20	17.36
2015 1st Quarter	7.68	6.60	18.54	15.82
2015 2nd Quarter	7.90	6.71	18.78	16.34
2015 3rd Quarter	7.00	6.07	16.48	12.91
2015 4th Quarter	6.37	5.53	14.09	11.70
Monthly Price History				
September 2015	6.43	6.11	14.55	12.91
October 2015	6.37	6.08	14.09	13.23
November 2015	6.37	6.02	13.62	12.71
December 2015	6.00	5.53	12.96	11.70
January 2016	5.62	5.20	11.74	10.87
February 2016	5.80	5.29	12.68	11.26
March 2016(3)	5.92	5.54	12.56	11.98

Sources: Santiago Stock Exchange Official Quotation Bulletin; NYSE.



- 1) Pesos per share reflect nominal price at trade date.
- 2) Price per ADS in US\$: one ADS represents 5,000 shares of common stock and 1,500 since March 2011.
- 3) Information up to March 11, 2016

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 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 Act, the Chilean Corporations Act and the Chilean Securities Market Act each referred to below.

GENERAL

Shareholders rights in a Chilean bank that is also a special corporation (*sociedad anónima especial*) subject to the regulations of open stock corporations (*sociedades anónimas abiertas* or Public Companies) are governed by the bank’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 Act and secondarily, to the extent not inconsistent with the latter, by the provisions of Chilean Corporations Act applicable to Public Companies except for certain provisions which are expressly excluded. Article 137 of the Chilean Corporations Act sets forth that all provisions of the Chilean Corporations Act take precedence over any contrary provision in a corporation’s by-laws. Both the Chilean Corporations Act 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 Act and the Chilean Corporations Act. In the case of banks, compliance with these laws is supervised by the SBIF. These two acts provide for disclosure requirements, restrictions on insider trading and price manipulation and protection of minority investors. The Chilean Securities Market Act sets forth requirements relating to public offerings, stock exchanges, stock brokers and dealers, and outlines disclosure requirements for companies that issue publicly offered securities. The Chilean Corporations Act sets forth the rules and requirements for establishing Public Companies while eliminating government supervision of closed (closely-held) corporations. Public Companies are those that voluntarily, or are legally required to, register their shares in the Securities Registry.



BOARD OF DIRECTORS

Our board of directors has nine regular members and two alternate members, elected by shareholders' vote at ordinary 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 ordinary 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 ordinary 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 ordinary shareholders' meeting. Any special compensation must be reported at the ordinary shareholders' meeting, and for that purpose, a detailed and separate entry shall be made in our 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 Act, according to the Chilean General Banking Act, the following may not be directors: (i) those persons who have been sentenced or are being tried for crimes punishable with a principal or accessory 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 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 manager. The CEO may not be elected as a director.

For purposes of the election of directors, each shareholder shall have the right to one vote per share for purposes of electing a single person, or to distribute his votes among candidates as he or she 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 elections of regular and alternate board members are 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 is entitled to cast his or her vote by means of a ballot signed by him or her, stating whether he or she 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 the number of votes issued and verify the outcome of the voting process.

Every election of directors, or any changes in the election of directors, shall be transcribed into a public deed before a notary public, published in a newspaper of Santiago and notified to the SBIF 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 is filled as follows: (i) the positions of regular director is 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 ordinary 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 act as full director; and (ii) while the vacancy has not been filled by the board of directors, 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 are 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 ordinary shareholders' meeting, the board of directors elects, 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 director obtains such majority, the election is repeated among those three directors who obtained the most votes, adding any blank votes to the person who obtained the greatest number of votes. In case of a tie, the vote is repeated and, if a tie were to occur again, there is 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 address 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 majority of its members in office, this is five directors. 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 have a casting 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 ordinary 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 that attended the relevant meeting. 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 minutes shall be deemed approved as from the moment it is signed by all the directors that attended such meeting and all the resolutions adopted may be carried out upon the approval. However, by unanimous consent of the directors that attended the meeting, the resolutions adopted by the board may be carried out before the approval of the minutes, provided that the agreement is recorded in a written document signed by all the relevant directors. 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 ordinary shareholders' meeting.

The board will represent us 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 ordinary 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 Act 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 Act and the Regulations of the SBIF, shareholders of Public Companies 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 a Public Company'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 a Public Company'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 Act and the regulations of the SVS, persons or entities intending to acquire control, directly or indirectly, of a Public 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 Act requires that within two business days of the completion of the transactions pursuant to which a person has acquired control of a Public 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 Act on tender offers and the regulations of the SVS provide that the following transactions shall be carried out through a tender offer:

- an offer which allows a person to take control of a Public Company;
- an offer for all the outstanding shares of a Public Company 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 due to any of the situations exempted, 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.

Nevertheless, the following exceptions are applicable to all the cases described above (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.

Article 200 of the Chilean Securities Market Act prohibits any shareholder that has taken control of a Public Company to acquire, within the period of 12 months from the date of the transaction that permitted such shareholder to take control of the Public 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 Act 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 a Public Company through a tender offer. The Chilean Securities Market Act 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 Act, 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 Act, 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 Act, 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 Act states that as a matter of public policy, no person or company may acquire, directly or indirectly, shares that alone or jointly with the shares previously owned by it, represent 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 Chilean General Banking Act, including the financial stability of the purchasing party.

Article 35 *bis* of the Chilean General Banking Act 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 bank's 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 Chilean General Banking Act 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 Act 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 Act and the Regulations of 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 Act 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 Chapter 1-3 of the regulations of the SBIF (*Recopilación Actualizada de Normas*). Also, controlling shareholders must submit information regarding their financial situation pursuant to Chapter 1-17 of said regulations.

PREEMPTIVE RIGHTS AND INCREASES OF SHARE CAPITAL

The Chilean Corporations Act 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 issuance 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 Public Companies 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.

SHAREHOLDERS' MEETINGS AND VOTING RIGHTS

An ordinary annual meeting of shareholders is held within the first four months of each year, generally in March 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 11, 2016.

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 written notice which must be published at least three different days 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 El Pulso.

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. 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 agreed upon at an extraordinary 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 Act; 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 Act, 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 General Banking Act (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 on 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 Act; or
- all other matters provided for in our by-laws.

An amendment of our by-laws aimed at the creation, modification, renewal or suppression of preferences, must be approved with the favorable vote of two-thirds majority of the shares of the affected series.

In general, Chilean law does not require a Chilean Public Company 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 Act 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 Act provides that whenever the board of directors of a Public Company 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 Act, Chilean companies are generally required to distribute at least 30% of their earnings as dividends, unless there is unanimous consent to the contrary. 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 dividends 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 Act, 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 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 amended on June 2, 2015; 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 SpA, 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 Itaú-CorpBanca Merger.

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 agreement 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.

Additionally, we note that the Shareholders' Agreement has not been executed, and is not, as of the date hereof, in full force or effect. The Shareholders' Agreement will be executed by the parties thereto concurrently with the closing of the Itaú-CorpBanca Merger, subject to any changes and modifications, if any, as may be agreed to by the parties to the Shareholders' Agreement

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. During 2014, Corp Group Banking S.A. disposed of 5,208,000.000 of its shares of CorpBanca, as a result, it is still required to dispose of 344,218 CorpBanca shares prior to the closing of the Itaú-CorpBanca Merger in order to meet the divestiture commitment.



- 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. During the year ended December 31, 2014, Itaú Unibanco completed a capital increase of Itaú Chile in the aggregate amount of Ch\$58,873 million (approximately US\$82.88 million as of December 31, 2015) by purchasing fully subscribed and paid shares of Itaú Chile. As a result of the capital increase effected in the year ended December 31, 2014, Itaú Unibanco is still required to effect a US\$552 million capital increase at Itaú Chile prior to the closing of the Itaú-CorpBanca Merger, to meet this commitment.

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 33.13% of the capital stock of Itaú-CorpBanca and the remaining 33.29% 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 66.28% of the shares of CorpBanca Colombia, shall offer to acquire from certain minority shareholders holding 33.72% 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 opinions as to the fairness, from a financial point of view, of the Chilean Exchange Ratio (as defined in the Transaction Agreement);
- 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, 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 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, (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

Pursuant to the terms of the Transaction Agreement, in an extraordinary shareholders meeting held on June 26, 2015, our shareholders agreed to distribute a special dividend for an aggregate amount of Ch\$239,860,000,000 (US\$337,678,792.66 as of December 31, 2015), from the distributable earnings for the year ended December 31, 2014. This dividend, of Ch\$0.704728148 per share, was paid on July 1, 2015.

Approval by CorpBanca and Itaú Chile Shareholders

In an extraordinary shareholders' meeting held on June 26, 2015, our shareholders approved the Itaú-CorpBanca Merger and the other Transactions contemplated in the Transaction Agreement. Pursuant to the agreements adopted, the Itaú-CorpBanca Merger shall take place not later than May 2, 2016. The shareholders of Itaú Chile gave their consent to the Itaú-CorpBanca Merger and to the other Transactions contemplated in the Transaction Agreement in an extraordinary shareholders' meeting held on June 30, 2015.

Applications and Consents

On September 4, 2015 the SBIF issued Resolution N° 409 approving the Itaú-CorpBanca Merger in the following terms:

1. The Itaú-CorpBanca Merger shall take place by the incorporation of the latter to the former, which, as a consequence of the merger, shall acquire all the assets, rights, authorizations, permits, obligations and liabilities of the absorbed bank, with CorpBanca continuing as the surviving entity.

2. The merger will not be effective before January 1, 2016 or after May 2, 2016, and the exact date shall be determined by the board of directors of both banks.

3. As a consequence of the merger, Itaú Unibanco will become the controller of the merged bank, pursuant to articles 97 and 99 of the Chilean Securities Market Act.



4. The amendment to CorpBanca's by-laws, which will be renamed Itaú Corpbanca, was approved. Such amendment shall be valid as from the date in which the Itaú-CorpBanca Merger is completed.

With the resolution of the SBIF referred above, all the regulatory authorizations required in Chile, Colombia, Panama and Brazil have been obtained in order to consummate the merger in the abovementioned terms.

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 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 had to jointly determine in good faith the individuals who are most qualified to serve as senior management. On November 23, 2015, and as agreed in the Transaction Agreement, Itaú Unibanco and CorpGroup Parent announced the senior management team for the bank upon the consummation of the Itaú-CorpBanca Merger, which will be led by Milton Maluhu Filho as Chief Executive Officer.

***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

CorpGroup Parent and Itaú Unibanco agreed to 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.

Pursuant to the Transaction Agreement, Itaú Unibanco decided that CorpBanca shall divest all of its investment in SMU Corp. For these purposes, on February 23, 2016, CorpBanca's board of directors agreed to sell the bank's 51% stake in SMU Corp, in the following terms and conditions: (a) Purchaser: SMU S.A. and/or any other company appointed by the latter; (b) Sale price: Ch\$454.4 million; (c) Term: Any time after the SBIF's authorization and once Itaú Unibanco has consented to the terms and conditions of the transaction. As of the date of this report, Itaú Unibanco's consent has already been requested.

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.



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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 Itaú-CorpBanca Merger 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.

As of the date of this annual report, all the conditions above have been met.

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 Transaction 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 on or before May 2, 2016.

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 form of 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. The Shareholders' Agreement remains subject to change to reflect any modifications mutually agreed by the parties thereto prior to its execution. As noted, the Shareholders' Agreement will be executed concurrently with the closing of the Itaú-CorpBanca Merger.

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

The original form of Shareholders' Agreement set forth that Itaú Unibanco and CorpGroup Parent shall cause Itaú-CorpBanca to make certain political donations consistent with past practice. This provision has been deleted in its entirety in the amendment of the Transaction Agreement, dated June 2, 2015.

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. Milton Maluhy Filho 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 Itaú-CorpBanca Merger) 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 liquidation, 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 by 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 60 days after receipt of notice from CorpGroup 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 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-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 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 depository 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, Colombia 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.

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 current extension became effective on April 16, 2008 until April 30, 2018. Under this agreement, IBM provides outsourcing computer system operations services to us and we are obligated to pay fees amounting to UF 2,821.7 per month.

Service Contracts

On July 6, 2001, we entered into a Services Agreement with our affiliate CorpGroup Interhold S.A. 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 agreement which will take effect as of January 1, 2015. Pursuant to this amendment, the agreement will be extended for a further 10-year term beginning on January 1, 2015, subject to certain early termination provisions. Either party may extend the term of the agreement for five additional years. Provisions for the payment of expenses were also included in this amendment.



On April 10, 2008, we entered into a Services Agreement with our affiliate CorpGroup Interhold S.A., 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 agreement which will take effect as of January 1, 2015. Pursuant to the amendment, the agreement will be extended for a further 10-year term beginning on January 1, 2015, subject to certain early termination provisions. Either party may extend the term of the agreement 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 Services Agreement 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 agreement which will take effect as of January 1, 2015. Pursuant to the amendment, the agreement will be extended for a further 10-year term beginning on January 1, 2015, subject to certain early termination provisions. Either party 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 must be registered with the Central Bank of Chile under the *Ley Orgánica Constitucional del Banco Central de Chile*, or the Chilean Central Bank Act and the *Compendio de Normas de Cambios Internacionales*, or the Central Bank Foreign Exchange Regulations or the Compendium. The Chilean Central Bank Act is a constitutional law requiring a “special majority” vote of the Chilean Congress to be modified. Until January 1, 2016, foreign investments could be registered with the *Comité de Inversiones Extranjeras*, or the Foreign Investment Committee under Decree Law No. 600 of 1974, as amended or DL 600, as an alternative to the registration with the Central Bank of Chile. The Tax Reform, however, repealed DL 600 as of January 1, 2016. As from 2016, the Foreign Investment Committee shall not be entitled to register new foreign investments. All foreign investments previously registered with the Foreign Investment Committee under DL 600, shall continue to be subject to the provisions of DL 600.

Pursuant to the 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 type 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.

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 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 United States' Congress 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 22.5% in 2015. 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 (confirmed by the Chilean IRS in ruling No. 1,307 of 2013). 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 until December 31, 2016 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 Public Companies). A 35% withholding tax is imposed on the amount of the gains obtained on 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.



From January 1, 2017 onwards, any gain obtained on the sale or exchange of common shares received in exchange for ADSs by a foreign holder will be subject to the Chilean withholding tax with a rate of 35%, which must be withheld by the purchaser. However, if it is impossible to determine the taxable capital gain, a 10% 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 Act, 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 Act, (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, 2012. 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 U.S. Treasury 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 subject 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 United States 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 United States 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, member or owner of such entity will generally depend on the status of the partner, member or owner and the tax treatment of such entity. A partner, member 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 set forth therein. 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 depositary receipts, 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. holder 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 2015 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 during 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 2015, our current taxable year or in the foreseeable future, including after the anticipated combination of the bank and Itaú Chile following the Itaú-CorpBanca Merger (which is expected to be consummated in 2016), 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, 2016 will not be determinable until after the close of such taxable year and, accordingly, there is no guarantee that we will not be a PFIC for 2016.



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, which together describe what is referred to as the "active bank exception." For purposes of the PFIC test, the active bank exception excludes 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 the requirements of 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, 2015 (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 Chile 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.

In addition, 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, exchange or other taxable 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 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 1471 through 1474 of the Code and U.S. Treasury Regulations promulgated thereunder, commonly referred to as 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, 2018 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 (1) modified adjusted gross income in excess of US\$200,000 (US\$250,000 for joint-filers), and (2) 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 risks 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 risk approaches are applied and quantitative disclosures that demonstrate our level of exposure to financial risk.

The principal types of risks inherent to 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 management.

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, all 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 “A&L Committee”, following guidelines established by our board of directors. The A&L Committee is composed of eleven members, including one director, the CEO, the treasury and international division manager, the financial risk manager, our CFO, and the division managers of management control and planning, retail banking, non-banking financial services and commercial banking, represented by the managers of the corporate and commercial banking divisions. The role of the financial risk manager and the A&L Committee is to ensure that our treasury and international division’s operations are consistently in compliance with our internal risk policies and limits, as well as applicable regulations. The A&L Committee typically meets twice 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 Value at Risk, or 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 A&L Committee.

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

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, and
- 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 Rate Risk

Indexation risk is the exposure to changes in indexed units (e.g. UF, *Unidad de Valor Real* (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

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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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 are performed and reported independently using a dual-control system.
- Trading of new products and participation in new markets can only take place if all of the following occur:
 - 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.
- 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.
- 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 committees.



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.

The Bank includes in the valuation of derivatives the “Counterparty Valuation Adjustment” (CVA), to reflect the counterparty risk in the determination of fair value. This valuation considers the Bank’s own credit risk, known as “Debit Valuation Adjustment” (DVA). See Note 34 *Financial Assets And Liabilities Measured At Fair Value*.

Offsetting financial assets and liabilities

The Bank should offset a financial asset and a financial liability and the net amount presented in the statement of financial position when and only when:

- i.- currently has a legally enforceable right to set off the recognized amounts; and
- ii.- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The bank includes assets and financial liabilities that have master netting agreements but do not qualify to be netting directly in the statement of financial position and hence their values are presented gross in that Statement.

According to the above, the following table shows the impact of the main assets and liabilities offset and those who maintain netting agreements (including financial guarantees), but do not qualify to be netting directly in the statement of financial position.

		As of December 31, 2015							
		Financial Instruments offset in the Statement of Financial Position.				Financial Instruments not offset in the Statement of Financial Position. (3)			
		Gross amount (1) (a)	Amounts offset (2) (b)	Net amounts reported in the Statement of Financial Position. (c) = (a) - (b)	Note	Amounts to offset (4) (d)	Financial guarantees (5) (e)	Note	Net amounts (Total) (f) = (c) - (d) - (e)
		MMS	MMS	MMS		MMS	MMS		MMS
Financial Instruments									
Financial derivative	Assets	1,008,915	—	1,008,915	8	—	35,388	21	973,527
	Liabilities	731,114	—	731,114	8	—	171,626	16	559,488

- (1) Gross amount without applying offset regulations.
- (2) Value to offset in the statement of financial position.
- (3) Financial Instruments that have master netting agreements but do not qualify to be netting directly in the statement of financial position
- (4) Amount to offset in the Financial Instruments that have master netting agreements but do not qualify to be netting directly in the statement of financial position.
- (5) Amounts related to financial guarantees

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, the following network of committees has been established:

- **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

(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 2015.

(a) Value at Risk (VaR)

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 Bank assigns global limits based on its activities in different markets. In addition, in order to complement these global limits, VaR sublimits are defined using diverse variables such as market volatility, volume, liquidity and return on capital are defined.

The following table presents the use of VaR during 2015 for the Bank and its Chilean and foreign subsidiaries.



VaR Statistics for Bank and Subsidiaries
MCh\$
VaR with 99% confidence level

		2015			
		Minimum	Average	Maximum	Last
CONSOLIDATED	<i>Against P&L</i>	993.88	1,349.97	7,333.09	1,327.71
CORBANCA CHILE	<i>Against P&L</i>	961.10	1,194.54	1,539.00	1,305.31
CONSOLIDATED COLOMBIA	<i>Against P&L</i>	157.44	295.43	517.12	403.03
CORREDORES DE BOLSA S.A.	<i>Against P&L</i>	37.80	86.96	119.96	81.24
CORBANCA NEW YORK	<i>Against P&L</i>	0.03	0.28	2.21	0.34

FIGURE 1: VAR CONSUMPTION FOR THE BANK AND ITS SUBSIDIARIES



The following graphs show the daily evolution of the VaR during 2015 for the Bank and its subsidiary in Colombia. As mentioned previously, the Var consumption of CorpBanca Chile (blue line) is consistently higher than CorpBanca Colombia (red line).

VaR Statistics for Bank and Subsidiaries

Figures in Millions of Chilean Pesos [MCh\$]

VaR with 99% confidence level

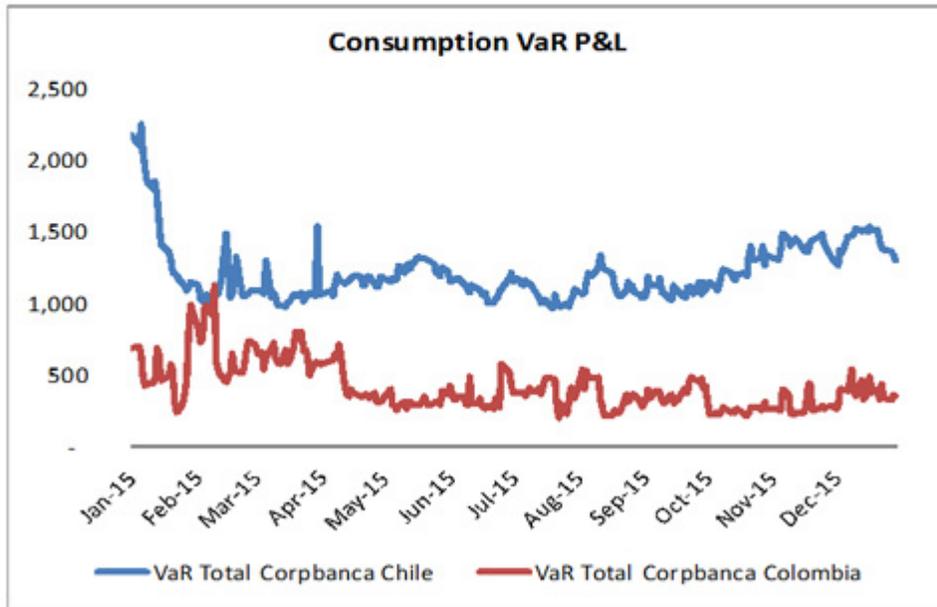


FIGURE 2: VAR TRENDS IN CHILE AND COLOMBIA IN 2015



(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 graphs below compare the bank’s daily VaR estimates and the realized P&L over a period of 300 days in order to probe the VaR measurements’ consistency (Kupiec’s frequency test). Indeed, about 99% of the realized P&L should lie within the $\pm 99\%$ VaR interval. Given the time period of 300 days, there should be an expected number of 3 excesses.

As seen below, CorpBanca Chile exhibited 2 exceptions over the considered time period, which corresponds to the Basel green zone.

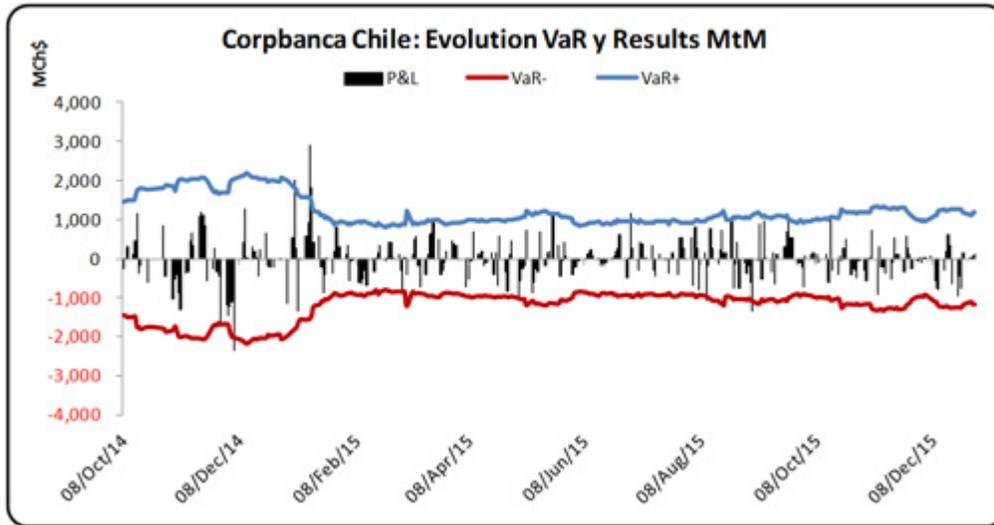


FIGURE 3: BACKTESTING TRENDS FOR CHILE IN 2015



The graph presented above shows VaR movements with data from 300 days of history and the Bank's results in Chile. Based on the graph, during the time frame indicated, there were 2 exceptions over the daily VaR. The frequency or Kupiec test places the model within the green zone, which indicates that the model is correct and aligned with the hypotheses made and accepts exceptions generated with a frequency of close to 1%, which are also independent from one another.

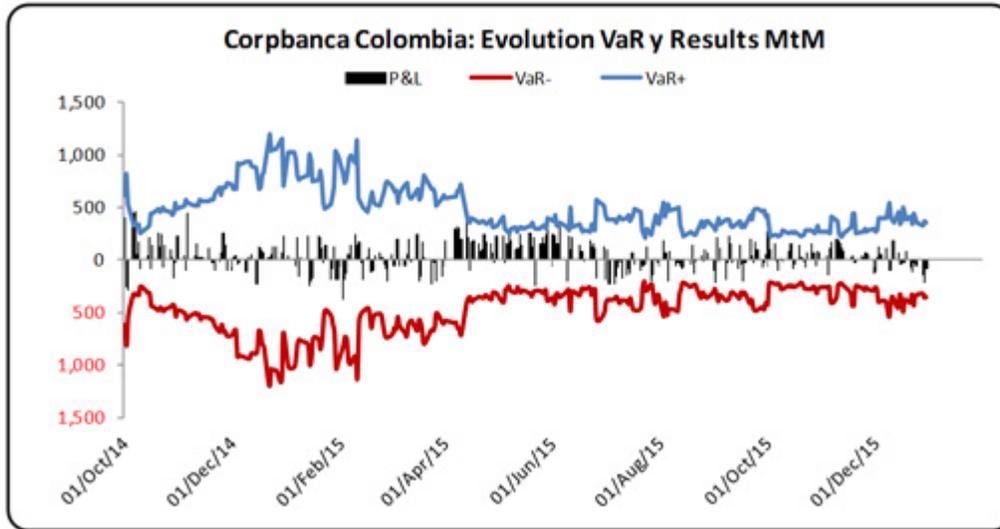


FIGURE 4: BACKTESTING TRENDS FOR COLOMBIA IN 2015



The figure above illustrates an exception to the daily VaR. The frequency test places the model within the green zone, which indicates that there is no evidence for rejecting the model.

(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.

At the same time, 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 as of year-end 2015, and statistics for that year.

Exchange Rate	As of December 31, 2015			Consumption Statistics 2015		
	Position [USD]	VaR 99% [CLP]	VaR Inc 99% [CLP]	Minimum [USD]	Average [USD]	Maximum [USD]
USD/CLP	(2,762,500)	36,736,323	(8,851,222)	(15,539,176)	3,909,861	20,537,405
EUR/USD	(4,182,583)	44,714,350	20,453,425	(4,644,621)	(628,976)	3,847,712
JPY/USD	97,957	922,052	(363,692)	(130,447)	110,873	8,019,122
GBP/USD	164,707	1,361,434	(383,271)	(777,579)	84,218	299,155
CAD/USD	157,472	1,402,264	728,448	(265,607)	107,933	280,168
AUD/USD	67,073	865,428	(249,048)	(33,986)	36,267	83,800
MXN/USD	74,141	814,771	23,711	(24,711)	23,290	75,062
PEN/USD	—	—	—	—	697	10,471
BRL/USD	(22,553)	501,262	(73,859)	(914,258)	(8,753)	60,875
COP/USD	(10,205)	175,291	(61,146)	(954,361)	(66,546)	161,291
NOK/USD	21,272	327,349	126,717	21,272	49,167	138,217
DKK/USD	24,174	282,208	(119,243)	(297,483)	29,381	94,878
SEK/USD	357	4,120	(738)	(23,655)	6,433	18,231
CHF/USD	81,872	945,890	(425,275)	(2,334)	69,694	94,038
WON/USD	—	—	—	—	—	—
CNY/USD	7,396	24,592	(2,424)	2,665	10,189	34,627

FIGURE 5: CURRENT LIMITS AND CONSUMPTION OF CURRENCY POSITIONS FOR 2015



200D&X&P0Jd#XSZJ

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).

The graphs below show that the USD-Ch\$ and EUR-USD exposures of CorpBanca Chile lie within the authorized limits.

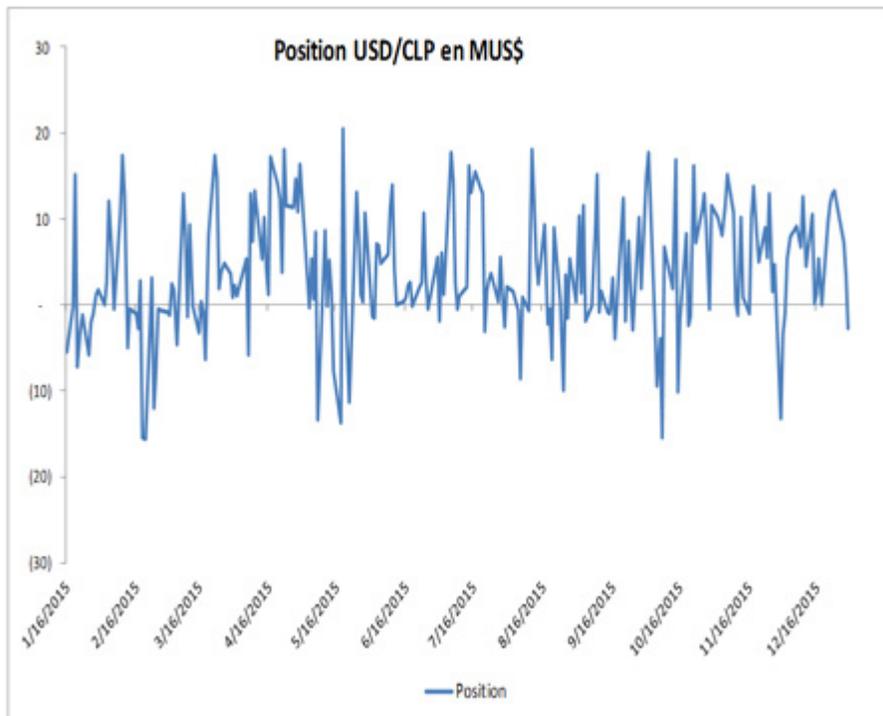


FIGURE 6: EVOLUTION OF USD POSITION FOR 2015

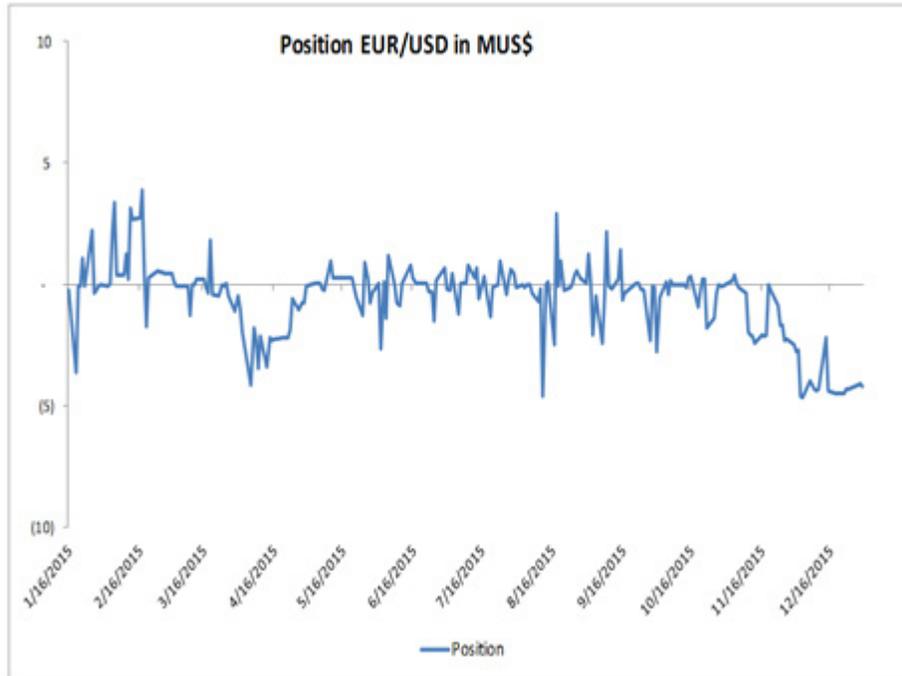


FIGURE 7: EVOLUTION OF EUR POSITION FOR 2015



The limit for Colombia uses an overall position for all currencies, which cannot exceed US\$ 40 million (notional). The table below shows the aggregate position for Colombia.

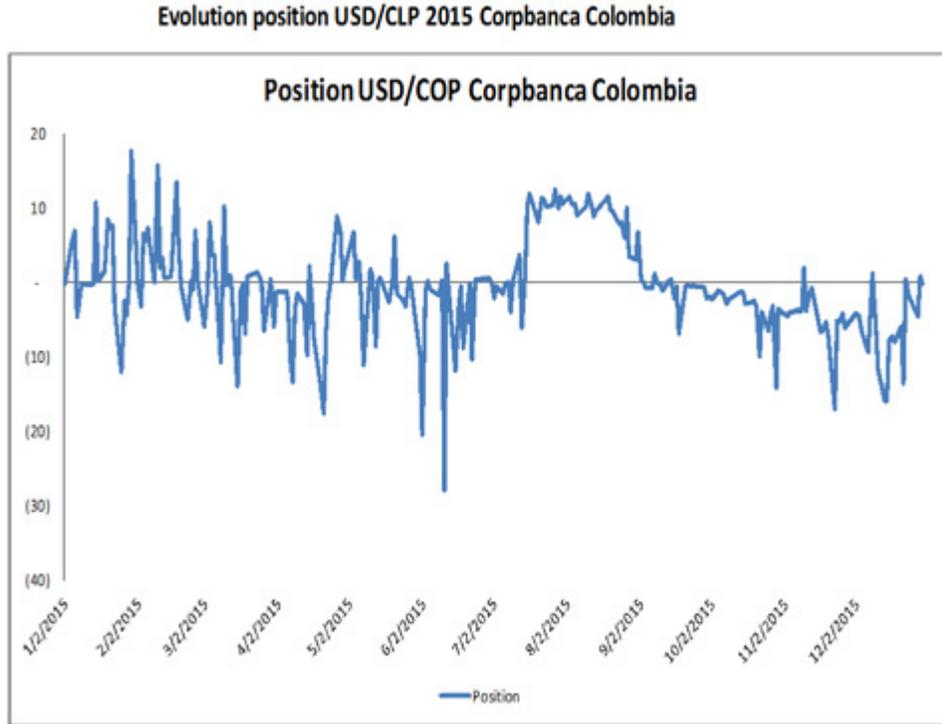


FIGURE 8: EVOLUTION OF USD/CH\$ POSITION FOR 2015 CORPBANCA COLOMBIA



(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 2015 and trends in their use.

Index	As of December 31, 2015	
	Limit MCh\$	Value MCh\$
Gamma Risk	50	—
Vega Risk	300	211

FIGURE 9: CONSUMPTION OF GAMMA AND VEGA RISK 2015



200D&X&PQJdzvr0%

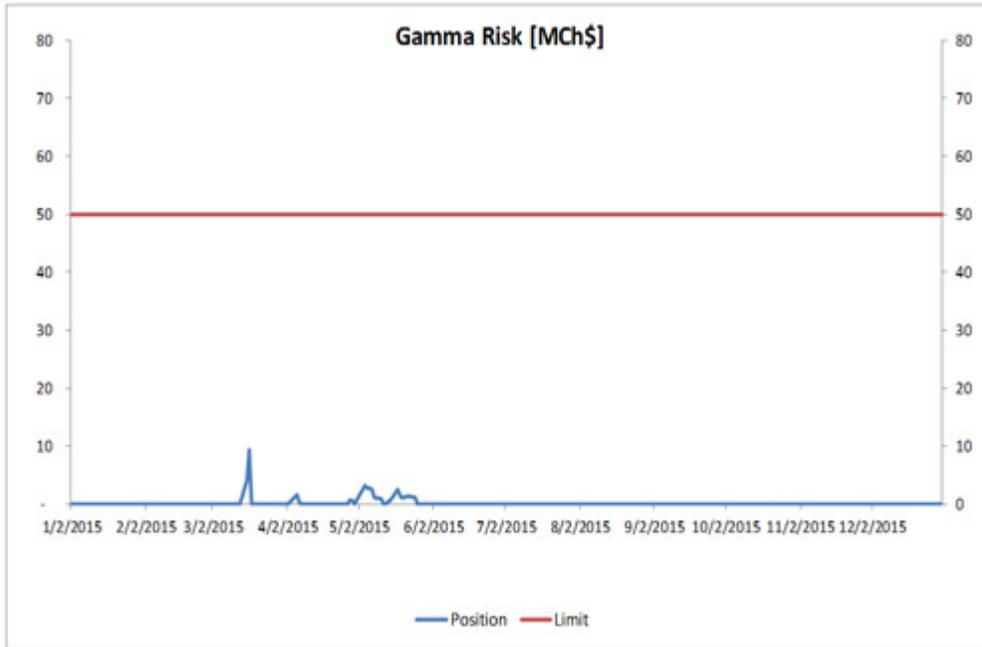


FIGURE 10: TRENDS IN GAMMA RISK 2015

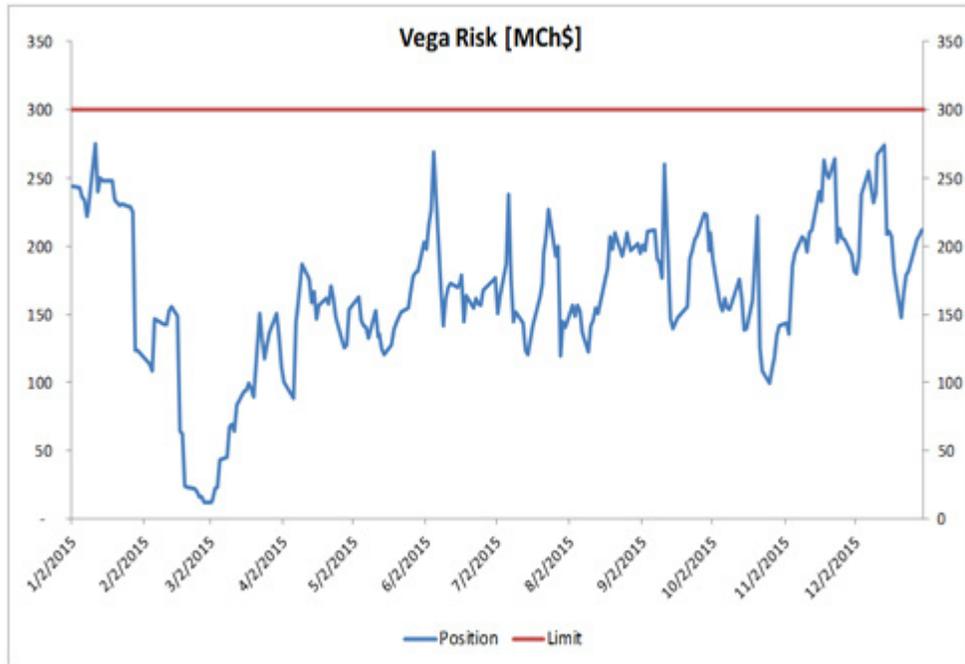


FIGURE 11: TRENDS IN VEGA RISK 2015



200D&X&PQJd!51!%e

The following figures show the use of Gamma and Vega limits as of year-end 2015, for our subsidiary in Colombia.

<u>Index</u>	<u>As of December 31, 2015</u>	
	<u>Limit</u>	<u>Value</u>
Gamma Risk	79	26
Vega Risk	192	2

FIGURE 12: CONSUMPTION OF GAMMA AND VEGA RISK 2015 CORPBANCA COLOMBIA



200D&X&PcJd!9GZzh

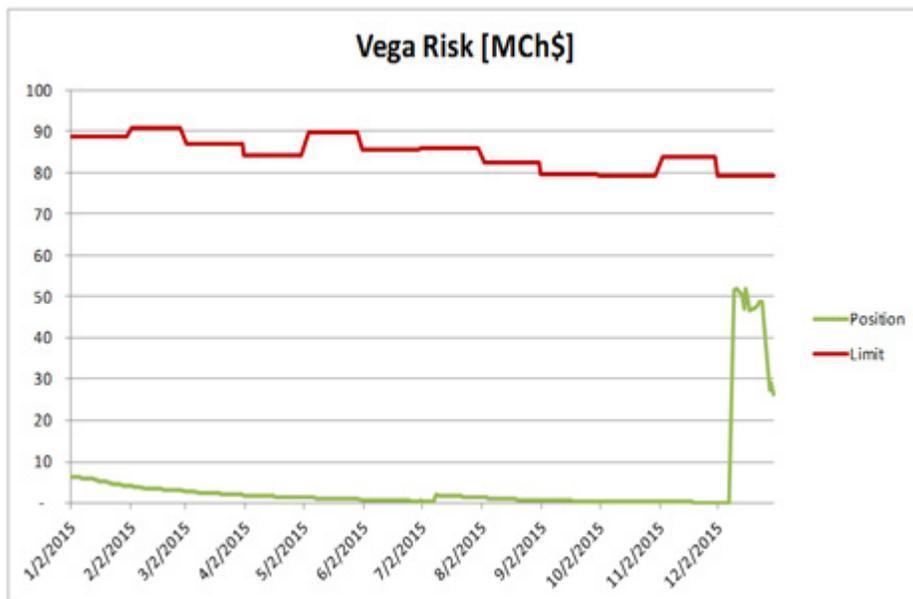


FIGURE 13: TRENDS IN VEGA RISK 2015 (CORPBANCA COLOMBIA)

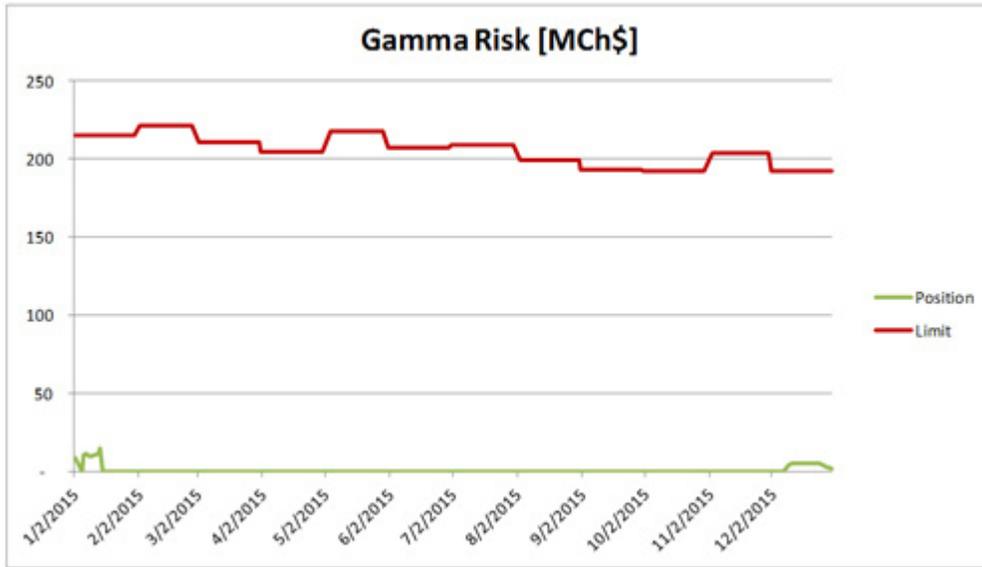


FIGURE 14: TRENDS IN GAMMA RISK 2015 (CORPBANCA COLOMBIA)



(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) Financial Investment Positions

The banking book includes a portfolio of financial investments classified as available-for-sale instruments, used to manage structural interest rate risk in the balance sheet. Exposure to this type of investments is calculated using PV01 and VaR market value sensitivities, in order to continuously monitor the volatility of book basis equity.

Hedge accounting is used as an effective and relatively low-cost tool to manage this risk.

(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 December 31, 2015, and the mismatch statistics during the year.



	December 31, 2015	Statistics 2015		
		Minimum	Average	Maximum
(in million of Ch\$)				
Total Mismatch	<u>1,151,508</u>	<u>554,709</u>	<u>829,274</u>	<u>1,389,078</u>
Balance Sheet Mismatch	1,791,742	1,558,585	1,629,130	2,234,983
Derivatives Mismatch	(679,752)	(1,011,179)	(820,878)	(852,365)
Investment Mismatch	39,518	7,303	21,022	6,460

FIGURE 15: INFLATION MISMATCH AS OF PERIOD-END 2015 AND STATISTICS FOR THE YEAR



The following figure shows the evolution of this mismatch during 2015, and the relative ease with which the Bank to manage this risk. During the course of the 2015 exhibition held at moderate levels.

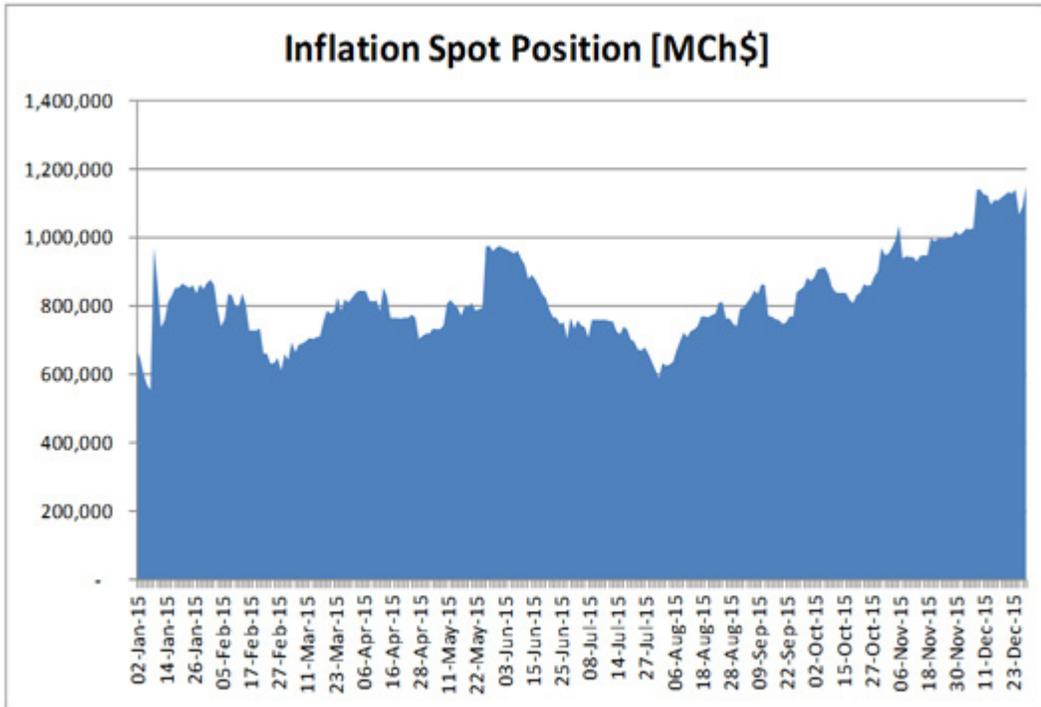


FIGURE 16: EVOLUTION OF INFLATION MISMATCH DURING 2015



(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 2015, the sensitivity risk in the interest margin in Chile has remained low with a positive sensitivity to drops in interest rates.

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.

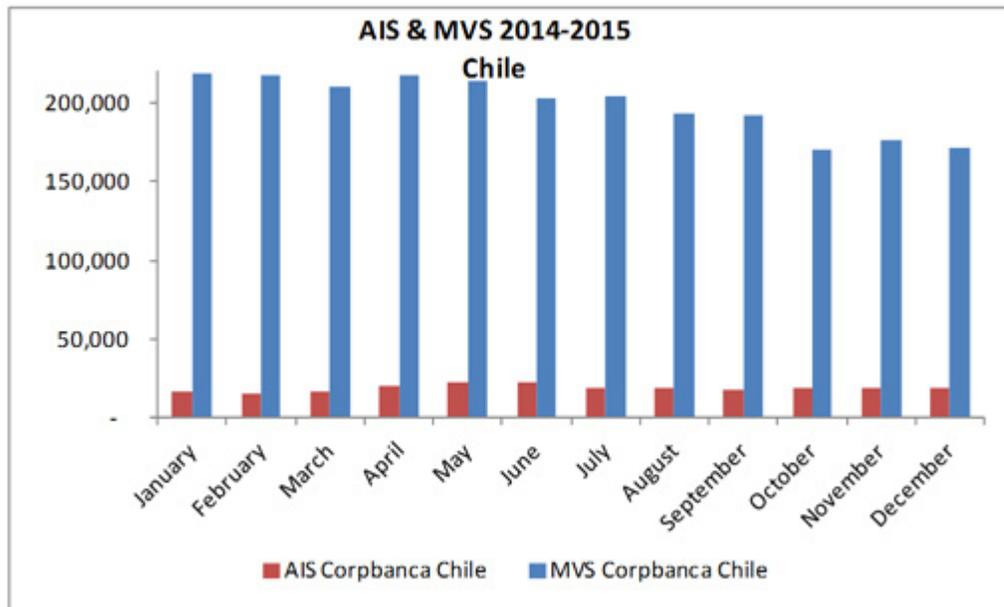


FIGURE 17: EVOLUTION MVS AND AIS CHILE 2015

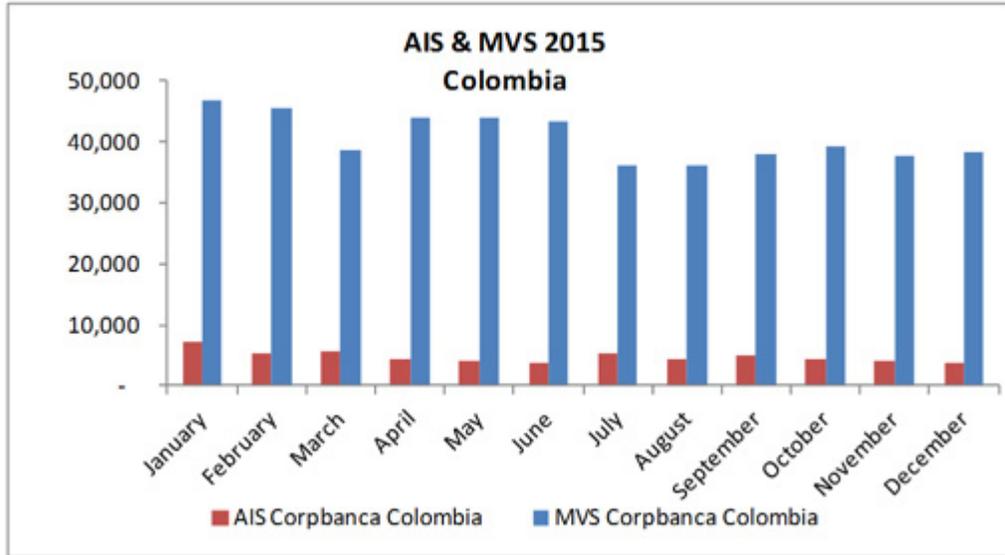


FIGURE 18: EVOLUTION MVS AND AIS COLOMBIA 2015



(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 December 31, 2015, greater ongoing exposure was concentrated in Colombian pesos (approximately US\$ 1.1 billion).

The Bank hedges part of these positions on a permanent basis using currency derivatives.

(b) Stress Tests

These exercises allow weaknesses in positions and the balance sheet structure to be diagnosed. From this, the Bank can create a critical factor plan to be used before such scenarios come about, or a contingency plan for when the scenarios have already taken place or the estimated probability of occurrence is high.

(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 2015 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.

<u>Scenario</u>	<u>Description</u>
1	Parallel shift of +50 bps
2	Parallel shift of +75 bps
3	Parallel shift of +100 bps
4	Steepening of 0 to 100 bps in 5 years
5	Twist of 25 bps pivoting in 5 years
6	Shock to inflation compensation of +200 bps
7	Shock to inflation compensation of -70 bps
8	Shock of +80 bps to Libor-Camara curve
9	Fall of Lehman Brothers (September 2008)
10	Recomposition of AFP portfolios (March 2009)

FIGURE 19: 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.

Results of the market stress tests on the banking book are disclosed periodically to the A&L Committee and the board of directors.

<u>Scenario</u>	<u>Description</u>
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: -200 bps
10	Global recovery, Δ inflation compensation: +200 bps

FIGURE 20: 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.

(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.

$$PV'_{im} = P_{im} / (1 + r_{im} + 1 \text{ bp})^{\frac{T_i}{365}}$$

- Pim : Net position in Ch\$ at time band i, currency m.
- rim : Representative rate of currency m, time band i.
- Ti : 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, 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 and including 1Y.

$$AIS = \sum_{i,m} P_{im} (1 - T_i/360) \Delta r$$

- AIS : Annual Income Sensitivity.
- Pim : Net position in Ch\$ in respective time band.
- Δr : Variation of 100 bp.
- Ti : 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.
- PVim : 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.

$$PV_{im} = P_{im} / (1 + r_{im})^{\frac{T_i}{365}}$$

$$PV'_{im} = P_{im} / (1 + r_{im} + 100 \text{ bp})^{\frac{T_i}{365}}$$

- Pim : Net position in Ch\$ 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 Monitoring

Regulatory monitoring of market risk exposure is measured in accordance with chapter III.B.2.2 of the Compendium of Financial Standards from the Chilean Central Bank and chapter 12-21 of the Updated Compilation of Standards from the Superintendency of Banks and Financial Institutions for both 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.

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 Act 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



<u>Group</u>	<u>Description Sensitivity</u>	<u>Factor</u>
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.	oi = 8%
j	Each of the foreign currencies of countries not included in basket i.	oj- = 35%

Market risk exposure in accordance with regulatory methodology is detailed below:

Market Risk Limit for Trading Book	2013	2014	2015
	MCh\$	MCh\$	MCh\$
Market Risk-Weighted Assets	3,379,014	4,241,613	2,325,513
Rate Trading	796,729	785,550	735,625
Currency Trading	36,959	863	18,488
Options Trading	11,960	10,075	8,550
Currency Structural moneda	2,533,366	3,445,125	1,562,850
Credit Risk-Weighted Assets	15,058,532	16,715,382	17,465,950
Total Risk-Weighted Assets	18,437,546	20,956,995	19,791,463
Regulatory Capital	1,991,289	2,071,647	1,666,708
Basel Index	13.22%	12.39%	9.54%
Badel Index (includes MRE *)	10.80%	9.89%	8.42%
Margin	516,285	729,389	264,724
% Consumption	74.07%	64.79%	84.12%

(*) Market risk expositions

FIGURE 21: 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 83% of the cases by the effect of our investment in Banco CorpBanca Colombia. As of December 2015, this investment amounted to approximately US\$ 815 million. 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.

CorpBanca Colombia	
Market Risk	
	<u>2015</u>
	MCh\$
Risk-Weighted Assets (RWA)	576,312
Trading	576,312
Structural (currency)	—
Credit Risk	5,470,672
Total Risk-Weighted Assets	6,046,984
Regulatory Capital	780,375
Basel Index	14.00%
Basel Index (includes MRE*)	12.70%
Margin	291,020
% Consumption	62.70%

FIGURE 22: MARKET RISK IN COLOMBIA

Chilean regulations also require banks to establish limits for their market risk exposure in their banking book, which includes limits based on sensitivity in the financial margin and volatility in its equity value. Measurement of exposure to interest rate and indexation risks in the banking book must consider both the short-term impact on the capacity to generate net interest and indexation income and the fees sensitive to changes in interest rates, as well as the long-term impact on the institution’s economic value of adverse movements in 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 20% 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*

	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Short-Term Limit			
Exposure	54,949	64,990	78,425
Rate Risk	22,502	39,274	43,914
Indexation Risk	28,666	21,683	29,662
Reduced Revenue (fees sensitive to interest rates)	3,781	4,033	4,849
Limit	97,651	130,591	127,006
Consumption %	56.3%	49.8%	61.7%
Financial Margin plus Fees (12 months)	279,003	373,118	362,875
Percentage over financial margin	35.0%	35.0%	35.0%
Short-term Limit	97,651	130,591	127,006
Consumption with respect to financial margin	19.7%	17.4%	21.6%
Long-Term Limit			
Exposure	157,786	266,394	269,568
Rate Risk	157,786	266,394	269,568
Limit	537,648	414,329	333,342
Consumption %	29.3%	64.3%	80.9%
Regulatory Capital (RC)	1,991,289	2,071,647	1,666,708
Percentage over margin	27%	20%	20%
Long-term Limit	537,648	414,329	333,342
Consumption with respect to regulatory capital	7.9%	12.9%	16.2%

FIGURE 23: 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.

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 order to safeguard the Bank's payment capacity in the event of illiquid conditions; a minimum has been established for the instrument portfolio that enables cash flows to be quickly generated either through liquidation or because they can be used as collateral for new funding sources.

The limit on the coverage ratio of liquidity is 50% of the mismatches of 30 days (consolidated currency).



The composition of liquid assets as of year-end December 2015, after applying the respective price volatility haircuts and market liquidity adjustments is presented in the table below.

Investment Portfolio Chile As of December 31, 2015	Liquid Assets CorpBanca Chile		
	Liquid Assets in domestic currency (30 days)	Liquid Assets in foreign currency (30 days)	Total Liquid Assets
	MCh\$	MCh\$	MCh\$
Cash and cash equivalents	489,478	160,519	649,997
Central Bank and government securities	710,057	—	710,057
Bank time deposits	61,330	—	61,330
Corporate bonds	23,664	24,031	47,695
Bank bonds	23,553	11,543	35,096
Repo agreements	(29,817)	—	(29,817)
Average clearance reserves required	(217,782)	(20,230)	(238,012)
Liquid Assets	1,060,483	175,863	1,236,346

FIGURE 24: LIQUID ASSETS CORPBANCA CHILE

Investment Portfolio Colombia As of December 31, 2015	Liquid Assets CorpBanca Colombia		
	Liquid Assets in domestic currency (30 days)	Liquid Assets in foreign currency (30 days)	Total Liquid Assets
	MCh\$	MCh\$	MCh\$
Cash and cash equivalents	362,716	9,102	371,818
Central Bank and government securities	837,423	—	837,423
Bank time deposits	—	—	—
Corporate bonds	190,533	—	190,533
Bank bonds	—	—	—
Repo agreements	—	—	—
Average clearance reserves required	(365,960)	—	(365,960)
Liquid Assets	1,024,712	9,102	1,033,814

FIGURE 25: LIQUID ASSETS CORPBANCA COLOMBIA

(ii) Daily Wholesale Maturities

In order to control concentration of funding sources and safeguard compliance with obligations, the Bank monitors maturities of deposits in Chilean pesos by wholesale customers. This monitoring is conducted with a daily limit of MCh\$50,000 in maturities per day.

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 2015, different strategies were implemented to diversify liabilities, including: diversifying time deposits, expanding stable funding sources such as on-line time deposits by individuals and issuing bonds.

These strategies 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) 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 SBIF, 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 Chilean Central Bank and the SBIF, 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.

The table below shows the use of internal mismatch limits as of December 31, 2015 and some consumption statistics for the year.

	As of December 31, 2015			Statistics 2015		
	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserve [MCh\$]	Minimum [MCh\$]	Average [MCh\$]	Máximo [MCh\$]
Table of Contents						
All currencies 30 days	1,065,156	315,240	1,380,396	1,120,630	1,483,457	1,901,288
All currencies 90 days	2,130,313	62,587	2,192,900	1,697,334	2,165,066	2,723,342
Foreign currency 30 days	1,065,156	203,051	1,268,207	1,106,777	1,424,324	1,893,928

	As of December 31, 2014			As of December 31, 2013		
	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserve [MCh\$]	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserve [MCh\$]
Table of Contents						
All currencies 30 days	1,362,821	567,416	1,930,237	1,404,443	(146,681)	1,257,762
All currencies 90 days	2,725,642	(381,918)	2,343,724	2,808,886	(981,388)	1,827,498
Foreign currency 30 days	1,362,821	281,575	1,644,396	1,404,443	19,210	1,423,653

FIGURE 26: INTERNAL LIMITS AND CURRENCY MISMATCHES



Figures 27, 28 and 29 show the evolution of consumption for each limit in 2015.

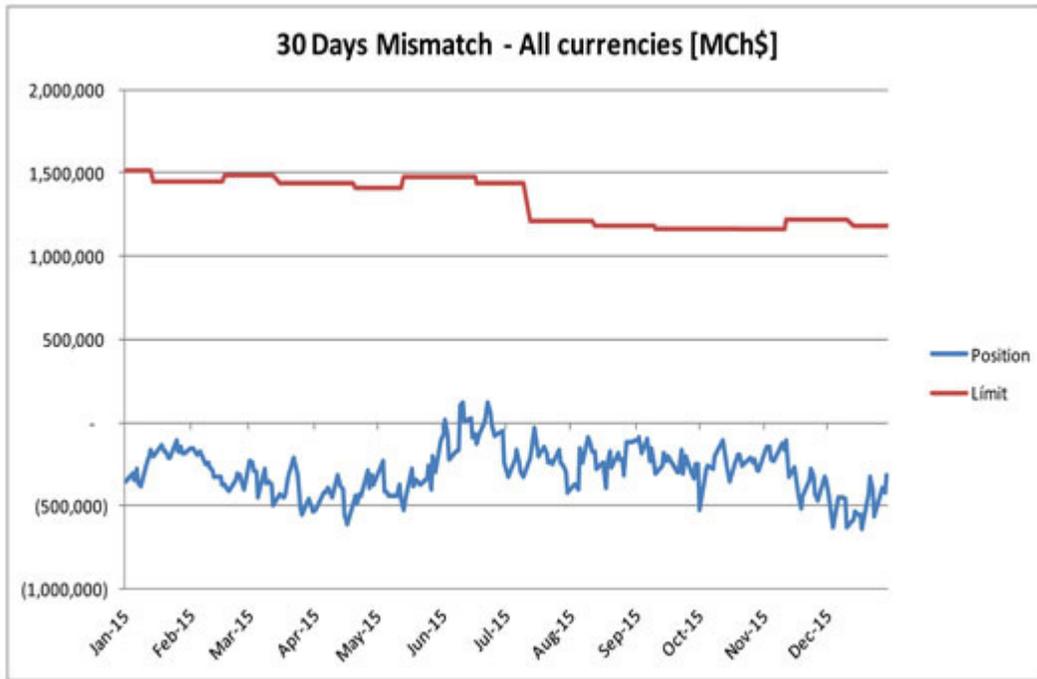


FIGURE 27: EVOLUTION OF CONSOLIDATED MISMATCH IN ALL CURRENCIES AT 30 DAYS DURING 2015

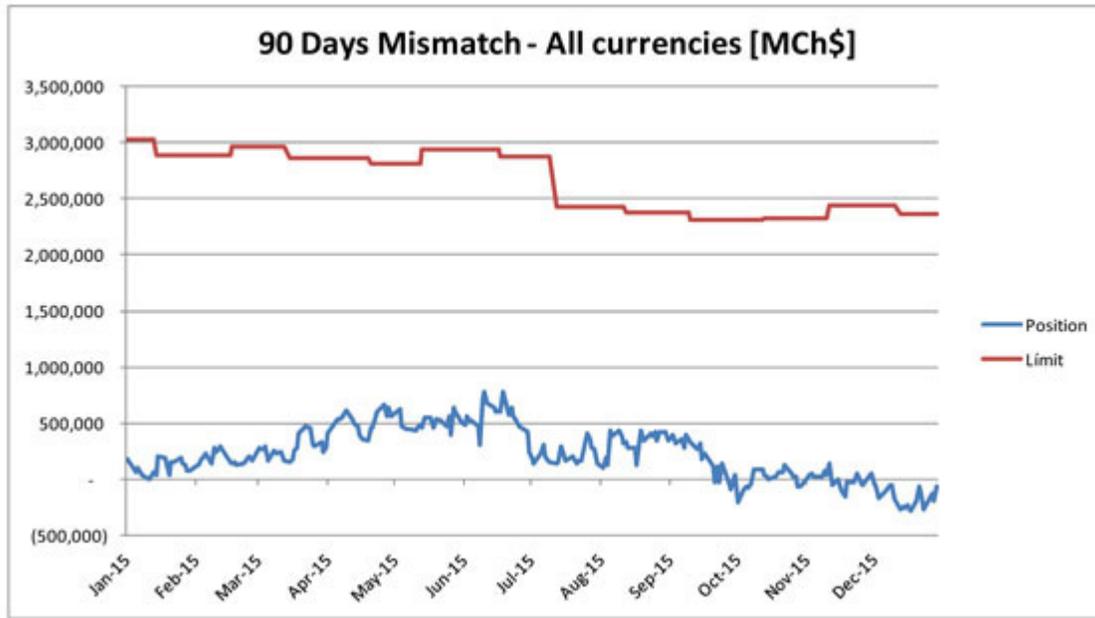


FIGURE 28: EVOLUTION OF CONSOLIDATED MISMATCH IN ALL CURRENCIES AT 90 DAYS DURING 2015



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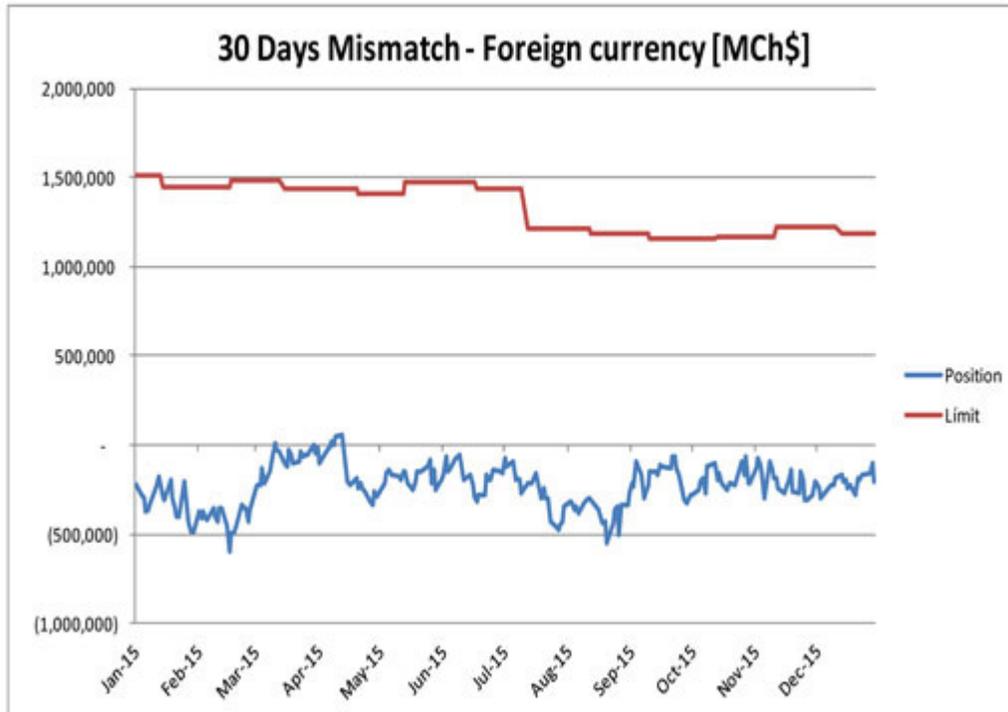


FIGURE 29: EVOLUTION OF CONSOLIDATED MISMATCH IN FOREIGN CURRENCIES AT 30 DAYS DURING 2015



In the Colombian market, the regulatory measurement known as the standard LRI model measures 7 and 30-day liquidity gaps. It allows entities to quantify the level of minimum liquid assets, in domestic and foreign currency, that they should maintain each day in order to, at a minimum, meet their payment obligations fully and on time. Entities must be capable of measuring and forecasting the cash flows of their assets, liabilities, off-balance sheet positions and derivative instruments for different time horizons in both normal scenarios and crisis scenarios where cash flows vary significantly from expectations as a result of unforeseen changes in markets, the entity or both.

The following figures show the evolution of the 7 and 30 day liquidity gaps in Colombia in 2015.

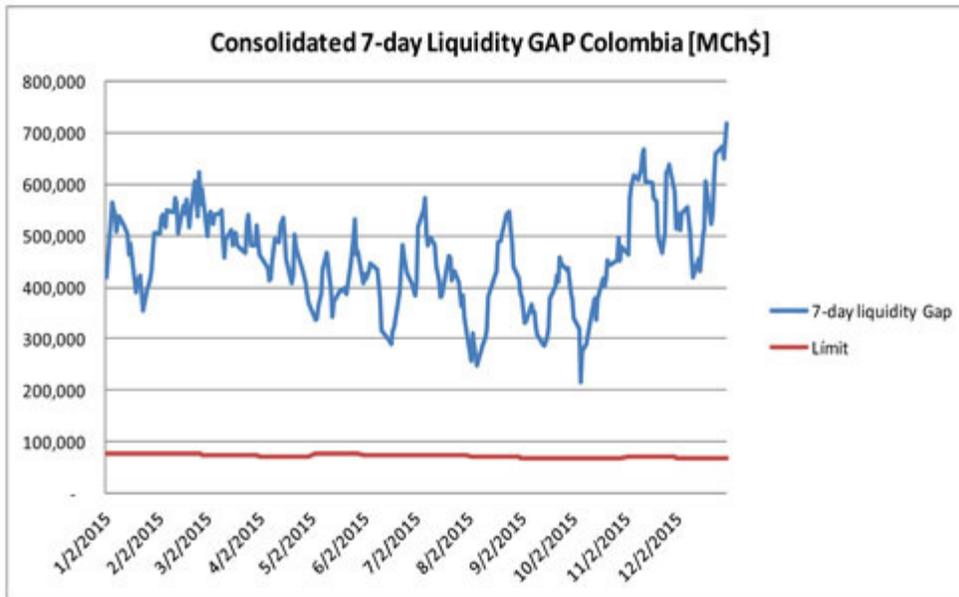


FIGURE 30: CONSOLIDATED 7-DAY LIQUIDITY GAP 2015 COLOMBIA

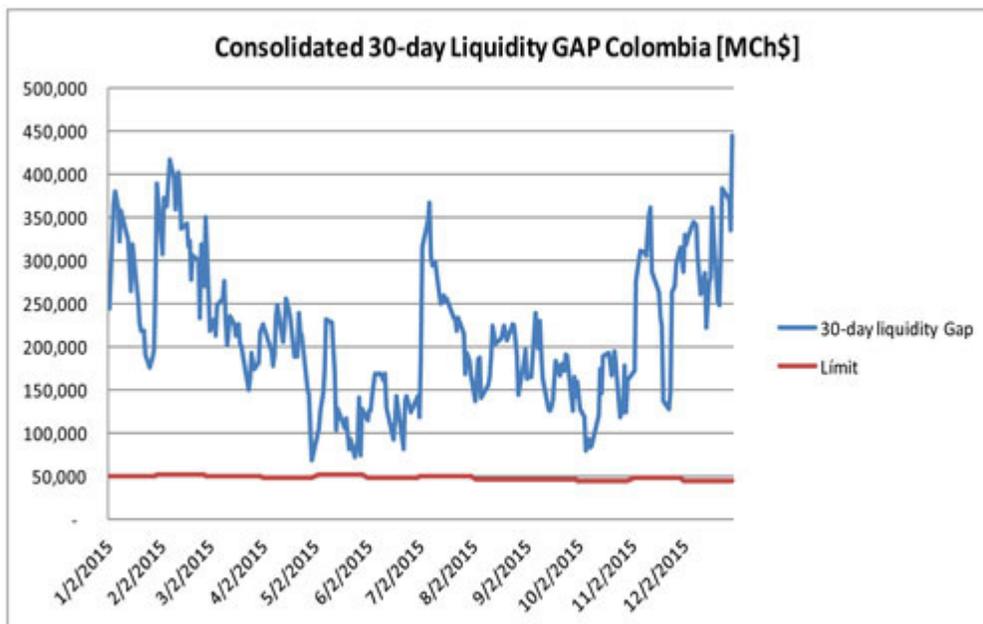


FIGURE 31: CONSOLIDATED 30-DAY LIQUIDITY GAP 2015 COLOMBIA

**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, 2013, 2014 and 2015:

Derivatives financial assets

	As of December 31, 2013			
	Notional			Fair Value
	Up to 3 months	3 months to 1 year	Over one year	
	(in million of Ch\$)			
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

	As of December 31, 2014			
	Notional			Fair Value
	Up to 3 months	3 months to 1 year	Over one year	
	(in million of Ch\$)			
Foreign Currency Forwards	2,152,673	2,664,433	1,363,602	154,229
Interest Rate Swap	377,694	940,134	5,011,624	285,741
Foreign Currency Swap	153,015	297,605	1,922,635	323,785
Foreign Currency Call Options	39,462	36,175	—	2,648
Foreign Currency Put Options	49,992	34,594	—	396
Total	2,772,836	3,972,941	8,297,861	766,799



	As of December 31, 2015			Fair Value
	Notional			
	Up to 3 months	3 months to 1 year	Over one year	
	(in million of Ch\$)			
Foreign Currency Forwards	5,295,033	3,044,798	624,735	225,986
Interest Rate Swap	1,255,296	2,232,986	10,173,202	318,817
Foreign Currency Swap	37,925	110,613	3,044,960	458,946
Foreign Currency Call Options	83,343	87,933	—	4,655
Foreign Currency Put Options	32,766	25,800	—	511
Total	6,704,363	5,502,130	13,842,897	1,008,915

Derivatives financial liabilities

	As of December 31, 2013			Fair Value
	Notional			
	Up to 3 months	3 months to 1 year	Over one year	
	(in million of Ch\$)			
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

	As of December 31, 2014			Fair Value
	Notional			
	Up to 3 months	3 months to 1 year	Over one year	
	(in million of Ch\$)			
Foreign Currency Forwards	2,220,727	2,719,896	1,018,111	140,949
Interest Rate Swap	610,578	1,281,465	4,629,389	222,623
Foreign Currency Swap	99,063	320,262	1,243,465	240,861
Foreign Currency Call Options	60,237	39,121	—	2,564
Foreign Currency Put Options	11,420	14,727	—	686
Total	3,002,025	4,375,471	6,890,965	607,683

	As of December 31, 2015			Fair Value
	Notional			
	Up to 3 months	3 months to 1 year	Over one year	
	(in million of Ch\$)			
Foreign Currency Forwards	4,684,078	2,921,873	470,323	191,589
Interest Rate Swap	708,063	2,117,270	8,658,594	192,537
Foreign Currency Swap	97,583	347,591	1,747,416	342,675
Foreign Currency Call Options	61,962	58,256	—	3,511
Foreign Currency Put Options	45,674	57,877	—	802
Total	5,597,360	5,502,867	10,876,333	731,114



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	Financial Position				Profit or loss				
	Assets (A)	Liabilities (B)	Final Position (A-B)=(C) Note 7	Opening Position (D) Note 7	Unrealized Gain/(Loss) (in million of Ch\$) (C) - (D) = (E)	Realized Gain/(Loss) (F)	Net Effect Gain/(Loss) (E) + (F) = (G) Note 25	Unrealized Gain/(Loss) Other Comprehensive Income (H) Note 22	Coverage Element Gain/(Loss) (I) Note 23
As of December 2013									
Derivatives held-for-trading									
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									
Fair Value hedges	385	5,396	(5,011)	2,752	(7,763)	4,268	(3,495)		6,955
Cash flow hedges	3,235	6,061	(2,826)	(1,212)	(1,614)	6,168	4,554		—
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							

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	Financial Position			Profit or loss						
	Assets	Liabilities	Final Position	Opening Position	Unrealized Gain/(Loss) (in million of CHF)	Realized Gain/(Loss)	Net Effect Gain/(Loss)	Comprehensive Income	Coverage Element Gain/(Loss)	
	(A)	(B)	(A-B)=(C) Note 8	(D) Note 8	(C) - (D) = (E)	(F)	(E) + (F) = (G) Note 26	(H) Note 23	(I) Note 24	
As of December 31, 2014										
Derivatives held-for-trading										
Foreign currency forwards	154,214	134,337	19,877	8,855	11,022	69,750	80,772	Note 23	Note 24	
Interest rate swaps	283,089	214,835	68,254	59,209	9,045	11,301	20,346			
Foreign currency swaps	317,667	236,727	80,940	36,101	44,839	(49,130)	(4,291)			
Foreign currency call options	2,648	2,564	84	(1,581)	1,665	(9,148)	(7,483)			
Foreign currency put options	396	686	(290)	(50)	(240)	5,175	4,935			
Total derivatives held-for-trading	758,014	589,149	168,865	102,534	66,331	27,948	94,279			
Derivatives hedge accounting										
Fair Value hedges	6,875	6,408	467	(5,011)	5,478	(2,045)	3,433		(577)	
Cash flow hedges	1,910	12,126	(10,216)	(2,826)	(7,390)	(7,220)	(14,610)		958	
Total derivatives hedge accounting	8,785	18,534	(9,749)	(7,837)	(1,912)	(9,265)	(11,177)		958	
Net investment in foreign operation	—	—	—	—	—	—	—		—	
Foreign currency forwards	—	—	—	—	—	—	—		—	
Total Net investment in foreign operation	766,799	607,683								
As of December 31, 2015										
Derivatives held-for-trading										
Foreign currency forwards	222,956	179,610	43,346	19,877	23,469	198,588	222,057	Note 8	Note 24	
Interest rate swaps	315,677	185,389	130,288	68,254	62,034	(53,863)	8,171			
Foreign currency swaps	433,578	322,795	110,783	80,940	29,843	(37,182)	(7,339)			
Foreign currency call options	4,655	3,511	1,144	84	1,060	52,264	53,324			
Foreign currency put options	511	802	(291)	(290)	(1)	9,957	9,956			
Total derivatives held-for-trading	977,377	692,107	285,270	168,865	116,405	169,763	286,168			
Derivatives hedge accounting										
Fair Value hedges	5,205	8,922	(3,717)	467	(4,184)	(56,883)	(61,067)	Note 27	3,461	
Cash flow hedges	23,712	24,476	(3,752)	(10,216)	6,464	48,593	55,057		(3,088)	
Total derivatives hedge accounting	28,917	33,398	(7,469)	(9,749)	2,280	(8,290)	(6,010)		3,461	
Net investment in foreign operation	2,621	5,610	(2,989)	—	(2,989)	2,989	—		(2,574)	
Foreign currency forwards	2,621	5,610	(2,989)	—	(2,989)	2,989	—		—	
Total Net investment in foreign operation	2,621	5,610								
Total	1,008,915	731,115								



- (A) In this category are financial derivative contracts with positive fair values.
- (B) In this category are financial derivative contracts with negative fair values.
- (C) Corresponds to the net effect of fair value are recorded in the income statement, except where they have effects in the previous year, see paragraph (d). See note 7 for 2013 and note 8 for 2014 and 2015 to our financial statements.
- (D) Corresponds to the net effect of fair value in the previous years, which were in retained earnings at end of period. See note 7 for 2013 and note 8 for 2014 and 2015 to our financial statements.
- (E) Fair value recorded in statements of income.
- (F) Primarily includes adjustments settlements and financial derivative contracts in the period.
- (G) Corresponds to the total effect on income from financial derivatives effects of the period. See note 25 for 2013 and note 26 for 2014 and 2015 to our financial statements.
- (H) Corresponds to records effective part of accounting cash flow hedges. See note 22 for 2013 and note 23 for 2014 and 2015 to our financial statements. And also corresponds to effective part of accounting investment in foreign operation, CorpBanca Colombia began in 2015 with these operations. See note 8.
- (I) Corresponds to adjustments and others hedged effects of accounting fair value. See note 23 for 2013 and note 24 for 2014 and 2015 to our financial statements.



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 CorpBanca upon agreement between the depositary and CorpBanca. 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 CorpBanca for certain expenses incurred by CorpBanca that are related to the ADR facility upon such terms and conditions as CorpBanca and the depositary have agreed and may hereinafter agree from time to time. The depositary may make available to CorpBanca 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 CorpBanca 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, 2015.

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, 2015.

ITEM 15. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As of December 31, 2015, 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, 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 IASB (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.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2015 based on the criteria established in Internal Control—Integrated Framework (2013) 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, 2015.

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, 2015.

Changes in Internal Control over Financial Reporting



“There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the period covered by this Annual Report that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Our internal control over financial reporting as of December 31, 2015 has been audited by an independent registered public accounting firm, as stated in its report, which follows below.”



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ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM



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Auditors y Consultores Limitada
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Chile
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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, 2015, based on criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Bank’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Bank’s internal control over financial reporting based on our audit.

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 Bank’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 Bank’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 Bank; (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 Bank’s assets that could have a material effect on the financial statements.

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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, 2015, based on the criteria established in Internal Control - Integrated Framework (2013) 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, 2015 of the Bank and our report dated March 31, 2016 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 such U.S. dollar amounts are presented solely for the convenience of readers in the United States of America.

/s/ Deloitte
Santiago, Chile
March 31, 2016



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.

The names of the members of our audit committee are included in Item 6. Directors, Senior Management and Employees—C. Board Practices. All but Mr. Echeverria, meet the independence requirements set forth in the Exchange Act Rule 10A-3(b)(1).

ITEM 16B. 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, 2013, 2014 and 2015:

Principal accountant fees and services

	Year ended December 31,		
	2013	2014	2015
	(in millions of constant Ch\$)		
Audit fees	1.279	1.574	1.305
Audit-related fees	94	133	43
Tax fees	—	—	—
All other fees	36	300	297
	<u>1.410</u>	<u>2.007</u>	<u>1.645</u>

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 Juan Echeverría González does 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 2015:

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 2015	—	—	—	—
February 2015	—	—	—	—
March 2015	—	—	—	—
April 2015	—	—	—	—
May 2015	—	—	—	—
June 2015	—	—	—	—
July 2015	—	—	—	—
August 2015	—	—	—	—
September 2015	—	—	—	—
October 2015	—	—	—	—
November 2015	—	—	—	—
December 2015	—	—	—	—
Total	—	—	—	—

(*) CorpBanca and our affiliates did not purchase any of our shares registered under Section 12 of the Exchange Act.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

On March 11, 2016, the bank’s Audit Committee (“BAC”) and the shareholders approved the appointment of PriceWaterhouseCoopers Consultores, Auditores y Compañía Limitada (“PwC”) as its independent registered public accounting firm (“external auditor”) for the year ending December 31, 2016. This change in external auditors is being made as a result of the pending Itaú-CorpBanca Merger which will result in Itau Unibanco as the ultimate controlling entity as defined under IFRS 10, “Consolidated Financial Statements”. Deloitte continued to serve as CorpBanca’s external auditor following this announcement for any pending year 2015 financial report and it will formally resign upon the filing of the Form 20-F for the year ended December 31, 2015.

During the two years prior to December 31, 2015, (1) Deloitte has not issued any reports on the financial statements of the bank or on the effectiveness of internal control over financial reporting that contained an adverse opinion or a disclaimer of opinion, nor were the auditors’ reports of Deloitte qualified or modified as to uncertainty, audit scope, or accounting principles, (2) there has not been any disagreement over any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to Deloitte’s satisfaction would have caused it to make reference to the subject matter of the disagreement in connection with its auditors’ reports, or any “reportable event” as described in Item 16F(a)(1)(v) of Form 20-F.

Further in the two years prior to December 31, 2015, the bank has not consulted with PwC regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered with respect to the consolidated financial statements of the bank, and neither a report was provided to the bank or oral advice was provided that PwC concluded was an important factor considered by the bank in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement as that term is used in Item 16F(a)(1)(iv) of Form 20-F or a “reportable event” as described in Item 16F(a)(1)(v) of Form 20-F.

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 Act, the Chilean Securities Market Act, the Chilean Corporations Act and the Regulations of the SBIF. The following chart notes these differences:

NYSE Corporate Governance Standards

Listed companies must have a majority of independent directors and independence test.

Non-management directors must meet at regularly scheduled executive sessions without management.

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.

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.



NYSE Corporate Governance Standards

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.

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.

Chilean Corporate Governance Standards

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.

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.

We follow corporate governance guidelines established by Chilean laws and by the Regulations of the SBIF 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 2015 and 2014
- (c) Consolidated Statement of Income for the three years ended December 31, 2015
- (d) Consolidated Statement of Comprehensive Income for the three years ended December 31, 2015
- (e) Statement of Changes in Shareholders' Equity for the three years ended December 31, 2015
- (f) Consolidated Statement of Cash Flows for each of the three years ended December 31, 2015
- (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 depositary, and the registered holders and beneficial owners from time to time of American Depositary Shares evidenced by American Depositary Receipts issued thereunder, including a form of American Depositary Receipt.
- Exhibit 2.(a).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 Corp Group 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 Corp Group 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).2(iii)(a) Amendment, dated as of January 27, 2014 of the 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 Second Amended and Restated Credit Agreement, dated as of September 23, 2015, by and among CorpBanca, as borrower, Standard Chartered Bank, as administrative agent and HSBC Securities (USA) Inc. Standard Chartered Bank and Wells Fargo Securities, LLC, as joint bookrunners and mandated lead arrangers.
- Exhibit 4.(a).7 Lease agreement, dated as of July 27, 2015 between Corpbanca as tenant and Compañía de Seguros Corpseguros S.A. as Landlord.
- Exhibit 4.(a).8 Lease agreement, dated as of July 27, 2015 between Corpbanca as tenant and Compañía de Seguros CorpVida S.A. as Landlord.
- 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 Gasa Limitada, Itaú Unibanco and Itaú Chile.
- Exhibit 10.C.1.a Amendment to the Transaction Agreement, dates as of June 2, 2015, by and among CorpBanca, Inversiones Corp Group Interhold Limitada, Inversiones Gasa Limitada, Itaú Unibanco and Itaú Chile.
- Exhibit 11.1 CorpBanca’s Code of Ethics. (General code of conduct. English language translation).
- Exhibit 11.2 CorpBanca’s Code of Conduct in the Securities Market. (English language translation).
- 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.
- Exhibit 15.1 Consent of Independent Registered Public Accounting Firm (Deloitte).
- Exhibit 15.2 Letter re: Change in Certifying Accountant

- * 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, 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.
- ++ Filed as an exhibit to our annual report on Form 20-F (File No. 001-32305) for the year ended December 31, 2013 filed on May 15, 2014, 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/ Cristián Canales Palacios

Name: Cristián Canales Palacios

Title: Chief Executive Officer

Date: March 31, 2016



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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, 2015 and 2014, 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, 2015. 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, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS-IASB”).

Our audits also comprehended the translation of Chilean peso amounts into U.S. dollar amounts and in our opinion, such translation has been made in conformity with the basis stated in note 1 ff) to the consolidated financial statements. Such U.S. dollars amounts are presented solely for the convenience of readers outside Chile.

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, 2015, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 31, 2016 expressed an unqualified opinion on the Bank’s internal control over financial reporting.

/s/ Deloitte
Santiago, Chile
March 31, 2016

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



CORPBANCA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2014 and 2015
(In millions of Chilean pesos - MCh\$)

	Notes	2014 MCh\$	2015 MCh\$	2015 ThUS\$ (Note 1.ff)
ASSETS				
Cash and deposits in banks	5 a)	1,169,178	1,004,757	1,414,513
Cash in the process of collection	5 b)	212,842	176,501	248,481
Trading portfolio financial assets	6	685,898	323,899	455,990
Investments under agreements to resell	7	78,079	24,674	34,736
Derivative financial instruments	8	766,799	1,008,915	1,420,367
Loans and receivables from banks, net	9	814,209	451,829	636,092
Loans and receivables from customers, net	10	13,892,270	14,454,357	20,349,078
Financial investments available-for-sale	11	1,156,896	1,924,788	2,709,748
Held to maturity investments	11	190,677	170,191	239,598
Investment in other companies	12	15,842	14,648	20,622
Intangible assets	13	757,777	665,264	936,569
Property, plant and equipment, net	14	92,642	91,630	128,998
Current income taxes	15	20,834	46,904	66,032
Deferred income taxes	15	2,702	8,671	12,207
Other assets	16	415,267	438,323	617,078
TOTAL ASSETS		<u>20,271,912</u>	<u>20,805,351</u>	<u>29,290,109</u>
LIABILITIES				
Current accounts and demand deposits	17	3,954,948	4,431,619	6,238,905
Transaction in the course of payment	5 b)	145,771	105,441	148,442
Obligations under repurchase agreements	7	661,663	260,631	366,921
Time deposits and saving accounts	17	8,076,966	8,495,603	11,960,247
Derivative financial instruments	8	607,683	731,114	1,029,274
Borrowings from financial institutions	18	1,431,923	1,528,585	2,151,967
Debt issued	19	3,079,050	3,227,554	4,543,803
Other financial obligations	19	15,422	14,475	20,378
Current income tax provision	15	19,226	42,457	59,772
Deferred income taxes	15	76,593	40,433	56,922
Provisions	20	200,289	182,707	257,218
Other liabilities	21	210,716	209,439	294,852
TOTAL LIABILITIES		<u>18,480,250</u>	<u>19,270,058</u>	<u>27,128,701</u>
EQUITY				
Attributable to equity holders of the Bank:				
Capital	23	781,559	781,559	1,100,291
Reserves	23	515,618	515,618	725,895
Accumulated other comprehensive income	23	(98,590)	(219,338)	(308,788)
Retained earnings:		267,138	142,713	200,913
Retained earnings from prior periods	23	146,271	27,278	38,402
Net income for the period	23	233,997	216,321	304,540
Less: Accrual for mandatory dividends	20/23	(113,130)	(100,886)	(142,029)
		1,465,725	1,220,552	1,718,311
Non controlling interest	23	325,937	314,741	443,097
TOTAL EQUITY		<u>1,791,662</u>	<u>1,535,293</u>	<u>2,161,408</u>
TOTAL LIABILITIES & EQUITY		<u>20,271,912</u>	<u>20,805,351</u>	<u>29,290,109</u>

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, 2013, 2014 and 2015
(In millions of Chilean pesos - MCh\$)

	Notes	2013 MCh\$	2014 MCh\$	2015 MCh\$	2015 ThUS\$ (Note 1.ff)
Interest income	24	1,007,106	1,320,124	1,299,480	1,829,429
Interest expense	24	(549,416)	(689,240)	(678,901)	(955,768)
Net interest income	24 c)	457,690	630,884	620,579	873,661
Income from service fees	25	144,777	202,013	200,401	282,128
Expenses from service fees	25	(26,800)	(40,423)	(47,554)	(66,947)
Net service fee income		117,977	161,590	152,847	215,181
Trading and investment income, net	26	101,287	183,693	338,698	476,825
Foreign exchange gains (losses), net	27	(13,906)	(13,426)	(151,197)	(212,858)
Other operating income	32	39,658	28,958	23,652	33,298
Trading and investment, foreign exchange gains and other operating income		127,039	199,225	211,153	297,265
Operating income before provision for loan losses		702,706	991,699	984,579	1,386,107
Provision for loan losses	28	(102,072)	(127,272)	(169,748)	(238,974)
Total operating income, net of provision for loan losses, interest and fees		600,634	864,427	814,831	1,147,133
Personnel salaries expenses	29	(165,009)	(219,312)	(202,754)	(285,440)
Administration expenses	30	(139,614)	(213,140)	(211,603)	(297,898)
Depreciation and amortization	31	(42,288)	(51,613)	(42,905)	(60,402)
Impairment	31	—	(1,308)	(332)	(467)
Other operating expenses	32	(15,234)	(24,299)	(23,195)	(32,654)
Total operating expenses		(362,145)	(509,672)	(480,789)	(676,861)
Total net operating income		238,489	354,755	334,042	470,272
Income attributable to investment other companies	12	1,241	1,799	1,300	1,830
Income before income taxes		239,730	356,554	335,342	472,102
Income taxes	15	(64,491)	(82,853)	(96,677)	(136,103)
Net income for the period		175,239	273,701	238,665	335,999
Attributable to:					
Equity holders of the Bank		162,422	233,997	216,321	304,543
Non controlling interest		12,817	39,704	22,344	31,456
Earnings per share attributable to equity holders of the Bank		Ch\$	Ch\$	Ch\$	US\$
Basic earnings per share	23 d)	0.48	0.69	0.64	0.0009
Diluted earning per share	23 d)	0.48	0.69	0.64	0.0009

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, 2013, 2014 and 2015
(In millions of Chilean pesos - MCh\$)

		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2015</u>
		MCh\$	MCh\$	MCh\$	ThUS\$
					(Note 1.ff)
Net income for the period	Notes	175,239	273,701	238,665	335,996
Other Comprehensive Income					
Items that may be reclassified subsequently to profit or loss:					
Financial instruments available-for-sale	23 f)	4,597	(3,798)	(36,289)	(51,088)
Exchange differences on translation	23 f)	11,960	(68,673)	(82,148)	(115,649)
Gain (loss) from hedge of net investment in foreign operation	23 f)	(2,840)	(4,751)	(7,931)	(11,165)
Gain (loss) from cash flow hedge	23 f)	(5,757)	6,145	(4,046)	(5,696)
Other comprehensive income (loss) before income taxes		7,960	(71,077)	(130,414)	(183,598)
Income tax relating to financial instruments available-for-sale	15 d)	(911)	2,310	10,904	15,351
Income tax relating to hedge of net investment in foreign operations	15 d)	568	1,371	2,758	3,883
Income tax relating to cash flow hedge	15 d)	842	(1,090)	1,104	1,554
Income taxes		499	2,591	14,766	20,788
Total other comprehensive income that may be reclassified to profit in subsequent periods		<u>8,459</u>	<u>(68,486)</u>	<u>(115,648)</u>	<u>(162,810)</u>
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation	20 c)	3,300	1,442	90	127
Income tax relating to defined benefit obligation	15 d)	(1,122)	(562)	(35)	(49)
Total items that will not be reclassified subsequently to profit or loss		<u>2,178</u>	<u>880</u>	<u>55</u>	<u>78</u>
Total other comprehensive income (loss)		10,637	(67,606)	(115,593)	(162,732)
Comprehensive income (loss) for the period		185,876	206,095	123,072	173,264
Attributable to:					
Equity Holders of the bank		173,059	163,512	95,573	134,550
Non Controlling interest	23 h)	12,817	42,583	27,499	38,714

Notes 1 to 38 are an integral part of these consolidated financial statements

CORPBANCA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31, 2013, 2014 and 2015
(In millions of Chilean pesos - MCh\$, except for number of shares)

	Number of shares (Millions)	Paid-in Capital MCh\$	Reserves MCh\$	Defined benefit obligation MCh\$	Accumulated other comprehensive income										Retained earnings		Total attributable to equity holders of the Bank MCh\$	Non controlling interest MCh\$	Total equity MCh\$
					Financial investment available- for-sale MCh\$	Hedge of net investment in foreign operation MCh\$	Derivatives for Cash Flow Hedge MCh\$	Income tax accumulated other comprehensive income MCh\$	Exchange differences on translation MCh\$	Accumulated other comprehensive income MCh\$	Retained earnings from previous periods MCh\$	Net income for the period MCh\$	Accrual for mandatory dividends MCh\$						
Equity as of January 1, 2013	293,358	638,234	275,552	(10,301)	(8,143)	456	570	4,893	(26,217)	(38,742)	132,292	—	(60,040)	947,296	54,370	1,001,666			
Increase or decrease in capital and reserves	47,000	143,325	147,843	—	—	—	—	—	—	—	(60,040)	—	60,040	291,168	787	291,955			
Dividends paid	—	—	—	—	—	—	—	—	—	—	—	—	—	(77,547)	—	(77,547)			
Accrual for mandatory dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	173,059	12,817	185,876			
Comprehensive income for the period	—	—	—	3,300	4,597	(2,840)	(5,757)	(623)	11,960	10,637	162,422	—	—	—	—	—			
Divulge effect of purchase of Hebin Bank and Subsidiaries (**)	—	—	92,223	—	—	—	—	—	—	—	—	—	—	92,223	—	92,223			
Changes in non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,716	2,716			
Acquisition Subsidiary in Colombia	—	—	—	—	—	—	—	—	—	—	—	—	—	235,008	—	235,008			
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			
Distribution of prior year's net income	—	—	—	—	—	—	—	—	—	—	162,422	(162,422)	—	—	—	—			
Equity as of January 1, 2014	340,358	781,559	515,618	(7,001)	(3,546)	(2,384)	(5,187)	4,270	(14,257)	(28,105)	234,674	—	(77,547)	1,426,199	305,698	1,731,897			
Increase or decrease in capital and reserves	—	—	—	—	—	—	—	—	—	—	(88,403)	—	77,547	(10,856)	1,045	(10,856)			
Dividends paid	—	—	—	—	—	—	—	—	—	—	—	—	—	(113,130)	—	(113,130)			
Accrual for mandatory dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	163,512	42,583	206,095			
Comprehensive income for the period	—	—	—	955	(8,059)	(4,751)	6,145	3,898	(68,673)	(70,485)	233,997	—	—	—	(23,389)	(23,389)			
Changes in non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
Equity as of December 31, 2014	340,358	781,559	515,618	(6,046)	(11,605)	(7,135)	958	8,168	(82,930)	(98,590)	146,271	233,997	(113,130)	1,465,725	325,937	1,791,662			
Distribution of prior year's net income	—	—	—	—	—	—	—	—	—	—	233,997	(233,997)	—	—	—	—			
Equity as of January 1, 2015	340,358	781,559	515,618	(6,046)	(11,605)	(7,135)	958	8,168	(82,930)	(98,590)	380,268	—	(113,130)	1,465,725	325,937	1,791,662			
Increase or decrease in capital and reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
Dividends paid	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
Accrual for mandatory dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	(239,860)	—	(239,860)			
Comprehensive income for the period	—	—	—	60	(43,720)	(8,876)	(4,046)	17,982	(82,148)	(120,748)	216,321	—	—	95,573	27,499	123,072			
Changes in non-controlling interest (see note 23 h)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(39,121)	(39,121)			
Equity as of December 31, 2015	340,358	781,559	515,618	(5,986)	(55,525)	(16,011)	(3,088)	26,150	(165,078)	(219,538)	27,278	216,321	(100,886)	1,220,552	314,741	1,535,293			
Equity as of December 31, 2015	340,358	781,559	515,618	(5,986)	(55,525)	(16,011)	(3,088)	26,150	(165,078)	(219,538)	27,278	216,321	(100,886)	1,220,552	314,741	1,535,293			
THUSS (Note 1 f))	1,100,291	725,895	(8,427)	(77,887)	(22,541)	(4,347)	36,814	(232,399)	(308,788)	38,402	304,540	(142,029)	1,718,311	443,097	2,161,408				

(**) 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, 2013, 2014 and 2015
(In millions of Chilean pesos - MCh\$)

Notes	2013 MCh\$	2014 MCh\$	2015 MCh\$	2015 ThUS\$ (Note 1 ff)
CASH FLOW FROM OPERATING ACTIVITIES:				
Income before income taxes	239,730	356,554	335,342	472,102
Charges (credits) to income not representing cash flow:				
Depreciation and amortization	31 42,288	51,613	42,905	60,402
Impairment	31 —	1,308	332	467
Provision for loan losses	28 119,539	152,217	189,633	266,968
Provisions and write-offs for assets received in lieu of payment	16 b) 35	(49)	—	—
Contingency provisions	32 b) 107	—	—	—
Adjustment to market value of investments and derivatives	(17,139)	(43,039)	(94,883)	(133,578)
Net interest income	24 (457,690)	(630,884)	(620,579)	(873,661)
Net service fee income	25 (117,977)	(161,590)	(152,847)	(215,180)
Net foreign exchange gains (losses)	27 13,906	13,426	151,197	212,858
Deferred income taxes	(5,297)	(19,264)	(42,129)	(59,310)
Variation of foreign exchange on assets and liabilities	82,336	126,642	280,075	394,294
Other	28,041	24,682	1,812	2,551
Subtotals	(72,121)	(128,384)	90,858	127,913
Increase/decrease in operating assets and liabilities:				
Loans and receivables to customers and banks	495,928	(1,609,012)	(141,623)	(199,379)
Investments under agreements to resell	(133,034)	132,301	(2,804)	(3,948)
Trading portfolio financial assets	41,973	(449,956)	(12,820)	(18,048)
Financial investments available-for-sale	428,471	(308,639)	(696,582)	(980,659)
Held to maturity investments	(28,173)	46,845	20,486	28,841
Other assets and liabilities	(44,363)	(86,836)	(22,955)	(32,316)
Time deposits and saving accounts	(971,620)	735,294	424,123	597,087
Currents accounts and demand deposits	69,259	503,492	476,412	670,701
Obligations under repurchase agreements	98,580	319,218	(401,032)	(564,579)
Dividends received from investments in other companies	12 a) 1,241	1,799	1,300	1,830
Foreign borrowings obtained	3,097,922	3,565,452	3,521,683	4,957,882
Repayment of foreign borrowings	(3,171,343)	(3,452,887)	(3,467,574)	(4,881,707)
Interest paid	(530,312)	(735,344)	(691,598)	(973,643)
Interest received	1,006,878	1,212,534	1,239,321	1,744,736
Income tax	15 (63,830)	(82,853)	(96,677)	(136,103)
Repayment of other borrowings	2,493	(1,385)	(947)	(1,333)
Net cash provided by (used in) operating activities	227,949	(338,361)	239,571	337,275

**CASH FLOW FROM INVESTING ACTIVITIES:**

Purchase of property, plant and equipment, others		(34,366)	(27,193)	(37,262)	(52,458)
Acquisition in Colombia net of cash	12 b)	(255,444)	(83,998)	—	—
Proceeds from sales of property, plant and equipment		7,520	1,343	596	839
Sale of assets received in lieu of payment or in foreclosure		4,586	3,038	3,337	4,698
Increased participation in companies				(516)	(726)
Net cash (used in) investment activities		(277,704)	(106,810)	(33,845)	(46,921)

CASH FLOW FROM FINANCING ACTIVITIES:

Debt issued		688,160	672,851	193,158	271,931
Redemption of debt issued		(269,770)	(68,468)	(250,981)	(353,335)
Capital increase	23	291,168	—	—	—
Dividends Paid	23 c)	(60,040)	(88,403)	(352,990)	(496,945)
Net cash provided by financing activities		649,518	515,980	(410,813)	(578,349)

Net effect of exchange rate changes on cash and cash equivalents		(5,307)	32,301	(7,187)	(10,118)
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

		594,456	103,110	(212,274)	(298,113)
Cash and cash equivalents at beginning of the period		733,020	1,327,476	1,430,586	2,014,002
Cash and cash equivalents at end of the period	5 a)	1,327,476	1,430,586	1,218,312	1,715,889
Net variation of cash and cash equivalents		594,456	103,110	(212,274)	(298,113)

Additional Information

Income tax paid		(32,089)	(64,280)	(77,674)	(109,351)
tax refunds received during the period		327	365	1,852	2,607

Notes 1 to 38 are an integral part of these consolidated financial statements



CORPBANCA AND SUBSIDIARIES
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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.

Its legal domicile is Huérfanos 1072, Santiago, Chile and its web site is www.corpbanca.cl.

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).

The consolidated financial statements for the period ended December 31, 2015 have been approved for issue by the Board of Directors on March 28, 2016.

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) from 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, 2013, 2014 and 2015, one UF equaled Ch\$23,309.56, Ch\$24,627.10, and Ch\$25,629.09 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\$710.32 per US\$1 as of December 31, 2015 (Ch\$605.46 per US\$1 as of December 31, 2014), our Colombian subsidiaries have used the exchange rate of Ch\$0.2266 per COP\$1 (Ch\$0.2532 per COP\$1 as of December 31, 2014), both 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 as of December 31, 2014 and 2015, and for the three years ended December 31, 2013, 2014 and 2015, include the necessary adjustments and reclassifications to the financial statements of the subsidiaries, our New York Branch and Colombian subsidiaries as of December 31, 2014 and 2015, to bring their accounting policies and valuation criteria in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS-IASB”).



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All intragroup balances, transactions, income and expenses are eliminated in full on consolidation.

For consolidation purposes, the financial statements of the New York Branch, the financial statements of Colombian subsidiaries whose functional currency are 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 its involvement with the investee and has the ability to use its power over the investee to affect the amount of the its returns.

CorpBanca controls an investee when 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 Bank 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.

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 and its subsidiaries presented as if they were one sole economic entity. A controlling shareholder 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 that of 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: 1234567

	Country	Functional currency	As of December 31, 2013			As of December 31, 2014			As of December 31, 2015		
			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
ComLegal S.A. (1)	Chile	\$	99.990	0.010	100.000	99.990	0.010	100.000	99.990	0.010	100.000
Recaudaciones y Cobranzas S.A. (1) (7)	Chile	\$	—	—	—	—	—	—	99.990	0.010	100.000
CorpBanca Agencia de Valores S.A.	Chile	\$	99.990	0.010	100.000	—	—	—	—	—	—
SMU CORP S.A. (1)	Chile	\$	51.000	—	51.000	51.000	—	51.000	51.000	—	51.000
CorpBanca New York Branch (1)	EE.UU	US\$	100.000	—	100.000	100.000	—	100.000	100.000	—	100.000
CorpBanca Securities INC-NY (1)	EE.UU	US\$	100.000	—	100.000	100.000	—	100.000	100.000	—	100.000
Banco CorpBanca Colombia S.A. (2) (6)	Colombia	COP\$	66.388	—	66.388	66.279	—	66.279	66.279	—	66.279
Helm Bank Colombia S.A. (merged) (2) (3)	Colombia	COP\$	—	66.243	66.243	—	—	—	—	—	—
Helm Corredor de Seguros S.A. (2)	Colombia	COP\$	80.000	—	80.000	80.000	—	80.000	80.000	—	80.000
CorpBanca Investment Trust Colombia S.A. (2)	Colombia	COP\$	5.499	62.737	68.236	5.499	62.634	68.133	5.499	62.634	68.133
Helm Comisionista de Bolsa S.A. (Ex CIVAL) (2) (4)	Colombia	COP\$	5.060	63.029	68.089	2.219	62.944	65.163	2.219	62.944	65.163
Helm Comisionista de Bolsa S.A. (merged) (2) (4)	Colombia	COP\$	—	66.240	66.240	—	—	—	—	—	—
Helm Fiduciaria S.A. (2)	Colombia	COP\$	—	66.230	66.230	—	62.944	62.944	—	62.944	62.944
Helm Bank (Panamá) S.A.	Panamá	US\$	—	66.243	66.243	—	66.279	66.279	—	66.279	66.279
Helm Bank Caymán S.A. (5)	Islas Caymán	US\$	—	66.243	66.243	—	—	—	—	—	—
Helm Casa de Valores (Panamá) S.A.	Panamá	US\$	—	66.240	66.240	—	66.276	66.276	—	66.276	66.276

- 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 Financial Superintendence of Colombia, which has a reciprocal supervision agreement with the SBIF.
- 3 Company merged with CorpBanca Colombia in June 2104.
- 4 Companies merged in September 2014, keeping the corporate name of Helm Comisionista de Bolsa S.A. and the taxpayer ID number of CIVAL (CorpBanca Investment Valores S.A.).
- 5 Liquidated company.
- 6 In 2014 its interest decreased to 66.279 through the merger with Helm Bank Colombia.
- 7 On February 25, 2015, CorpBanca acquired 73,609 shares of the company "Recaudaciones y Cobranzas S.A." and its subsidiary CorpBanca Asesorías Financieras S.A. acquired 1 share of the same society, therefore the Bank holds, directly and indirectly, 100% of its share capital.



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Associates

Associates are entities over which the Bank has the ability to exercise significant influence, but not control. Usually, this ability 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 exercises significant influence. Investments in these companies are measured at cost (See Note 12 *Investments in other companies*).

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. The Bank did not consolidate any funds as of December 31, 2014 or December 31, 2015.

Assets Managed, 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 managed assets, trust businesses and other related businesses are not included in these consolidated financial statements except when the Bank controls the entity. 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 disclosure within the consolidated statements of income and comprehensive 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 or equity interest, measured at fair value at the date of the respective acquisition, is remeasured at fair value at the acquisition date control is achieved and any resulting gain/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 against goodwill. Measurement period adjustments arise from additional



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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 over 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 fair value of the acquisition-date amounts of the identifiable net assets acquired. If, after reassessment of its initial calculation, the acquisition-date amounts of the net identifiable assets acquired exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill amounts are established at the date of acquisition of the business and are subsequently measured at such amounts less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (or groups of cash-generating units if applicable) 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 if 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 reporting 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.



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- 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 Banks has determined that its operating segments are its reportable segments. No operating segments have been aggregated to arrive at reportable segments.

The seven 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 CODM manages these operating segments using an internal profitability reporting system and reviews its 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 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 Information*.

Commercial banking:

- *Large, Corporate, and Real Estate Companies* includes companies that belong to the major economic groups, specific industries, and companies with annual sales over US\$60 million; this operating 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 operating 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 operations of Banco Condell, offers among other products, consumer loans, credit cards and mortgage loans to the low-to-middle income customers.

Treasury and International:

- Primarily includes treasury activities such as financial management, funding, liquidity and international businesses.

Non-banking financial services:

- Services rendered by our subsidiaries, which include insurance brokerage, financial advisory service, asset management and securities brokerage.

Colombia

- All banking services rendered

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.



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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, 2013, 2014 and 2015.
- Income, expenses and cash flows are translated at the exchange rate at the date of the transactions.

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 respect to those amounts attributable to the equity holders of the Bank are reclassified to 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.

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 which are included in the cost of those assets, if any;
- 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, 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, 2015 of Ch\$710.32 per US\$1 for the U.S. dollar and Ch\$0.2266 per COP\$1 for the Colombian peso (Ch\$605.46 per US\$1 and Ch\$0.2532 per COP\$1 as of December 31, 2014).

The foreign exchange gains (losses) presented within consolidated statements of income (see Note 27 *Net foreign exchange income (losses)*) as of December 31, 2013, 2014 and 2015 of MCh\$(13,906), MCh\$(13,426) and MCh\$(149,370), 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 operations denominated in foreign currency.

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 financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

For the amortized cost of a financial asset or liability, the effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

- **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 at which the market participant who holds the asset or liability could exit that asset or liability.

When a price for an asset or liability is not directly 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.

f.2 Classification of financial assets for measurement purposes

Financial assets are initially classified into the various categories used for management and measurement purposes.



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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.
- **Investments under agreements to resell:** includes balances of financial instruments purchased under resale agreements.

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 domestic clearinghouse or international transactions which may be delayed in settlement due to time differences, etc.
- **Trading portfolio financial assets:** This item includes financial instruments due 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 *Derivatives Financial Instrument and Hedge Accounting*).
- **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.
- **Investments under agreements to resell:** includes balances of financial instruments purchased under 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 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.
- **Transaction in the course of payment:** Transactions in the process of transfer through a domestic clearing house or international transactions which may be delayed as to transfer due to time differences, etc.
- **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. This item also includes saving accounts.
- **Derivative financial instruments:** This item includes financial derivative contracts with negative fluctuations in fair value since recognition, whether they are for trading or for account hedging purposes, as set forth in Note 8 *Derivatives Financial Instrument and Hedge Accounting*.
- **Borrowings from financial institutions:** This item includes obligations due to other domestic banks, foreign banks, or the Central Bank of Chile, which were not classified in any of the previous categories.
- **Debt issued:** This encompasses three items. They are obligations under letters of credit, subordinated bonds, and senior bonds.
- **Other financial obligations:** This item includes credit obligations to persons distinct from other domestic banks, foreign banks, or the Central Bank of Chile, for financing purposes or operations in the regular course of business.

f.6 Measurement of financial assets and financial liabilities

(i) Measurement of financial assets

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss are initially measured at fair value. Transaction costs are recognized immediately in profit or loss. Subsequent to initial recognition financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in net income.

For “Trading portfolio financial assets” fair value is based on market prices or valuation models prevailing on the closing date of the financial statements. Gains or losses from changes in fair value, as well as gains or losses from their trading are included



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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 fair value is positive and as a liability when the fair value is negative in the line item "Derivative financial instruments".

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risk is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value with changes in fair value recognized in net income.

On initial recognition, derivative contracts are designated by the Bank as a trading derivative or as a hedging instrument for hedge accounting purposes.

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 unrecognized firm commitments; (2) a hedge of cash flows related to recognized assets or highly probable 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 hedged asset or liability is recorded at its fair value. 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 fulfilling 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.

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



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from equity to the income statement when the net investment affects profit or loss, for example, as a reclassification adjustment on the disposal of the foreign operation.

The types of derivatives into which we enter are disclosed in Note 8 *Derivatives Financial Instruments and Hedge Accounting* to these financial statements. They may include (please note description at Note 8) the following:

Inflation forwards and inflation swaps: These derivatives are used to hedge the economic value of inflation indexed structures such as having inflation indexed assets funded with nominal liabilities.

OIS – Swaps: These derivatives are 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: USD-CLP forwards are used to hedge U.S. dollar denominated assets which will be 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 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 if applicable.

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 on the Bank's Statement of Financial Position 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 main valuation techniques used 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

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.
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



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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 with the conveyed financial asset. The net value of the asset conveyed and the associated liability is the amortized cost of the rights and obligations withheld (if the conveyed asset is measured according to its amortized cost), or according to the fair value of the rights and obligations thus obtained (if the conveyed assets are measured at their fair value).

In line with the foregoing, financial assets are only written-off the balance sheet when the rights over the cash flows that they generate are extinguished or when their implicit or ensuing risks and benefits have been substantially conveyed to third parties. Similarly financial liabilities are only written off of the balance sheet when the obligations that they generate are extinguished or when their associated risks and rewards have been transferred, with the intention of either cancelling them or reselling 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); the probability that the issuer will enter bankruptcy or financial re-organization; or the cessation of an active market for that financial asset because of financial difficulties.

Additionally, certain categories of financial assets, such as loans and receivables from banks and customers 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 "Allowance for loan losses" below).



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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 equity securities included in the Available for sale financial asset portfolio, should a significant or prolonged decline in value occur, the impairment loss is equal to the difference between the acquisition cost and current fair value and is recorded in the income statement.

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 loan losses 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 and receivables

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.

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 the aggregate value of the minimum lease payments plus residual value net of unearned interest as of year end.



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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 to loans 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, for those with similar credit risk characteristics.
- When the Bank determines that there is no objective evidence of impairment for an individually significant loan, it includes the loan in a group of loans of similar credit risk characteristics and collectively evaluates such loans for impairment

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

Consumer loans with or without collaterals	6 months
Consumer leasing	6 months
Other non-real estate leasing operations	12 months
Other operations without collaterals	24 months
Commercial loans with collaterals	36 months
Real estate leasing (commercial and mortgage)	36 months
Mortgage loans	48 months

Initial impairment starts from the date in which all or part of the loans and receivables fall into arrears.



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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, the Bank purchases 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.

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:

1.1 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. 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.

1.2 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.

1.3 Non-finance income and expenses

Non-finance income and expenses are recognized on an accrual basis.

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.



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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 assets⁸:

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.

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.

⁸ 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 70 years.



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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.

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 separately identifiable. 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.



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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

The Bank and its subsidiaries have recorded income tax expense for each reporting period in accordance with current tax laws in the country where each of its entities and subsidiaries operates (see Note 15 *Current Taxes*).

The tax expense on profit for the period includes the sum of current taxes that result from applying current tax rates to the taxable income for the period and the deferred tax expense recognized in consolidated profit or loss. The Bank and its subsidiaries recognize, when appropriate, deferred tax assets and liabilities for future estimates of tax effects attributable to differences between the book and tax values of assets and liabilities.

Deferred tax assets and liabilities are determined based on the tax rate applicable in the period that deferred tax assets and liabilities are recovered or settled. The effects of future changes in tax legislation or tax rates are recognized in deferred taxes when the tax legislation is enacted or substantially enacted. The effects of deferred taxes for temporary differences between the tax and book basis are recorded on an accrual basis in accordance with IAS 12 "*Income Taxes*".

Tax Reforms

a. Chile

On September 29, 2014, Law 20,780 was published in the Official Gazette. The Law introduces modifications designed to increase revenue collection, finance education reform, make taxation more equitable and improve the current tax system.

As of period end, the deferred taxes of the Bank and its Chilean subsidiaries have been adjusted based on the new corporate income tax rates contained in Law 20,780, published on September 29, 2014. The law progressively increases the tax rate to 21% for commercial year 2014, 22.5% for 2015, 24% for 2016 and 25% for 2017 and beyond for taxpayers applying the Attributed Income System. Taxpayers applying the Semi-Integrated System will have a rate of 25.5% in 2017 and 27% in 2018 and beyond.

b. Colombia

The deferred taxes of the Colombian subsidiaries have been adjusted based on the new income tax rates introduced by Law 1,739 published December 23, 2014, which modified the Colombian tax statutes and incorporated mechanisms to fight tax evasion. This modification to Colombian tax regulations raises tax rates to 34% for commercial year 2014, 39% for 2015, 40% for 2016, 42% for 2017, 43% for 2018 and then returns to 34% for 2019 and beyond.

In light of these modifications, the deferred taxes of Chilean and Colombian companies have been recorded according to the rates in the periods of reversal of each temporary difference.

s) Employee Benefits

Vacation expense

The annual cost of employee vacations and benefits are recorded on an accrual basis.



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Short-term benefits

Short-term benefits correspond to current liabilities as measured by the undiscounted amount that the Bank expects to pay over the course of the following year.

Other long-term benefits

Other long-term benefits correspond to remuneration (other post-employment benefits and termination 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.

t) Cash flow statement

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 (includes Bank of the Republic of Colombia 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. The Bank in this section includes among others, foreign borrowings, dividend received from investment, available for sale and held to maturity investment, etc.
- 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 "*Cash and cash equivalents*".

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



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Bank has estimated such values based on the best information available, including the use of modeling and other valuation techniques.

The Bank has established allowances to cover incurred losses, therefore to estimate the allowances, they must be regularly evaluated taking into consideration factors such as changes in the nature and volume of the loan portfolio, trends in forecasted portfolio quality, credit quality and economic conditions that may adversely affect the borrowers' payment capacity. Increases in the allowances for loan losses are reflected as "Provisions for loan losses" in the Consolidated Statement of Income. Loans are charged off when management determines that a loan or a portion thereof is uncollectible. Charge-offs are recorded as a reduction of the provisions for loan losses.

The relevant estimates and assumptions are regularly reviewed by the Bank's Management to quantify certain assets, liabilities, revenues, expenses, and commitments. Revised accounting estimates are recorded in the period in which the estimate is revised and in any affected future period.

These estimates, made on the basis of the best available information, mainly refer to:

- 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 1.2, 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 2015 and 2014 should be distributed as dividends, as approved by shareholders in February 2013. For the years 2015 and 2014, 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, 2013, 2014 and 2015, 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:



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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.

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. When the Bank determines that there is no objective evidence of impairment for an individually significant loan, it includes the loan in a group of loans of similar credit risk characteristics and collectively evaluates such loans for impairment.

All impairment losses are recognized in the income statement. Any cumulative loss related to available-for-sale debt instruments recognized previously in equity is transferred to the income statement, in the circumstances noted in f.10.

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 on financial assets recorded at amortized cost and those classified as available-for-sale debt instruments is recorded in the income statement.

Non-financial asset

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



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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).

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.

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 required for a CGU to which goodwill has been allocated and for intangible assets with indefinite useful lives. Different CGU and different intangible assets can be tested for impairment at different times during the year as long as testing for the named asset is carried out at the same time each 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:



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- 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 simultaneously recognized.
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.



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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 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.

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 *Contingencies, Commitments and Responsibilities*, letter 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, 2014 and 2015, the Bank did not have any non-current assets held for sale.

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, 2015 closing exchange rate of Ch\$710.32 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.

gg) Statement of compliance with International Financial Reporting Standards (IFRS)

These consolidated financial statements as of December 31, 2015, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (hereinafter “IASB”).

Management has determined that, as of December 31, 2014, the presentation of both 1) current tax assets and liabilities and 2) deferred tax assets and liabilities should be modified to conform to IAS 12, “Income Taxes.” The reclassification of current tax assets and current tax liabilities as at December 31, 2014 was made to conform to the requirements of paragraph 71 of IAS 12 which requires the offset of such assets and liabilities when there is a legally enforceable right to do so and the entity



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intends to realize the asset and settle the liability simultaneously which requirements were met by CorpBanca. The reclassification of deferred tax assets and deferred tax liabilities was made to conform to paragraph 74 of IAS 12 which requires offset of such assets and liabilities when there is a legally enforceable right to offset current tax assets and liabilities and when deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or different taxable entities when the realization of such assets and the settlement of liabilities are expected to occur simultaneously. Therefore, in the December 31, 2014 Statement of Financial Position, the Company reclassified MCh\$104,341 of deferred tax assets as an offset to deferred tax liabilities and MCh\$19,226 of current tax assets as an offset to current tax liabilities, respectively. Management has determined that the effects of these reclassifications are not material to the 2014 Statement of Financial Position. This presentation is consistent with the presentation as of December 31, 2015. Note 15 of these financial statements has been revised to reflect disclosure in accordance with such reclassifications.

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

a) New and revised IFRS effective in the current period:

The following new and revised IFRS have been adopted in these financial statements:

<u>Amendments to IFRS</u>	<u>Effective date</u>
<i>Defined Benefit Plans: Employee Contributions</i> (Amendments to IAS 19)	Annual periods beginning on or after July 1, 2014
Annual Improvements 2010-2012 Cycle	Annual periods beginning on or after July 1, 2014
Annual Improvements 2011-2013 Cycle	Annual periods beginning on or after July 1, 2014

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.

The Bank's management analyzed these amendments in detail and concluded that they did not have a significant impact on the statements of financial position, comprehensive income or cash flows or notes.



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Annual Improvements 2010 – 2012 Cycle

<u>IFRS</u>	<u>Topic</u>	<u>Amendment</u>
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 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



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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>	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 38, <i>Intangible Assets</i>		
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.

The Bank's management analyzed these amendments in detail and concluded that they did not have a significant impact on the statements of financial position, comprehensive income or cash flows or notes.

Annual Improvements 2011 – 2013 Cycle

<u>IFRS</u>	<u>Topic</u>	<u>Amendment</u>
IFRS 1, <i>First-time Adoption of International Financial</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



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Reporting Standards

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, *Business Combinations* 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, *Fair Value Measurement* 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, *Investment Property* Interrelationship between IFRS 3 and IAS 40

IAS 40 was amended to clarify that this standard and IFRS 3 *Business Combinations* 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.

The Bank's management analyzed these amendments in detail and concluded that they did not have a significant impact on the statements of financial position, comprehensive income or cash flows or notes.

b) New and revised IFRS in issue but not yet effective:

New Standards

Effective date

IFRS 9, <i>Financial Instruments</i>	Annual periods beginning on or after January 1, 2018
IFRS 15, <i>Revenue from Contracts with Customers</i>	Annual periods beginning on or after January 1, 2018
IFRS 16 <i>Leases</i>	Annual periods beginning on or after January 1, 2019

Amendments to Standards

Effective date

Accounting for Acquisitions of interests in Joint Operations (Amendments to IFRS 11)	Annual periods beginning on or after January 1, 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	Annual periods beginning on or after January 1, 2016
Agriculture: Bearer Plants (amendments to IAS 16 and IAS 38)	Annual periods beginning on or after January 1, 2016



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41)	
Equity Method in Separate Financial Statements (Amendments to IAS 27)	Annual periods beginning on or after January 1, 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.
Disclosure Initiative (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2016
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).	Annual periods beginning on or after January 1, 2016
Annual Improvements Cycle 2012-2014 - Amendments to Four IFRS	Annual periods beginning on or after July 1, 2016
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2017.
Disclosure Initiative (Amendments to IAS 7)	Annual periods beginning on or after January 1, 2017

IFRS 9, Financial Instruments

In 2014 IASB issued a finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a “fair value through other comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39 Financial Instruments: Recognition and Measurement, however there are differences in the requirements applying to the measurement of an entity’s own credit risk.

Impairment: The 2014 version of IFRS 9 introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

Hedge accounting: Introduces 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.

Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 must be applied in an entity’s first annual IFRS financial statements for periods beginning on or after 1 January 2018. Early adoption is permitted.

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

IFRS 15, Revenue from Contracts with Customers

On May 28, 2014, the IASB has published its new standard, IFRS 15 Revenue from contracts with customers. At the same time, the Financial Accounting Standards Board (FASB) has published its equivalent revenue standard, ASU 2014-09.

The new standard provides a single, principles based five-step model to be applied to all contracts with customers, i) identify the contract with the customer, ii) identify the performance obligations in the contract, iii) determine the transaction price, iv) allocate the transaction price to the performance obligations in the contracts, v) recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 must be applied in an entity’s first annual IFRS financial statements for periods beginning on or after 1 January 2018. Application of the Standard is mandatory and early adoption is permitted. An entity that chooses to apply IFRS 15 earlier than 1 January 2016 must disclose this fact.



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Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

IFRS 16, Leases

On January 13, 2016 the IASB has published a new standard, IFRS 16 “Leases”. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 “Leases” and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 “Revenue from Contracts with Customers” has also been applied.

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

Accounting for Acquisitions of interests in Joint Operations (Amendments to IFRS 11)

On May 6, 2014 the IASB has issued “Accounting for Acquisitions of Interests in Joint Operations (amendments to IFRS 11)”, the amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business.

Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments are effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted but corresponding disclosures are required. The amendments apply prospectively.

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

On May 12, 2014 the IASB has published “Clarification of Acceptable Methods of depreciation and amortization (amendments to IAS 16 and IAS 38)”.

The amendments provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated. They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

Agriculture: Bearer Plants (amendments to IAS 16 and IAS 41)

On 30 June, 2014 the IASB has published ‘Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)’. The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment. The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

Amends IAS 16 Property, Plant and Equipment and IAS 41 Agriculture to:



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- Include ‘bearer plants’ within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16.
- Introduce a definition of ‘bearer plants’ as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales .
- Clarify that produce growing on bearer plants remains within the scope of IAS 41.

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

Equity Method in Separate Financial Statements (Amendments to IAS 27)

On August 12, 2014, the IASB has published “Equity Method in Separate Financial Statements (Amendments to IAS 27)”. The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity’s separate financial statements.

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- At cost,
- In accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted IFRS 9), or
- Using the equity method as described in IAS 28 Investments in Associates and Joint Ventures.

The accounting option must be applied by category of investments.

In addition to the amendments to IAS 27, there are consequential amendments to IAS 28 to avoid a potential conflict with IFRS 10 Consolidated Financial Statements and to IFRS 1 First-time Adoption of International Financial Reporting Standards.

The amendments are effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments are to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

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

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

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

On December 17, 2015 IASB has published final amendments to “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”. The amendments defer the effective date of the September 2014 amendments to these standards indefinitely until the research project on the equity method has been concluded”.

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.



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Disclosure Initiative (Amendments to IAS 1)

On December 18, 2014 the IASB added an initiative on disclosure to its work program in 2013 to complement the work being done in the Conceptual Framework project. The initiative is made up of a number of smaller projects that aim at exploring opportunities to see how presentation and disclosure principles and requirements in existing Standards can be improved.

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

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).

On December 18, 2014 the IASB has published ‘Investment Entities: Applying the Consolidation Exception, Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities.

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

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

Annual Improvements Cycle 2012 – 2014

<u>Standard</u>	<u>Topic</u>	<u>Amendments</u>
IFRS 5 <i>Non-Current Assets Held for Sale and Discontinued Operations</i>	Changes in methods of disposal.	Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution to owners or vice versa and cases in which held-for-distribution accounting is discontinued. The amendments are effective for annual periods beginning on or after January 1, 2016, and early adoption is permitted.
IFRS 7 <i>Financial Instruments: Disclosures</i> : (with consequential amendments to IFRS 1)	Servicing contracts	Adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. Applicability of the amendments to IFRS 7 to condensed interim financial statements. Clarifies the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016, and early adoption is permitted.
IAS 19 <i>Employee Benefits</i>	Discount rate	Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level). The amendments are effective for annual periods beginning on or after January 1, 2016, and early adoption is permitted.



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IAS 34 <i>Interim Financial Reporting</i>	Disclosure of information ‘elsewhere in the interim financial report’	Clarifies the meaning of ‘elsewhere in the interim report’ and requires a cross-reference. The amendments are effective for annual periods beginning on or after January 1, 2016, and early adoption is permitted.
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Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)

On January 19, 2016, the IASB published final amendments to IAS 12 ‘Income Taxes’. The amendments clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.

Disclosure Initiative (Amendments to IAS 7)

The amendments are part of the IASB’s Disclosure initiative project and introduce additional disclosure requirements intended to address investors’ concerns that financial statements do not currently enable them to understand the entity’s cash flows; particularly in respect of the management of financing activities. The amendments require disclosure of information enabling users of financial statements to evaluate changes in liabilities arising from financial activities. Although there is no specific format required to comply with the new requirements, the amendments include illustrative examples to show how an entity can meet the objective of these amendments.

The amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

Management is still in the process of evaluating the potential impact of these amendments / new pronouncements.



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NOTE 2 - ACCOUNTING CHANGES

No accounting changes have taken place in comparison with the prior periods presented, except for the reclassifications noted at 99.

NOTE 3 - RELEVANT EVENTS

As of December 31, 2015, the following relevant events affecting the operations of the Bank and its subsidiaries or the consolidated financial statements have occurred:

CORPBANCA

1. Board Meeting

On February 20, 2015, the board agreed to publicly communicate, as essential events, the following matters:

That an ordinary general shareholders' meeting had been convened for March 12, 2015, in order to conduct routine business and, among other items, to approve the financial statements for 2015 that report profit of MCh\$226,260, and the board's proposal to distribute MCh\$113,130 in earnings, representing 50% of 2014 profit for the year, which translates into a dividend of Ch\$0.332384912 per share to be distributed among all 340,358,194,234 shares issued by the Bank.

On that same date, the board agreed to distribute and pay the dividends once the shareholders' meeting had concluded.

BANCO CORPBANCA COLOMBIA

a. Bond Issuance

In a meeting on December 15, 2015, the Board of Directors of CorpBanca approved the first issuance of senior bonds as part of the senior and/or subordinated bond issuance program with an overall cap of COP\$3 billion (MCh\$679.800 approximately). The board approved the general conditions for the first issuance.



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NOTE 4 - SEGMENT INFORMATION

The segment information is disclosed by the Bank based on its operating segments, which differ primarily in the risks and returns that affect them.

The criteria used to report to the Chief Operating Decision Maker (CODM) are *operating segments* in accordance with IFRS 8, *Operating Segments*. The CODM reviews the discrete financial information on the basis of gross operational margin (*Total operating income, net of provision for loan losses, interest and fees*) and only uses average balances (assets and liabilities) to evaluate performance and allocate resources.

The Bank's business activities are primarily conducted in the domestic market. The seven operating segments are:

- (1) Large, Corporate and Real Estate Companies;
- (2) Companies;
- (3) Traditional and Private Banking;
- (4) Lower Income Retail Banking;
- (5) Treasury and International;
- (6) Non-Banking Financial Services, and
- (7) Colombia.

The Bank manages these operating 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, as detailed above.

The Bank did not enter into transactions with a particular customer or third party that exceed 10% of its total income in 2013, 2014 and 2015.

Descriptions of each operating segment are as follows:

Commercial Banking

- (1) *Large, Corporate, and Real Estate Companies* Operating Segment includes companies that belong to the major economic groups, specific industries, and companies with sales over US\$60 million; this operating segment also includes real estate companies and financial institutions.
- (2) *Companies* Operating 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 operating segment.

Retail Banking

- (3) *Traditional and Private Banking* Operating Segment offers, among other products, checking accounts, consumer loans, credit cards and mortgage loans to middle and upper income customers.
- (4) *Lower Income Retail Banking* Operating Segment offers, among other products, consumer loans, credit cards and mortgage loans to the traditionally underserved low-to-middle income customers.

Treasury and International

- (5) *Treasury and International* Operating Segment. Primarily includes our treasury activities such as financial management, funding and liquidity as well as our international business.

Financial Services Offered Through Subsidiaries

- (6) *Non-Banking Financial Services* Operating Segment. These are services performed by our subsidiaries which include insurance brokerage, financial advisory services, asset management and securities brokerage.



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Colombia

(7) *Colombia* Operating Segment. This comprises the business operations of Banco 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.

1. Entity-Wide disclosure

CorpBanca reports revenue from external customers:

- (i) based on the customers country of domicile and
- (ii) attributed to all foreign countries 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 the three geographic areas are the following:

	Revenue from external customers		
	2013	2014	2015
	MCh\$	MCh\$	MCh\$
CorpBanca Chile	253,889	331,572	325,466
Revenues attributed to Chile	253,889	331,572	325,466
CorpBanca Colombia ⁹	196,324	290,113	276,200
CorpBanca New York	7,477	9,199	18,913
Revenues attributed to foreign countries	203,801	299,312	295,113
Total revenues from external customers	457,690	630,884	620,579

Non current assets and others that are allocated correspond to the three geographic areas are the following:

⁹ This segment includes investments in Helm Bank Caymán (until 2013), Helm Bank (Panamá) S.A., Helm Corredor de Seguros S.A. and Helm Casa de Valores (Panamá).



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	Note	Chile MCh\$	Colombia MCh\$	New York MCh\$	2014 MCh\$	Chile MCh\$	Colombia MCh\$	New York MCh\$	2015 MCh\$
Cash and deposits in banks	5	304,495	623,501	241,182	1,169,178	312,960	522,118	169,679	1,004,757
Cash in the process of collection	5	205,409	7,433	—	212,842	173,445	3,056	—	176,501
Investment in other companies	12	10,322	5,520	—	15,842	10,070	4,578	—	14,648
Intangible assets (*)	13	436,645	321,039	93	757,777	378,396	286,818	50	665,264
Property, plant and equipment, net	14	38,795	52,944	903	92,642	40,583	50,030	1,017	91,630
Current income taxes	15	—	20,834	—	20,834	(3,242)	46,961	3,185	46,904
Deferred income taxes	15	—	—	2,702	2,702	—	—	8,671	8,671
Other assets	16	332,950	81,912	405	415,267	312,205	125,471	647	438,323
					2,687,084				2,446,698

The accounting policies of 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\$345.620 (MCh\$386.180 in 2014). For more information, see Note 12 *Investment in other companies* to these consolidated financial statements.

Hence, this disclosure furnishes information on how the Bank is managed as of December 31, 2014 and 2015.

a) Income statement¹⁰:

	For the Year Ending December 31, 2013							
	Commercial Banking		Retail Banking				Colombia MCh\$	Total MCh\$
	Large, Corporate and Real Estate Companies MCh\$	Companies MCh\$	Traditional and Private Banking MCh\$	Lower Income Retail Banking MCh\$	Treasury and International MCh\$	Non-banking Financial Services MCh\$		
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)
Total operating income, net of loan losses, interest and fees	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
Averages Loans	3,843,701	1,787,761	2,427,743	155,801	63,969	154	3,226,817	11,505,946
Averages Investments	—	—	—	—	622,551	—	295,079	917,630

¹⁰ “Operating income net of loan losses, interest and fees” as the selected measure of segment profit or loss is reconciled within the table to “Income before taxes” as required under IFRS 8 *Operating segments*.



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For the Year Ending December 31, 2014

	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	53,014	75,295	73,935	25,528	94,736	18,263	290,113	630,884
Net services fees income	40,097	15,399	27,971	7,880	(255)	(1,653)	72,151	161,590
Trading and investment income, net	(569)	—	16,144	—	27,388	88,815	51,915	183,693
Foreign exchange gains (losses), net	20,189	5,974	888	2	12,767	(120,645)	67,399	(13,426)
Other operating income	—	3,025	13	—	—	6,514	19,406	28,958
Provision for loan losses	(1,643)	(16,101)	(11,718)	(6,549)	—	(1,161)	(90,100)	(127,272)
Total operating income, net of loan losses, interest and fees	111,088	83,592	107,233	26,861	134,636	(9,867)	410,884	864,427
Other income and expenses	6,357	—	—	—	—	(6,164)	1,606	1,799
Total operating expenses	(19,745)	(36,004)	(65,669)	(17,136)	(13,807)	(100,937)	(256,374)	(509,672)
Income before taxes	97,700	47,588	41,564	9,725	120,829	(116,968)	156,116	356,554
Averages Loans	3,791,937	1,778,057	2,414,564	154,955	63,622	153	5,692,217	13,895,505
Averages Investments	—	—	—	—	636,437	—	524,977	1,161,414

For the Year Ending December 31, 2015

	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	59,669	77,694	75,109	25,907	80,228	25,772	276,200	620,579
Net services fees income	44,454	16,436	32,479	7,119	(572)	(3,650)	56,581	152,847
Trading and investment income, net	4,291	—	17,210	—	77,585	154,272	85,340	338,698
Foreign exchange gains (losses), net	31,265	7,967	162	—	(3,623)	(206,251)	19,283	(151,197)
Other operating income	—	2,889	20	—	—	6,935	13,808	23,652
Provision for loan losses	(2,981)	(12,792)	(10,497)	(5,775)	—	(10,796)	(126,907)	(169,748)
Total operating income, net of loan losses, interest and fees	136,698	92,194	114,483	27,251	153,618	(33,718)	324,305	814,831
Other income and expenses	—	—	—	—	—	230	1,070	1,300
Depreciation and amortization	—	—	—	—	—	—	—	—
Total operating expenses	(22,101)	(35,000)	(63,477)	(17,305)	(13,400)	(105,817)	(223,689)	(480,789)
Income before taxes	114,597	57,194	51,006	9,946	140,218	(139,305)	101,686	335,342
Averages Loans	3,919,595	2,107,206	2,994,312	171,186	95,284	23,177	5,311,468	14,622,228



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b) Assets and Liabilities

	As of December 31, 2014							Total MCh\$
	Commercial Banking		Retail Banking				Colombia MCh\$	
	Large, Corporate and Real Estate Companies MCh\$	Companies MCh\$	Traditional and Private Banking MCh\$	Lower Income Retail Banking MCh\$	Treasury and International MCh\$	Non-banking Financial Services MCh\$		
Loans:								
Mortgage	—	29,233	1,708,700	4,097	31	—	487,497	2,229,558
Consumer	26	3,763	408,866	176,518	—	—	1,120,669	1,709,842
Commercial	3,884,110	1,915,805	929,480	18	621,274	135	3,554,133	10,904,955
Loans before provisions	3,884,136	1,948,801	3,047,046	180,633	621,305	135	5,162,299	14,844,355
Provisions for loan losses	(36,475)	(42,598)	(29,891)	(13,013)	—	—	(15,899)	(137,876)
Loans net of allowances (*)	3,847,661	1,906,203	3,017,155	167,620	621,305	135	5,146,400	14,706,479
Trading portfolio financial assets	—	—	—	—	114,809	—	571,089	685,898
Investments under agreements to resell	—	—	—	—	27,106	—	50,973	78,079
Derivative financial instruments	—	—	—	—	651,284	—	115,515	766,799
Financial investments available-for-sale	—	—	—	—	677,793	—	479,103	1,156,896
Held to maturity investments	—	—	—	—	31,450	—	159,227	190,677
Assets unallocated to any reportable segment (**)	—	—	—	—	—	—	—	2,687,084
Total assets	3,847,661	1,906,203	3,017,155	167,620	2,123,747	135	6,522,307	20,271,912
Current Accounts and demand deposits	330,711	307,644	235,215	3	1,029	(4,531)	801,149	1,671,220
Other sight balances	79,032	50,895	37,901	7,718	—	46,308	2,061,874	2,283,728
Time Deposits and saving accounts	967,530	866,950	1,141,464	13,212	2,850,439	—	2,237,371	8,076,966
Obligations under repurchase agreements	—	—	—	—	720	8,139	652,804	661,663
Derivative financial instruments	—	—	—	—	526,806	—	80,877	607,683
Borrowings from financial institutions	—	—	—	—	1,028,953	—	402,970	1,431,923
Debt issued	—	—	—	—	2,705,331	—	373,719	3,079,050
Liabilities unallocated to any reportable segment (***)	—	—	—	—	—	—	—	668,017
Equity	—	—	—	—	—	—	—	1,791,662
Total liabilities and equity	1,377,273	1,225,489	1,414,580	20,933	7,113,278	49,916	6,610,764	20,271,912



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	As of December 31, 2015								
	Commercial Banking		Retail Banking					Colombia	Total
	Large, Corporate and Real Estate Companies	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International	Non-banking Financial Services	MCh\$		
MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Loans:									
Mortgage	—	35,906	1,702,494	3,661	31	—	486,527	2,228,619	
Consumer	18	3,938	443,088	168,928	—	—	1,087,187	1,703,159	
Commercial	4,341,677	1,981,686	998,428	15	309,453	16	3,517,312	11,148,587	
Loans before provisions	4,341,695	2,021,530	3,144,010	172,604	309,484	16	5,091,026	15,080,365	
Provisions for loan losses	(39,564)	(43,098)	(29,768)	(11,251)	—	(5,502)	(44,996)	(174,179)	
Loans net of allowances (*)	4,302,131	1,978,432	3,114,242	161,353	309,484	(5,486)	5,046,030	14,906,186	
Trading portfolio financial assets	—	—	—	—	67,459	—	256,440	323,899	
Investments under agreements to resell	—	—	—	—	10,548	—	14,126	24,674	
Derivative financial instruments	—	—	—	—	844,820	—	164,095	1,008,915	
Financial investments available-for-sale	—	—	—	—	997,923	—	926,865	1,924,788	
Held to maturity investments	—	—	—	—	12,789	—	157,402	170,191	
Assets unallocated to any reportable segment (**)	—	—	—	—	—	—	—	2,446,698	
Total assets	4,302,131	1,978,432	3,114,242	161,353	2,243,023	(5,486)	6,564,958	20,805,351	
Current Accounts and demand deposits	302,402	372,637	270,428	4	579	146,232	741,464	1,833,746	
Other sight balances	117,078	44,608	42,815	8,248	23	40,227	2,344,874	2,597,873	
Time Deposits and saving accounts	1,170,796	916,075	1,312,052	12,236	2,706,744	—	2,377,700	8,495,603	
Obligations under repurchase agreements	—	—	—	—	300	19,946	240,385	260,631	
Derivative financial instruments	—	—	—	—	629,118	—	101,996	731,114	
Borrowings from financial institutions	—	—	—	—	1,062,012	—	466,573	1,528,585	
Debt issued	—	—	—	—	2,885,036	—	342,518	3,227,554	
Liabilities unallocated to any reportable segment (***)	—	—	—	—	—	—	—	594,952	
Equity	—	—	—	—	—	—	—	1,535,293	
Total liabilities and equity	1,590,276	1,333,320	1,625,295	20,488	7,283,812	206,405	6,615,510	20,805,351	

(*) Loans and receivables (bank and customers) net of allowances for loan losses as of December 31, 2014 and 2015. Year 2014 (Note 10 MM\$137,605, Note 9 MCh\$ 271) and year 2015 (Note 10 MM\$173,939, Note 9 MCh\$ 240).

(**) Assets unallocated to any operating segment correspond to the following:

	Notes	2014 MCh\$	2015 MCh\$
ASSETS			
Cash and deposits in banks	5	1,169,178	1,004,757
Cash in the process of collection	5	212,842	176,501
Investments in other companies	12	15,842	14,648
Intangible assets	13	757,777	665,264
Property, plant and equipment, net	14	92,642	91,630
Current income taxes	15	20,834	46,904
Deferred income taxes	15	2,702	8,671
Other assets	16	415,267	438,323
		2,687,084	2,446,698



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(**) Liabilities unallocated to any operating segment correspond to the following:

	Notes	<u>2014</u> MCh\$	<u>2015</u> MCh\$
LIABILITIES			
Transaction in the course of payment	5	145,771	105,441
Other financial obligations	19	15,422	14,475
Current income tax provision	15	19,226	42,457
Deferred income taxes	15	76,593	40,433
Provisions	20	200,289	182,707
Other liabilities	21	210,716	209,439
		<u>668,017</u>	<u>594,952</u>



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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:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Cash and deposits in banks (1)		
Cash	175,886	213,892
Deposits in the Central Bank of Chile	39,885	45,020
Deposits in national banks	795	159
Foreign deposits	952,612	745,686
Subtotal Cash and deposits in banks	<u>1,169,178</u>	<u>1,004,757</u>
Cash in the process of collection, net (5b))	67,071	71,060
Highly liquid financial instruments (2)	118,897	123,264
Investments under agreements to resell (3)	75,440	19,231
Total cash and cash equivalents	<u>1,430,586</u>	<u>1,218,312</u>

- (1) Amount in “Cash”, “Deposits in Central Bank of Chile” and Bank of the Republic of Colombia (included in “Foreign deposits”) are regulatory reserve deposits for which the Bank must maintain a certain monthly average.
- (2) 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	<u>2014</u>	<u>2015</u>
		MCh\$	MCh\$
Trading Portfolio financial assets	6	101,983	35,040
Financial investment Available-for-sale portfolio	11	16,914	88,224
Highly liquid financial instruments		<u>118,897</u>	<u>123,264</u>

- (3) 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	<u>2014</u>	<u>2015</u>
		MCh\$	MCh\$
Investment under agreement to resell	7 a)	75,440	19,231



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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.

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Assets (Cash in the process of collection)		
Outstanding notes from other banks	55,775	59,615
Funds receivable	157,067	116,886
Subtotal assets	<u>212,842</u>	<u>176,501</u>
Liabilities (Transaction in the course of payment)		
Funds Payable	145,771	105,441
Subtotal liabilities	<u>145,771</u>	<u>105,441</u>
Net items in course of collection	<u>67,071</u>	<u>71,060</u>



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NOTE 6 - TRADING PORTFOLIO FINANCIAL ASSETS

The detail of the financial instruments classified as trading financial assets is as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Chilean Central Bank and Government securities:		
Chilean Central Bank bonds	—	—
Chilean - Central Bank notes	—	—
Other Chilean Central Bank and government securities	4,822	6,210
Other national institution securities:		
Bonds	2,548	2,340
Notes	13,320	34,404
Other Securities	15	551
Foreign Institution Securities:		
Bonds	542,791	192,427
Notes	—	—
Other foreign Securities	110,615	57,875
Mutual funds Investments:		
Funds managed by related organizations	11,787	28,092
Funds managed by third parties	—	2,000
Total (*)	<u>685,898</u>	<u>323,899</u>

(*) This total includes as of December 31, 2015 MCh\$35.040 (MCh\$101.983 as of December 31, 2014), 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, 2014 and 2015 the instruments acquired under agreements to resell are as follows:

	As of December 31, 2014			
	Less than three months MCh\$	More than three months and less than one year MCh\$	More than one Year MCh\$	Total MCh\$
Government and Chilean Central Bank Securities:				
Chilean Central Bank Securities	339	—	—	339
Treasury Bonds and Notes	—	—	—	—
Other fiscal securities	—	—	—	—
Other securities issued locally:				
Other local bank securities	13,148	—	—	13,148
Bonds and company business papers	272	—	—	272
Other securities issued locally	10,708	2,639	—	13,347
Securities issued abroad:				
Government and Central Bank securities	50,973	—	—	50,973
Other Securities issued abroad	—	—	—	—
Mutual Funds Investments:				
Funds managed by related companies	—	—	—	—
Funds managed by third parties	—	—	—	—
Total	75,440(*)	2,639	—	78,079

	As of December 31, 2015			
	Less than three months MCh\$	More than three months and less than one year MCh\$	More than one Year MCh\$	Total 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	51	—	—	51
Bonds and company business papers	—	—	—	—
Other securities issued locally	5,054	5,443	—	10,497
Securities issued abroad:				
Government and Central Bank securities	14,126	—	—	14,126
Other Securities issued abroad	—	—	—	—
Mutual Funds Investments:				
Funds managed by related companies	—	—	—	—
Funds managed by third parties	—	—	—	—
Total	19,231(*)	5,443	—	24,674

- (*) This total includes as of December 31, 2015 MCh\$19,231 (MCh\$75,440 as of December 31, 2014), 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, 2014 and 2015 obligations under repurchase agreements are the following:

	As of December 31, 2014			
	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	720	—	—	720
Treasury Bonds and Notes	—	—	—	—
Other fiscal securities	—	—	—	—
Other securities issued locally:				
Other local bank securities	8,138	—	—	8,138
Bonds and company business papers	—	—	—	—
Other securities issued locally	—	—	—	—
Securities issued abroad:				
Government and Central Bank securities	652,805	—	—	652,805
Other Securities issued abroad	—	—	—	—
Mutual Funds Investments:				
Funds managed by related companies	—	—	—	—
Funds managed by third parties	—	—	—	—
Total	661,663	—	—	661,663

	As of December 31, 2015			
	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	300	—	—	300
Other fiscal securities	—	—	—	—
Other securities issued locally:				
Other local bank securities	19,946	—	—	19,946
Bonds and company business papers	—	—	—	—
Other securities issued locally	—	—	—	—
Securities issued abroad:				
Government and Central Bank securities	240,385	—	—	240,385
Other Securities issued abroad	—	—	—	—
Mutual Funds Investments:				
Funds managed by related companies	—	—	—	—
Funds managed by third parties	—	—	—	—
Total	260,631	—	—	260,631



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NOTE 8 - DERIVATIVE FINANCIAL INSTRUMENT AND HEDGE ACCOUNTING

A. As of December 31, 2014 and 2015, the Bank holds the following portfolio of derivative financial instruments:

A.1) Derivatives financial assets

	As of December 31, 2014			
	Notional			Fair Value
	Up to 3 months	3 months to 1 year	Over one year	
	MCh\$	MCh\$	MCh\$	MCh\$
Foreign Currency Forwards	2,152,673	2,664,433	1,363,602	154,229
Interest Rate Swap	377,694	940,134	5,011,624	285,741
Foreign Currency Swap	153,015	297,605	1,922,635	323,785
Foreign Currency Call Options	39,462	36,175	—	2,648
Foreign Currency Put Options	49,992	34,594	—	396
Total	2,772,836	3,972,941	8,297,861	766,799

	As of December 31, 2015			
	Notional			Fair Value
	Up to 3 months	3 months to 1 year	Over one year	
	MCh\$	MCh\$	MCh\$	MCh\$
Foreign Currency Forwards	5,295,033	3,044,798	624,735	225,986
Interest Rate Swap	1,255,296	2,232,986	10,173,202	318,817
Foreign Currency Swap	37,925	110,613	3,044,960	458,946
Foreign Currency Call Options	83,343	87,933	—	4,655
Foreign Currency Put Options	32,766	25,800	—	511
Total	6,704,363	5,502,130	13,842,897	1,008,915



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A.2) Derivatives financial liabilities

	As of December 31, 2014			
	Notional			Fair Value
	Up to 3 months	3 months to 1 year	Over one year	
MCh\$	MCh\$	MCh\$	MCh\$	
Foreign Currency Forwards	2,220,727	2,719,896	1,018,111	140,949
Interest Rate Swap	610,578	1,281,465	4,629,389	222,623
Foreign Currency Swap	99,063	320,262	1,243,465	240,861
Foreign Currency Call Options	60,237	39,121	—	2,564
Foreign Currency Put Options	11,420	14,727	—	686
Total	3,002,025	4,375,471	6,890,965	607,683

	As of December 31, 2015			
	Notional			Fair Value
	Up to 3 months	3 months to 1 year	Over one year	
MCh\$	MCh\$	MCh\$	MCh\$	
Foreign Currency Forwards	4,684,078	2,921,873	470,323	191,589
Interest Rate Swap	708,063	2,117,270	8,658,594	192,537
Foreign Currency Swap	97,583	347,591	1,747,416	342,675
Foreign Currency Call Options	61,962	58,256	—	3,511
Foreign Currency Put Options	45,674	57,877	—	802
Total	5,597,360	5,502,867	10,876,333	731,114

A.3) As of December 31, 2014 and 2015, the portfolio of derivative financial instruments for account hedging and for trading purposes are as follow:



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	As of December 31, 2014				
	Notional			Fair Value	
	Up to 3 month MCh\$	3 months to 1 year MCh\$	Over 1 year MCh\$	Assets MCh\$	Liabilities MCh\$
Hedge accounting					
Fair Value					
Foreign Currency Forwards	—	—	—	—	—
Foreign Currency Swaps	—	181,639	83,010	4,343	3,942
Interest Rate Swap	—	66,000	868,395	2,532	2,466
Subtotal	—	247,639	951,405	6,875	6,408
Cash Flow					
Foreign Currency Forwards	268,435	243,808	86,195	15	6,612
Foreign Currency Swaps	42,382	—	48,521	1,775	192
Interest Rate Swap	148,801	20,000	213,233	120	5,322
Subtotal	459,618	263,808	347,949	1,910	12,126
Net Investment in foreign operation					
Foreign Currency Forwards	—	—	—	—	—
Subtotal	—	—	—	—	—
Derivatives held for trading					
Foreign Currency Forwards	4,104,965	5,140,521	2,295,518	154,214	134,337
Interest Rate Swap	839,471	2,135,599	8,559,385	283,089	214,835
Foreign Currency Swaps	209,696	436,228	3,034,569	317,667	236,727
Foreign Currency call options	99,699	75,296	—	2,648	2,564
Foreign Currency put options	61,412	49,321	—	396	686
Subtotal	5,315,243	7,836,965	13,889,472	758,014	589,149
Total	5,774,861	8,348,412	15,188,826	766,799	607,683



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	As of December 31, 2015				
	Notional			Fair Value	
	Up to 3 month MCh\$	3 months to 1 year MCh\$	Over 1 year MCh\$	Assets MCh\$	Liabilities MCh\$
Derivatives held for hedge accounting					
Fair Value					
Foreign Currency Forwards	8,393	44,066	—	395	1,236
Foreign Currency Swaps	—	12,231	136,785	1,670	4,452
Interest Rate Swap	19,000	88,756	1,086,281	3,140	3,234
Subtotal	27,393	145,053	1,223,066	5,205	8,922
Cash Flow					
Foreign Currency Forwards	225,536	189,656	7,689	14	5,134
Foreign Currency Swaps	—	43,776	421,240	23,698	15,428
Interest Rate Swap	94,608	47,128	116,419	—	3,914
Subtotal	320,144	280,560	545,348	23,712	24,476
Net Investment in foreign operation					
Foreign Currency Forwards	237,027	—	—	2,621	5,610
Subtotal	237,027	—	—	2,621	5,610
Derivatives held for trading					
Foreign Currency Forwards	9,508,155	5,732,949	1,087,369	222,956	179,610
Interest Rate Swap	1,849,751	4,214,372	17,629,096	315,677	185,389
Foreign Currency Swaps	135,508	402,197	4,234,351	433,578	322,795
Foreign Currency call options	145,305	146,189	—	4,655	3,511
Foreign Currency put options	78,440	83,677	—	511	802
Subtotal	11,717,159	10,579,384	22,950,816	977,377	692,107
Total	12,301,723	11,004,997	24,719,230	1,008,915	731,115



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B. Hedge accounting**B.1 Fair value hedges:**

The Bank uses interest rate derivatives to reduce the risk on certain items designated as hedged items, for example, long-and-short term debt issuances and assets such as commercial loans.

The Bank uses cross-currency swaps and interest rate swaps to hedge its exposure to changes in fair value of hedged items attributable to interest rates. The aforementioned hedging instruments change the effective cost of long-term issuances from a fixed interest rate to a variable interest rate.

Below is a detail by maturity of hedged items and hedging instruments as of December 31, 2014 and 2015, under fair value hedges.

	As of December 31, 2014			
	Notional			
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Loans	66,000	48,000	—	—
Working Capital	181,639	26,738	57,456	—
Bonds	—	—	819,211	—
Total	<u>247,639</u>	<u>74,738</u>	<u>876,667</u>	<u>—</u>
Hedging instrument				
Interest Rate Swaps	66,000	49,184	819,211	—
Currency Swaps	181,639	25,554	57,456	—
Total	<u>247,639</u>	<u>74,738</u>	<u>876,667</u>	<u>—</u>



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	As of December 31, 2015			
	Notional			
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Loans	19,782	41,294	6,355	—
Investment	52,459	—	—	13,496
Demand Deposits	100,205	106,567		
Bonds	—	529,192	526,161	—
Total	172,446	677,053	532,516	13,496
Hedging instrument				
Interest Rate Swaps	107,756	639,714	433,071	13,496
Foreign Currency Forwards	52,459	—	—	—
Currency Swaps	12,231	37,339	99,445	—
Total	172,446	677,053	532,516	13,496

B.2 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.
- 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, 2014 and 2015, under cash flow hedges.



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	As of December 31, 2014			
	Notional			
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Loans	512,244	224,904	—	43,000
Investments	—	—	—	4,745
Demand Deposits	168,800	45,000	30,300	—
Working Capital	42,382	—	—	—
Total	<u>723,426</u>	<u>269,904</u>	<u>30,300</u>	<u>47,745</u>
Hedging instrument				
Foreign Currency Forwards	512,244	86,195	—	—
Interest Rate Swaps	168,800	139,933	30,300	43,000
Currency Swaps	42,382	43,776	—	4,745
Total	<u>723,426</u>	<u>269,904</u>	<u>30,300</u>	<u>47,745</u>
	As of December 31, 2015			
	Notional			
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Loans	555,704	118,935	197,350	20,000
Investments	—	—	—	1,181
Demand Deposits	45,000	30,300	—	—
Bonds	—	—	177,581	—
Total	<u>600,704</u>	<u>149,235</u>	<u>374,931</u>	<u>21,181</u>
Hedging instrument				
Foreign Currency Forwards	415,192	7,688	—	—
Interest Rate Swaps	141,736	55,419	41,000	20,000
Currency Swaps	43,776	86,128	333,931	1,181
Total	<u>600,704</u>	<u>149,235</u>	<u>374,931</u>	<u>21,181</u>

The effective portion of increase/decrease in fair value of the hedging instruments of the hedged items from cash flow hedges, MCh\$3,088 (MCh\$958 as of December 31, 2014) (Note 23g) *Equity*) and the ineffective portion of increase/decrease in fair value of the hedging instruments of the hedged items from cash flow hedges are, respectively, MCh\$(15) (MCh\$5 as of December 31, 2014) (Note 27 *Net Foreign Exchange Income (losses)*) – Fair value gains (losses) on hedging derivatives), as of December 31, 2015 and 2014, respectively, were as follow with respect to the following hedged items:



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	Note	As of December 31, 2014		As of December 31, 2015	
		Effective portion	Ineffective portion	Effective portion	Ineffective portion
		MCh\$	MCh\$	MCh\$	MCh\$
Demand Deposits		(3,380)	—	835	—
Loans		4,168	5	5,593	(15)
Investments		(58)	—	19	—
Bonds		228	—	(3,359)	—
Net flows	23 g)	958	5	3,088	(15)

B.3 Hedging net investment in foreign operations:

The Bank has a foreign operation (New York Branch and Colombia) whose functional currency (US dollars and Colombian pesos) is other than the Bank's functional currency. When translating the results of operations and financial position of this foreign operation into the Bank's functional 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.

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:

	Note	2013 MCh\$	2014 MCh\$	2015 MCh\$
Beginning balance		365	(1,907)	(5,287)
Gains (losses) on hedge of net investment in foreign operation, before tax	23 f)	(2,840)	(4,751)	(7,931)
Income tax relating to hedges of net investments in foreign operations	23 f)	568	1,371	2,758
Closing balance		(1,907)	(5,287)	(10,460)

No ineffective portion was recognized in profit or loss for the years ended December 31, 2014 and 2015.

B.3.1 Hedging net investment in New York Branch

	Nocional MUSD	Hedging Instrument (Fair Value) MCh\$	Effective portion MCh\$	Ineffective Portion MCh\$
As of December 31, 2015	60.1	(13,437)	(13,437)	—
As of December 31, 2014	60.1	(7,135)	(7,135)	—



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B.3.1 Hedging net investment in CorpBanca Colombia (*)

	As of December 31, 2015					
	Notional				Effective portion MCh\$	Ineffective Portion MCh\$
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$		
Hedged Items	<u>237,027</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,574)</u>	<u>—</u>
Equity	<u>237,027</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,574)</u>	<u>—</u>
Investment in foreign operation	237,027	—	—	—	(2,574)	—
Hedging Instrument	<u>237,027</u>	<u>—</u>	<u>—</u>	<u>—</u>		
Foreign Currency Forwards	237,027	—	—	—		

(*) CorpBanca Colombia began in 2015 with these operations.



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NOTE 9 - LOANS AND RECEIVABLES FROM BANKS

a) As of December 31, 2014 and 2015, loans and receivables from banks are as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Local Banks		
Loans to local banks	—	—
Allowances for loans losses	—	—
Subtotal	<u>—</u>	<u>—</u>
Foreign Banks		
Loans from foreign banks	194,433	144,041
Other debts with foreign banks	—	—
Allowances for loans losses	(271)	(240)
Subtotal	<u>194,162</u>	<u>143,801</u>
Banco Central of Chile		
Restricted Deposits in the Central Bank of Chile (*)	620,047	308,028
Subtotal	<u>620,047</u>	<u>308,028</u>
Total	<u>814,209</u>	<u>451,829</u>

(*) This corresponds to deposits in the Central Bank of Chile who are not current deposits and regulatory purposes.

b) The movement in the allowances for loan losses as of December 31, 2014 and 2015 is as follows:

	Note	<u>As of December 31, 2014</u>		
		<u>Local Banks</u>	<u>Foreign Banks</u>	<u>Total</u>
		MCh\$	MCh\$	MCh\$
Balance as of January 1, 2014		—	(137)	(137)
Write-offs		—	—	—
Established provisions	28	—	(269)	(269)
Released provisions	28	—	141	141
Impairment		—	—	—
Impairment reversal		—	—	—
Exchange Differences		—	(6)	(6)
Balances as of December 31, 2014		<u>—</u>	<u>(271)</u>	<u>(271)</u>



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	Note	As of December 31, 2015		
		Local Banks	Foreign Banks	Total
		MCh\$	MCh\$	MCh\$
Balance as of January 1, 2015		—	(271)	(271)
Write-offs		—	—	—
Established provisions	28	—	(121)	(121)
Released provisions	28	—	180	180
Impairment		—	—	—
Impairment reversal		—	—	—
Exchange Differences		—	(28)	(28)
Balances as of December 31, 2015		<u>—</u>	<u>(240)</u>	<u>(240)</u>



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NOTE 10 - LOANS AND RECEIVABLES FROM CUSTOMERS

a) Loans and receivables from customers

As of December 31, 2014 and 2015, the composition of the loan portfolio is as follows:

As of December 31, 2014

	<u>Gross Assets</u>			<u>Allowances for loan losses</u>			<u>Net carrying amount</u> MCh\$
	<u>Normal Portfolio</u>	<u>Impaired Portfolio</u>	<u>Total</u>	<u>Individually Evaluated for impairment</u>	<u>Collectively evaluated for impairment</u>	<u>Total</u>	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Commercial loans:							
Commercial loans	8,051,738	251,340	8,303,078	56,527	10,166	66,693	8,236,385
Foreign trade loans	481,183	24,368	505,551	20,703	272	20,975	484,576
Current account debtors	32,123	2,727	34,850	704	811	1,515	33,335
Factoring operations	69,771	143	69,914	1,733	143	1,876	68,038
Leasing transactions (*)	827,393	39,099	866,492	49	263	312	866,180
Other loans and receivables	308,438	2,152	310,590	1,146	3,492	4,638	305,952
Subtotals	9,770,646	319,829	10,090,475	80,862	15,147	96,009	9,994,466
Mortgage loans:							
Letters of credit loans	62,262	2,360	64,622	—	192	192	64,430
Endorsable mutual mortgage loans	176,912	5,402	182,314	—	1,045	1,045	181,269
Other mutual mortgage loans	1,643,396	22,915	1,666,311	—	5,046	5,046	1,661,265
Leasing transactions (*)	275,019	5,554	280,573	—	1,247	1,247	279,326
Other loans and receivables	34,588	1,150	35,738	—	232	232	35,506
Subtotals	2,192,177	37,381	2,229,558	—	7,762	7,762	2,221,796
Consumer loans:							
Consumer loans	1,093,754	37,104	1,130,858	—	20,015	20,015	1,110,843
Current account debtors	46,239	1,325	47,564	—	1,713	1,713	45,851
Credit card	236,698	5,003	241,701	—	4,096	4,096	237,605
Consumer leasing transactions (*)	19,309	452	19,761	—	59	59	19,702
Other loans and receivables	264,853	5,105	269,958	—	7,951	7,951	262,007
Subtotals	1,660,853	48,989	1,709,842	—	33,834	33,834	1,676,008
Total	13,623,676	406,199	14,029,875	80,862	56,743	137,605	13,892,270



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As of December 31, 2015

	Gross Assets			Allowances for loan losses			Net carrying amount
	Normal Portfolio	Impaired Portfolio	Total	Individually Evaluated for impairment	Collectively evaluated for impairment	Total	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Commercial loans:							
Commercial loans	8,531,794	290,066	8,821,860	86,784	8,918	95,702	8,726,158
Foreign trade loans	502,287	19,052	521,339	15,803	653	16,456	504,883
Current account debtors	25,524	3,208	28,732	816	1,365	2,181	26,551
Factoring operations	61,581	432	62,013	1,185	375	1,560	60,453
Leasing transactions (*)	834,412	53,777	888,189	16,637	3,691	20,328	867,861
Other loans and receivables	359,479	14,906	374,385	277	2,217	2,494	371,891
Subtotals	10,315,077	381,441	10,696,518	121,502	17,219	138,721	10,557,797
Mortgage loans:							
Letters of credit loans	52,522	1,850	54,372	—	123	123	54,249
Endorsable mutual mortgage loans	156,942	4,496	161,438	—	759	759	160,679
Other mutual mortgage loans	1,678,046	23,527	1,701,573	—	61	61	1,701,512
Leasing transactions (*)	274,144	4,738	278,882	—	7,708	7,708	271,174
Other loans and receivables	31,234	1,120	32,354	—	181	181	32,173
Subtotals	2,192,888	35,731	2,228,619	—	8,832	8,832	2,219,787
Consumer loans:							
Consumer loans	1,264,649	33,545	1,298,194	—	14,737	14,737	1,283,457
Current account debtors	51,144	1,344	52,488	—	1,684	1,684	50,804
Credit card	240,027	4,915	244,942	—	3,314	3,314	241,628
Consumer leasing transactions (*)	18,475	316	18,791	—	538	538	18,253
Other loans and receivables	86,054	2,690	88,744	—	6,113	6,113	82,631
Subtotals	1,660,349	42,810	1,703,159	—	26,386	26,386	1,676,773
Total	14,168,314	459,982	14,628,296	121,502	52,437	173,939	14,454,357

(*) Lease transactions (commercial, mortgage and consumer) are presented net of allowance and total MCh\$1,157,288 as of December 31, 2015 (MCh\$1,165,208 as of December 31, 2014).

Guarantees taken by the Bank to secure collections reflected in its loan portfolios are collateral (urban and rural property, farm land, ships and aircraft, mining claims and other assets) and pledges (inventory, farm assets, industrial assets, plantings and other pledged assets). As of December 31, 2015 and 2014, the fair value of guarantees taken corresponds to 89.9% and 83.4% of the loans and receivables, respectively.

In the case of mortgage guarantees, as of December 31, 2015 and 2014, the fair value of the guarantees taken corresponds to 59.5% and 51.1% of the balance of these loans and receivables, respectively.

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, 2015, MCh\$155,332 corresponds to leases of movable assets (MCh\$393,254 as of December 31, 2014) and MCh\$237,272 to leases of real estate assets (MCh\$742,600 as of December 31, 2014).



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Where appropriate, we obtain collateral in respect of our loans and receivables from customers. The collateral normally takes the form of a 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 ongoing 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 2015, the Bank has received assets such as homes, apartments, commercial and agricultural lands, among others, with a fair value of MCh\$986 (MCh\$3,550 in 2014) through foreclosure or judicial proceedings.

b) Portfolio characteristics

As of December 31, 2014 and 2015, the loan portfolio before allowances for loan losses by customer economic activity was as follows:

	<u>Local Loans</u>		<u>Foreign Loans</u>		<u>Total</u>		<u>Distribution Percentage as of</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	%	%
Commercial loans:								
Manufacturing	965,965	742,288	111,397	137,587	1,077,362	879,875	7.68%	6.01%
Mining	266,661	450,459	363,055	316,248	629,716	766,707	4.49%	5.24%
Electricity, gas and water	273,576	230,658	483,644	467,077	757,220	697,735	5.40%	4.77%
Agriculture and livestock	179,863	239,540	123,166	123,981	303,029	363,521	2.16%	2.49%
Forestry and wood extraction	48,344	36,291	7,785	7,732	56,129	44,023	0.40%	0.30%
Fishing	2,199	3,252	—	—	2,199	3,252	0.02%	0.02%
Transport	182,364	242,533	146,354	105,593	328,718	348,126	2.34%	2.38%
Communications	3,490	4,034	91,191	57,944	94,681	61,978	0.67%	0.42%
Construction	887,305	989,048	214,999	217,069	1,102,304	1,206,117	7.86%	8.25%
Commerce	415,695	500,551	943,143	808,876	1,358,838	1,309,427	9.69%	8.95%
Services	2,620,475	3,128,986	1,305,238	1,229,567	3,925,713	4,358,553	27.98%	29.80%
Others	286,578	202,313	167,988	454,891	454,566	657,204	3.24%	4.49%
Subtotals	6,132,515	6,769,953	3,957,960	3,926,565	10,090,475	10,696,518	71.93%	73.12%
Mortgage Loans	1,730,106	1,742,092	499,452	486,527	2,229,558	2,228,619	15.89%	15.23%
Consumer loans	568,426	613,367	1,141,416	1,089,792	1,709,842	1,703,159	12.18%	11.65%
Total	8,431,047	9,125,412	5,598,828	5,502,884	14,029,875	14,628,296	100.00%	100.00%



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d) Portfolio sale

- As of December 31, 2015 and 2014, 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 *Net Trading and Investment Income* within “Other financial investments at fair value with effect on profit or loss”.
- As of December 31, 2015 and 2014, the Bank and its subsidiaries derecognized 100% of its sold portfolio, thus complying with the requirements of the accounting policy for derecognizing financial assets and liabilities in Note 1, letter z) of these annual consolidated financial statements.

During 2014 and 2015, CorpBanca sold part of its portfolio of state-guaranteed loans and receivables (CAE for its Spanish acronym) acquired 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, CorpBanca transferred substantially all the risks and benefits associated with this portfolio. The detail of loans and receivables sold is as follows:

	No. of Loans	Loans sold		
		Carrying Amount MCh\$	Proceeds for sales MCh\$	Gain (Loss) on sale (*) MCh\$
As of December 31, 2014	73,638	137,400	152,995	15,595
As of December 31, 2015	66,344	116,006	133,067	17,061

(*) This amount is included under line item “Trading and investment income, net” in the Consolidated Statements of Income, disclosed in Note 26 *Net Trading and Investment Income*, line “Other financial investments at fair value with effect on profit or loss”.



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e) Lease

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

	Total receivable		Unearned income		Net lease receivable	
	2014 MCh\$	2015 MCh\$	2014 MCh\$	2015 MCh\$	2014 MCh\$	2015 MCh\$
Up to 1 month	22,852	22,739	(822)	(891)	22,030	21,848
From 1 month to 3 months	17,981	18,298	(3,103)	(3,354)	14,878	14,944
From 3 months to 1 year	84,075	87,768	(13,429)	(14,522)	70,646	73,246
From 1 year to 3 years	253,962	237,815	(25,477)	(38,669)	228,485	199,146
From 3 years to 6 years	330,437	308,300	(67,707)	(64,081)	262,730	244,219
Over 6 years	963,642	1,052,233	(395,585)	(419,774)	568,057	632,459
Total (*)	<u>1,672,949</u>	<u>1,727,153</u>	<u>(506,123)</u>	<u>(541,291)</u>	<u>1,166,826</u>	<u>1,185,862</u>

(*) Includes:

	2014 MCh\$	2015 MCh\$
Commercial Leasing Transactions	866,492	888,189
Mortgage Leasing Transactions	280,573	278,882
Consumer Leasing Transactions	19,761	18,791
	<u>1,166,826</u>	<u>1,185,862</u>



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NOTE 11 - INVESTMENT INSTRUMENTS

As of December 31, 2014 and 2015, the detail of financial investments available for sale and held to maturity was as follows:

a) Financial investments

	As of December 31, 2014			As of December 31, 2015		
	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	536,928	—	536,928	786,609	—	786,609
Chilean Central Bank securities	276,487	—	276,487	527,444	—	527,444
Chilean Treasury Bonds	253,999	—	253,999	258,306	—	258,306
Other government securities	6,442	—	6,442	859	—	859
Other financial instruments	105,891	7,175	113,066	148,829	5,543	154,372
Promissory notes related to deposits in local banks	54,162	—	54,162	65,778	—	65,778
Chilean mortgage finance bonds	203	—	203	92	—	92
Chilean financial institution bonds	—	—	—	29,329	—	29,329
Other local investments	51,526	7,175	58,701	53,630	5,543	59,173
Financial instruments Issued abroad	514,077	183,502	697,579	989,350	164,648	1,153,998
Foreign government and central bank instruments	434,392	—	434,392	629,297	—	629,297
Other foreign investments	79,685	183,502	263,187	360,053	164,648	524,701
Impairment provision	—	—	—	—	—	—
Unquoted securities in active markets	—	—	—	—	—	—
Chilean corporate bonds	—	—	—	—	—	—
Other investments	—	—	—	—	—	—
Impairment Provision	—	—	—	—	—	—
Total	<u>1,156,896(*)</u>	<u>190,677</u>	<u>1,347,573</u>	<u>1,924,788(*)</u>	<u>170,191</u>	<u>2,094,979</u>

(*) As of December 31, 2015 this total includes MCh\$88,224 (MCh\$16,914 as of December 31, 2014), 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.

As of December 31, 2015, the portfolio of financial investments available-for-sale includes net unrealized losses and gains, net of taxes, recorded in other comprehensive income.

b) Impairment of investment instruments

All investments quoted in non-active markets and classified as available-for-sale have been recorded at their fair value.



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c) Detail of investments available-for-sale portfolio as of December, 31, 2014 and 2015 are as follows:

	As of December 31, 2014			Fair Value MCh\$
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	
	MCh\$	MCh\$	MCh\$	
Chilean Central Bank and Government securities	535,915	2,320	(1,307)	536,928
Chilean Central Bank and Government securities	275,640	1,606	(759)	276,487
Chilean Central Bank Notes	253,845	702	(548)	253,999
Other government securities	6,430	12	—	6,442
Other Financial Instruments	104,919	972	—	105,891
Promissory notes related to deposits in local banks	53,972	190	—	54,162
Chilean mortgage finance bonds	201	2	—	203
Chilean financial institution bonds	—	—	—	—
Other local investments	50,746	780	—	51,526
Financial instruments Issued abroad	527,667	654	(14,244)	514,077
Foreign government and central bank instruments	447,131	291	(13,030)	434,392
Other foreign investments	80,536	363	(1,214)	79,685
Impairment Provision	—	—	—	—
Unquoted securities in active markets	—	—	—	—
Chilean corporate bonds	—	—	—	—
Other investments	—	—	—	—
Impairment Provision	—	—	—	—
Totals	<u>1,168,501</u>	<u>3,946</u>	<u>(15,551)</u>	<u>1,156,896</u>

As of December 31, 2014, the portfolio of financial assets available for sale includes a net unrealized loss of MCh\$11,605, recorded in *Other Comprehensive Income* within equity (Note 23 *Equity*, letter f).



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	As of December 31, 2015			Fair Value MCh\$
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	
	MCh\$	MCh\$	MCh\$	
Chilean Central Bank and Government securities	796,456	17	(9,864)	786,609
Chilean Central Bank and Government securities	533,393	13	(5,962)	527,444
Chilean Central Bank Notes	262,207	1	(3,902)	258,306
Other government securities	856	3	—	859
Other Financial Instruments	148,508	1,547	(1,226)	148,829
Promissory notes related to deposits in local banks	65,777	5	(4)	65,778
Chilean mortgage finance bonds	88	4	—	92
Chilean financial institution bonds	29,937	—	(608)	29,329
Other local investments	52,706	1,538	(614)	53,630
Financial instruments Issued abroad	1,035,149	165	(45,964)	989,350
Foreign government and central bank instruments	635,925	162	(6,790)	629,297
Other foreign investments	399,224	3	(39,174)	360,053
Impairment Provision	—	—	—	—
Unquoted securities in active markets	—	—	—	—
Chilean corporate bonds	—	—	—	—
Other investments	—	—	—	—
Impairment Provision	—	—	—	—
Totals	<u>1,980,113</u>	<u>1,729</u>	<u>(57,054)</u>	<u>1,924,788</u>

As of December 31, 2015, the portfolio of financial assets available for sale includes a net unrealized loss of MCh\$55,325, recorded in *Other Comprehensive Income* within equity (Note 23 *Equity*, letter g).



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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, 2014			
		Available for sale Portfolio			
Note	Total	Level 1	Level 2	Level 3	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Chilean Central Bank and Government securities	34	536,928	530,486	6,442	—
Chilean Central Bank and Government securities		276,487	276,487	—	—
Chilean Central Bank Notes		253,999	253,999	—	—
Other Chilean Central Bank and Government securities		6,442	—	6,442	—
Other Financial Instruments	34	105,891	—	105,891	—
Promissory notes related to deposits in local banks		54,162	—	54,162	—
Chilean mortgage finance bonds		203	—	203	—
Chilean financial institution bonds		—	—	—	—
Other local investments		51,526	—	51,526	—
Financial instruments Issued abroad	34	514,077	434,392	79,685	—
Foreign government and central bank instruments		434,392	434,392	—	—
Other foreign investments		79,685	—	79,685	—
Impairment Provision		—	—	—	—
Totals		<u>1,156,896</u>	<u>964,878</u>	<u>192,018</u>	<u>—</u>

		As of December 31, 2015			
		Available for sale Portfolio			
Note	Total	Level 1	Level 2	Level 3	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Chilean Central Bank and Government securities	34	786,609	785,750	859	—
Chilean Central Bank and Government securities		527,444	527,444	—	—
Chilean Central Bank Notes		258,306	258,306	—	—
Other Chilean Central Bank and Government securities		859	—	859	—
Other Financial Instruments	34	148,829	—	148,829	—
Promissory notes related to deposits in local banks		65,778	—	65,778	—
Chilean mortgage finance bonds		92	—	92	—
Chilean financial institution bonds		29,329	—	29,329	—
Other local investments		53,630	—	53,630	—
Financial instruments Issued abroad	34	989,350	629,297	360,053	—
Foreign government and central bank instruments		629,297	629,297	—	—
Other foreign investments		360,053	—	360,053	—
Impairment Provision		—	—	—	—
Totals		<u>1,924,788</u>	<u>1,415,047</u>	<u>509,741</u>	<u>—</u>



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NOTE 12 - INVESTMENTS IN OTHER COMPANIES

a) As of December 31, 2014 and 2015 the investments in other companies are detailed as follows:

Company	As of December 31, 2014		As of December 31, 2015		
	Ownership		Ownership		
	%	MCh\$	%	MCh\$	
Nexus S.A.	12.90	1,057	12.90	1,057	
Transbank S.A.	8.72	3,145	8.72	3,249(ii)	
Combanc S.A.	5.29	159	5.86	186(iii)	
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	6.67	864	
Deceval S.A.	(i)	10.76	5,915	10.76	5,294
A.C.H Colombia	(i)	4.22	447	4.21	400
Redeban Multicolor S.A	(i)	1.60	263	1.60	235
Cámara de Compensación Divisas de Col. S.A.	(i)	6.38	68	6.71	71(iv)
Cámara de Riesgo Central de Contraparte S.A.	(i)	2.42	192	2.42	172
Cifin	(i)	9.00	295	—	— (v)
Servibanca - Tecibanca	(i)	4.54	1,130	4.53	1,011
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	(i)	0.97	778	0.67	588(vi)
Fogacol	(i)	150.000 Unit	77	150.000 Unit	69
Total			15,842		14,648

- (i) This corresponds to investments in other companies by its Colombia subsidiaries.
(ii) This corresponds to the purchase of 512,018 shares in the period (MCh\$ 104).
(iii) This corresponds to the purchase of 55 shares of Combanc S.A. in the period (MCh\$27).
(iv) The increase represents the acquisition of 8,450,712 shares for a total value of MCh\$5.
(v) Decrease due to the reclassification of categories of this share, which pass from “Investments in other companies” to “Trading portfolio”.
(vi) Decrease due to the reclassification of categories of this investment, which pass from “Investments in other companies” to “Trading portfolio”.

During as of December 31, 2013, 2014 and 2015, the Bank received dividends from its investment in other companies as follows:

	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Dividends received	1,241	1,799	1,300
Total	1,241	1,799	1,300



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The movements of investment in other companies as of December 31, 2014 and 2015 were the following:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Opening balance at January 1,	13,922	15,842
Investment acquisitions	2,664	136
Investment sales	(16)	(108)
Reclassification	—	(485)
Exchange rate differences	(728)	(737)
Balances as of December 31,	<u>15,842</u>	<u>14,648</u>

b) Business Combination

During 2015 there were no mergers and acquisitions. The following information is provided to supplement with respect to intangible assets, impairment, etc.

b.1) Business Combination Banco CorpBanca Colombia and Subsidiaries with Helm Bank and Subsidiaries.

a. Overview

- On July 4, 2013, the Chilean Central Bank (BCCH in Spanish) authorized CorpBanca to make an investment abroad consisting of the acquisition through its subsidiary Banco CorpBanca Colombia S.A. (domiciled in Bogota, Colombia, the “Acquirer”) of up to 100% of Helm Bank S.A., including its subsidiaries in Colombia, which provide complementary services through the subsidiaries Helm Comisionista and Helm Fiduciaria, Panama and the Cayman Islands (the “Acquirees”), with the purpose of subsequently merging both banks incorporated in Colombia; and for CorpBanca Chile (“the Buyer”) to directly acquire up to 80% of the shares of Helm Corredores de Seguros S.A., (“the Acquiree”, domiciled in Colombia). In terms of the subsidiaries owned by Helm Bank S.A in Panama and the Cayman Islands, BCCH did not directly authorize CorpBanca Chile to invest in them. It resulted as a necessary consequence of the acquisition of their parent company Helm Bank S.A. under the terms authorized by the SBIF. The SBIF established for CorpBanca Chile the obligation to liquidate the operations of the subsidiary incorporated in the Cayman Islands once it took control of the parent company in the shortest time possible and under the terms and conditions set forth in the relevant SBIF ruling.
- As a result, CorpBanca Colombia committed to acquire the voting and non-voting shares of Helm Bank S.A. and subsidiaries. As part of the agreement, CorpBanca Colombia committed to acquiring up to 100% of the preferential dividend and non-voting shares (preferential shares).
- It acquired, for merger purposes, 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 close and 1,656,579,084 common shares, which represent 40.86% of the outstanding common shares (35.81% of subscribed and paid capital) of Helm Bank during the second close 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 and paid capital of Helm Bank, for purchases made on August 6 and 29, 2013.
- 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 close, 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 SPA 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 therefore retaining a total interest of 99.78% of subscribed and paid capital.



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- As explicitly legally required, CorpBanca Colombia and Helm Bank had to merge within the year following the date of the first acquisition of shares of Helm Bank (i.e. before August 6, 2014).
- On July 1, 2014, the merger between CorpBanca Colombia S.A., as the surviving entity, and Helm Bank S.A., as the absorbed entity, was formalized. As a result, Helm Bank S.A. is dissolved without being liquidated and all of its assets, rights and obligations are transferred fully to the absorbing entity.

The acquired interests are summarized as follows:

<u>Closing</u>	<u>Share Type</u>	<u>Total No. of Shares</u>	<u>No. of Shares Acquired</u>	<u>Ownership Interest by Share Type (%)</u>	<u>Total Ownership Interest (%)</u>
		(a)	(b)	(b)/(a)	
First	Common	—	2,387,387,295	58.89%	51.61%
Second	Common	—	1,656,579,084	40.86%	35.81%
Subtotal		4,054,076,213	4,043,966,379	99.75%	87.42%
Third	Preferential	571,749,459	571,749,459	100.00%	12.36%
		4,625,825,672	4,615,715,838	—	99.78%

b. Main Reasons for the Purchase

After receiving the necessary regulatory authorizations from regulators in Chile, Colombia, Panama and the Cayman Islands, the Bank took control of Helm Bank and subsidiaries through its subsidiary Banco CorpBanca Colombia. With the recent acquisition of Helm Bank and its subsequent 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.

c. Detail of Assets Acquired and Liabilities Assumed

1. The fair values presented as of December 31, 2013, in the audited consolidated financial statements (see (1) in section 3.1 of the table below) were calculated on a provisional basis determined by skilled professionals that were independent from CorpBanca and subsidiaries (the Group).
2. In accordance with IFRS 3 *Business Combinations*, if the purchase price allocation is accounted for provisionally, at the end of the accounting period in which the combination takes place the Group should report the provisional amounts of the incomplete items in its consolidated financial statements. During the measurement period, CorpBanca will retroactively adjust the provisional amounts recognized as of the date of acquisition to reflect the new information obtained regarding the facts and circumstances that existed as of the date of acquisition that, had they been known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer will also recognize additional assets or liabilities if new information is obtained regarding facts and circumstances that existed as of the date of acquisition that, had they been known, would have resulted in recognition of these assets and liabilities as of that date. The measurement period will end as soon as the Group receives the information that it was looking for regarding the facts and circumstances that existed as of the date of acquisition or concludes that no more information can be obtained. However, the measurement period shall not exceed one year (in our case August 6, 2014) from the date of acquisition described above.
3. During the measurement period, the Group retroactively adjusted the fair values determined on a provisional basis in accordance with IFRS 3. (see (2) of section 3.1 of the table below).



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This had no impact on the Consolidated Statements of Income for the period 2013.

3.1 Fair Value of the Identifiable Assets and Liabilities of Helm Bank and Subsidiaries as of the Date of Acquisition (August 6, 2013):

	Fair Value Recognized at Acquisition Date		Difference in Amounts at Close of Measurement Period	Observation
	Provisional (1) MCh\$ (c.1, c.2, a)	Final (2) MCh\$ (c.3)		
Total net identifiable assets at fair value	364,233	360,042	(4,191)	
Non-controlling interest at fair value	(1,485)	(1,485)	—	(b)
Intangible assets	146,384	142,201	(4,183)	(k)
Contingent liabilities	(3,703)	(1,054)	2,649	(h)
Net deferred taxes	(48,521)	(47,832)	689	(i)
Deferred taxes (mercantile loan)	31,585	27,990	(3,595)	(g)
Subtotal fair value	(i) 488,493	479,862	(8,631)	
Goodwill arising in acquisition	(ii) 189,622	198,253	8,631	(c,e)
Total value of company	(i) + (ii) 678,115	678,115	—	
Net cash received with subsidiary	349,245	349,245	—	(j)
Cash payment	(596,004)	(596,004)	—	(j)
Net cash disbursement	(i) (246,759)	(246,759)	—	
Liability for preferential shares	(ii) (83,998)	(83,998)	—	(j)
Total value of company	(i) + (ii) (330,757)	(330,757)	—	

- (a) 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, 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 or others of the investees that have the ability to direct relevant activities.
 - The right to direct the activities of investees for the benefit of the bank.
- (b) 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.
- (c) The Group valued goodwill as of the acquisition date, taking into account the following factors:



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- Fair value of the consideration transferred;
 - The fair value of any non-controlling interest in the acquiree, plus
 - If the business combination is performed in stages (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).
- (e) The goodwill of MCh\$ 198,253 recognized as of the date of acquisition was attributed to expected synergies and other benefits arising from the combination of the entities' assets and activities. This goodwill 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\$ 8,631.
- (f) As of the date of acquisition, the fair value of loans and receivables (including loans and advances to banks) totaled MCh\$3,015,395 and their gross amount was MCh\$ 3,142,532.
- (g) A deferred tax asset must be recognized as part of the purchase price allocation for the mercantile tax credit 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 *Income Taxes*. The amount for this deferred tax for the mercantile tax credit is MCh\$ 27,990.
- (h) As of the date of acquisition, a contingent liability with a fair value of 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 variations in its value, giving a final amount of MCh\$ 1,054.
- (i) The acquirer recorded and measured deferred tax assets and/or liabilities that arose from the aforementioned assets acquired and liabilities assumed in accordance with IAS 12. The acquirer accounted for the tax effects of temporary differences that existed as of the acquisition date, totaling MCh\$47,832.
- (j) The total consideration transferred in the transaction was MCh\$ 596,004. Net cash received for cash flow purposes was MCh\$ 246,759. In 2013 and 2014, the line item "Acquisition of Subsidiary Helm Bank, net of cash acquired" was added to the cash flow statement. This includes the net cash disbursement for the purchase of Helm Bank S.A. and subsidiaries, detailed as follows:

	<u>2014</u>	<u>2013</u>
	MCh\$	MCh\$
Helm Bank and subsidiaries	83,998	246,759
Helm Corredor de Seguros	(*) —	8,685
Net cash disbursement for acquisition	<u>83,998</u>	<u>255,444</u>

- (*) Included in section business combination CorpBanca Chile and Helm Corredor de Seguros S.A..
- (k) The fair value was assigned to intangible assets (mainly related to customers and licenses for MCh\$ 142,201) and their respective deferred taxes. See Note 13 *Intangible Assets* to these consolidated financial statements.
- (l) The transaction did not include any agreements involving contingent considerations.
- (m) Since the acquisition date, during the 2013 period Helm Bank and 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



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and adjustment 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.

- (n) The acquisition-related transaction costs of MCh\$ 3,935, mainly for external legal fees and due diligence costs, are charged to administrative expenses in the Consolidated Statement of Income and included within cash flows from operating activities in the Statement of Cash Flows.
- (o) 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. In other words, they will be expressed in the same functional currency of the company (the Colombian peso) and will be converted at the closing exchange rate (COP to Ch\$ exchange rate for parent company accounting purposes) in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

b.2) Business Combination – Banco CorpBanca Chile and Helm Corredor de Seguros S.A.

c. Overview

As part of the transaction with Helm, Banco CorpBanca Chile, domiciled in Chile, acquired 80.00% of the shares with voting rights of Helm Corredor de Seguros S.A.. This company, created January 16, 1985, is engaged in brokering insurance, under the supervision of the Colombian Financial Superintendency. It is domiciled in Bogota. This entity was common controlled by the same party as Helm Bank S.A. prior to its acquisition by the Bank.

d. 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.

e. 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>9,104</u>
Net cash received from subsidiary	419
Gross cash consideration	(9,104)
Net cash consideration paid	<u>(8,685)</u>



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f. Important Matters Regarding the Acquisition

- The same criteria described for the business combination between CorpBanca Colombia and subsidiaries and Helm Bank and subsidiaries in sections c.1, c.2 and 3.3 letters a), b), c), d), i), j), k), l) and o) were used for this transaction. No adjustments were made during the measurement period.
- As of the acquisition date, no contingent liabilities were determined.
- Since the acquisition date, during the 2013 period 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. If the combination had occurred at the beginning of the period (January 1, 2013), net interest and adjustment 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.

g. Reconciliation of Carrying Amount of Goodwill.

Goodwill is tested annually to determine whether impairment exists (as of December 31, of each year) and when circumstances indicate that its carrying amount 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 carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

The following table reconciles the carrying amount of goodwill at the beginning and end of the period:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
As of January 01,	420,623	386,180
Increase in goodwill due to acquisitions during the period	—	—
Net translation adjustments arising during the period	(34,443)	(40,560)
Adjustment from provisional to final amounts - business combination	—	—
Impairment losses recognized during the period	—	—
As of December 31,	<u>386,180</u>	<u>345,620</u>



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NOTE 13 - INTANGIBLE ASSETS

a) Intangible assets as of December 31, 2014 and 2015 consist of the following:

<u>Concept</u>	<u>As of December 31, 2014</u>				
	<u>Useful life years</u>	<u>Remaining amortization years</u>	<u>Gross balance</u> MCh\$	<u>Accumulated amortization</u> MCh\$	<u>Net Balance</u> MCh\$
Integrated banking system (1)	15	2	9,147	(6,074)	3,073
Computer equipment system or software	5	3	34,225	(22,243)	11,982
IT Projects	7	7	35,186	(11,576)	23,610
CorpBanca Colombia acquisition			751,045	(32,593)	718,452
-Goodwill	—	—	386,180	—	386,180
-License	—	—	46,797	—	46,797
-Trademark	4	3	7,466	(1,703)	5,763
-Other intangibles	6	4	2,881	(1,019)	1,862
-Customer relationship	21	19	307,721	(29,871)	277,850
Other projects	6	2	1,383	(723)	660
Total			<u>830,986</u>	<u>(73,209)</u>	<u>757,777</u>

<u>Concept</u>	<u>As of December 31, 2015</u>				
	<u>Useful life years</u>	<u>Remaining amortization years</u>	<u>Gross balance</u> MCh\$	<u>Accumulated amortization</u> MCh\$	<u>Net Balance</u> MCh\$
Integrated banking system (1)	15	2	9,248	(7,350)	1,898
Computer equipment system or software	5	1	41,621	(27,889)	13,732
IT Projects	7	6	40,006	(16,200)	23,806
CorpBanca Colombia acquisition			671,693	(46,452)	625,241
-Goodwill	—	—	345,620	—	345,620
-License	—	—	42,277	—	42,277
-Trademark	4	2	7,200	(3,556)	3,644
-Other intangibles	6	4	2,065	(740)	1,325
-Customer relationship	21	18	274,531	(42,156)	232,375
Other projects	6	2	2,239	(1,652)	587
Total			<u>764,807</u>	<u>(99,543)</u>	<u>665,264</u>

- (1) Integrated Banking System (IBS) corresponds to the main operating system software of the Bank that replaced a number of systems, providing us with a single, central electronic database that gives us up-to-date customer information in each of our business lines and calculates net earnings and profitability of each product and client segment.



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b) The movement of intangible assets in the period ended December 31, 2014 and 2015 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, 2014	9,086	27,948	30,527	815,812	1,703	885,076
Purchases	52	7,942	4,985	—	59	13,038
Retirements	(13)	(313)	(1)	—	(379)	(706)
Exchange differences	22	(1,352)	(325)	(64,767)	—	(66,422)
Others	—	—	—	—	—	—
Balances as of December 31, 2014	<u>9,147</u>	<u>34,225</u>	<u>35,186</u>	<u>751,045</u>	<u>1,383</u>	<u>830,986</u>
	Integrated banking system MCh\$	Computer equipment system or software MCh\$	IT Projects MCh\$	Intangible arising from business combination- Colombia (**) MCh\$	Others MCh\$	Total MCh\$
Balance as of January 1, 2015	9,147	34,225	35,186	751,045	1,383	830,986
Purchases	34	12,175	5,120	—	56	17,385
Retirements	—	(129)	—	—	(374)	(503)
Exchange differences	67	(4,650)	(300)	(79,352)	1,174	(83,061)
Others	—	—	—	—	—	—
Balances as of December 31, 2015	<u>9,248</u>	<u>41,621</u>	<u>40,006</u>	<u>671,693</u>	<u>2,239</u>	<u>764,807</u>

(**) As of December 31, 2014 and 2015, intangible assets after amortization and the effects of exchange differences expressed in MCh\$, consist of the following:

	2014 MCh\$	2015 MCh\$	Note	
Goodwill	386,180	345,620	31	Indefinite useful life
License	46,797	42,277	31	Indefinite useful life
Trademarks	5,763	3,644		
Indefinite	1,206	988	31	Indefinite useful life
Others	4,557	2,656		
Other intangibles	1,862	1,325		
Others	1,399	944		
Database	463	381	31	Indefinite useful life
Customer relationship	277,850	232,375		
	<u>718,452</u>	<u>625,241</u>		
	434,646	389,266	31	Total Indefinite useful life



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c) Movements of accumulated amortization of intangible assets as of December 31, 2015 and 2014 are detailed 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, 2014	(4,869)	(12,505)	(7,195)	(18,557)	(580)	(43,706)
Amortization (Note 31)	(1,203)	(10,427)	(4,381)	(21,628)	(147)	(37,786)
Exchange differences	(15)	681	—	7,592	—	8,258
Others	13	8	—	—	4	25
Balances as of December 31, 2014	<u>(6,074)</u>	<u>(22,243)</u>	<u>(11,576)</u>	<u>(32,593)</u>	<u>(723)</u>	<u>(73,209)</u>
	Integrated banking system MCh\$	Computer equipment system or software MCh\$	IT Projects MCh\$	Intangible arising from business combination- Colombia MCh\$	Others MCh\$	Total MCh\$
Balance as of January 1, 2015	(6,074)	(22,243)	(11,576)	(32,593)	(723)	(73,209)
Amortization (Note 31)	(1,216)	(7,411)	(4,624)	(17,058)	(929)	(31,238)
Exchange differences	(60)	1,765	—	3,199	—	4,904
Others	—	—	—	—	—	—
Balances as of December 31, 2015	<u>(7,350)</u>	<u>(27,889)</u>	<u>(16,200)</u>	<u>(46,452)</u>	<u>(1,652)</u>	<u>(99,543)</u>

d) As of December 31, 2014 and 2015, the Bank has entered into the following contractual commitments for the acquisition of intangible assets:

	As of December 31,	
	2014	2015
	MCh\$	MCh\$
License detail:		
Microsoft	1,185	212

e) 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.



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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 for intangible assets with indefinite useful lives, at any time 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 subsidiaries conducted impairment testing for unamortized assets, including intangible assets that are still not in use, and concluded that no impairment exists.

f) Determination of intangible assets with indefinite useful lives.

Intangible assets with indefinite useful life (license, trademark and database) arising from business combinations made by the Bank, were determined by evaluating the factors described in International Financial Reporting Standards highlighting the following:

- Intended use of the particular asset, by the Bank, and whether (the) item (s) could (n) be managed efficiently by another management team.
- The product life-cycle, as well as public information on estimates of useful lives of similar assets that are used when therefore similar view of their nature.
- Expected performance of main competitors to the industry or market, whether actual or potential.
- Ability and willingness of the Bank to achieve the levels of maintenance expenditure required to obtain the expected economic benefits of the asset.
- Incidence of technical technological or commercial obsolescence or that otherwise applicable to the industry or market.
- Period in which the asset is controlled, if it were limited, and the limits, legal or otherwise, regarding the use of the element.
- Evaluation of the dependence of the useful life of certain assets over the useful life of other assets of the Bank.

The factors described are then used to perform the impairment tests carried out in accordance with IAS 36 *Impairment of Assets* to unamortized intangible assets, see Note 31 *Depreciation, Amortization and Impairment*, letter b) *Impairment*.

g) As of December 31, 2014 and 2015, the Bank and its subsidiaries have no restrictions on intangible assets. In addition, no intangible assets have been given in guarantee for compliance of any obligations. There are also no amounts owed by the Bank on intangible assets as of the aforementioned dates.



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NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

a) Property, plant and equipment for the periods ended December 31, 2014 and 2015 is as follows:

Item	As of December 31, 2014				
	Useful life	Remaining	Gross	Accumulated	Net
	years	amortization	balance	depreciation	Balance
			MCh\$	MCh\$	MCh\$
Land and buildings	21	17	83,239	(15,844)	67,395
Equipment	5	3	41,560	(27,080)	14,480
Other	10	5	24,427	(13,660)	10,767
- Furnitures			18,372	(11,278)	7,094
- Leasing assets			1,542	(354)	1,188
- Others			4,513	(2,028)	2,485
Total			149,226	(56,584)	92,642

Item	As of December 31, 2015				
	Useful life	Remaining	Gross	Accumulated	Net
	years	amortization	balance	depreciation	Balance
			MCh\$	MCh\$	MCh\$
Land and buildings	21	16	76,448	(13,960)	62,488
Equipment	5	3	42,205	(23,749)	18,456
Other	10	5	22,646	(11,960)	10,686
- Furnitures			18,436	(10,921)	7,515
- Leasing assets			1,542	(708)	834
- Others			2,668	(331)	2,337
Total			141,299	(49,669)	91,630

The useful lives presented herein are those 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.

b) The movement of property, plant and equipment for the periods ended December 31, 2014 and 2015:

	Land and buildings	Equipment	Other	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Balances as of January 1, 2014	86,452	38,018	22,854	147,324
Purchases	3,374	7,729	3,052	14,155
Retirements	(2,035)	(958)	(271)	(3,264)
Impairment (*)	—	(1,308)	—	(1,308)
Other	(4,552)	(1,921)	(1,208)	(7,681)
Balances as of December 31, 2014	83,239	41,560	24,427	149,226



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	<u>Land and buildings</u> MCh\$	<u>Equipment</u> MCh\$	<u>Other</u> MCh\$	<u>Total</u> MCh\$
Balances as of January 1, 2015	83,239	41,560	24,427	149,226
Purchases	7,451	9,601	2,825	19,877
Retirements	(4,346)	(1,970)	(592)	(6,908)
Impairment (*)	—	(332)	—	(332)
Exchange differences	(9,895)	(6,911)	(1,200)	(18,006)
Other	(1)	257	(2,814)	(2,558)
Balances as of December 31, 2015	<u>76,448</u>	<u>42,205</u>	<u>22,646</u>	<u>141,299</u>

(*) Impairment for technological obsolescence as a result of new regulations on ATMs (decree 222 dated October 30, 2013 from the Ministry of Internal Affairs and Public Safety of Chile), accounted for in accordance with IAS 36 Impairment of Assets.

c) Movements of accumulated depreciation of property, plant and equipment as of December 31, 2015 and 2014, are detailed as follows:

	<u>Land and buildings</u> MCh\$	<u>Equipment</u> MCh\$	<u>Other</u> MCh\$	<u>Total</u> MCh\$
Balances as of January 1, 2014	(12,046)	(26,497)	(10,539)	(49,082)
Depreciation	31 a) (5,775)	(4,138)	(3,914)	(13,827)
Sales and Retirements	873	1,078	(133)	1,818
Other	1,104	2,477	926	4,507
Balances as of December 31, 2014	<u>(15,844)</u>	<u>(27,080)</u>	<u>(13,660)</u>	<u>(56,584)</u>

	<u>Land and buildings</u> MCh\$	<u>Equipment</u> MCh\$	<u>Other</u> MCh\$	<u>Total</u> MCh\$
Balances as of January 1, 2015	(15,844)	(27,080)	(13,660)	(56,584)
Depreciation	31 a) (4,121)	(4,598)	(2,948)	(11,667)
Sales and Retirements	696	1,099	908	2,703
Other	5,309	6,830	3,740	15,879
Balances as of December 31, 2015	<u>(13,960)</u>	<u>(23,749)</u>	<u>(11,960)</u>	<u>(49,669)</u>



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d) As of December 31, 2014 and 2015, 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			
	<u>Up to 1 Year</u> MCh\$	<u>From 1 to 5 Years</u> MCh\$	<u>Over 5 Years</u> MCh\$	<u>Total</u> MCh\$
As of December 31, 2014	10,020	33,329	47,797	91,146
As of December 31, 2015	11,249	40,264	55,191	106,704

e) As of December 31, 2014 and 2015, 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			
	<u>Up to 1 Year</u> MCh\$	<u>From 1 to 5 Years</u> MCh\$	<u>Over 5 Years</u> MCh\$	<u>Total</u> MCh\$
As of December 31, 2014	600	4	—	604
As of December 31, 2015	4	—	—	4

f) As of December 31, 2014 and 2015, 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 recoverable taxes recognized as of December 31, 2015 was MCh\$4,447 (current recoverable taxes payable MCh\$1,608 as of December 31, 2014). The income tax provision (net of recoverable taxes) is as follows:

	As of December 31, 2014		
	Chile MCh\$	New York MCh\$	Colombia MCh\$
Current tax assets	44,433	677	40,298
Current tax liabilities	(63,142)	(1,194)	(19,464)
Net total	(18,709)	(517)	20,834
Assets	20,834		
Liabilities	(19,226)		
Total	1,608		

	As of December 31, 2015		
	Chile MCh\$	New York MCh\$	Colombia MCh\$
Current tax assets	53,303	2,467	55,382
Current tax liabilities	(95,042)	(3,185)	(8,478)
Net total	(41,739)	(718)	46,904
Assets	46,904		
Liabilities	(42,457)		
Total	4,447		

Effect of current taxes by geographic area:

	As of December 31, 2014		
	Chile MCh\$	New York MCh\$	Colombia MCh\$
Income tax	63,142	1,194	19,464
Less:			
Monthly Provisional Payment	(39,069)	(677)	(40,298)
Tax Credit for Training Costs	(760)	—	
Tax Credit for Donations	(1,261)	—	
Tax Credit for Property Taxes on leased real estate assets	(1,307)	—	
Other taxes to be recovered (1)	(2,036)	—	
Total	18,709	517	(20,834)



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	As of December 31, 2015		
	<u>Chile</u> MCh\$	<u>New York</u> MCh\$	<u>Colombia</u> MCh\$
Income tax	95,042	3,185	8,478
Less:			
Monthly Provisional Payment	(50,269)	(2,467)	(55,382)
Tax Credit for Training Costs	(641)	—	
Tax Credit for Donations	(1,603)	—	
Tax Credit for Property Taxes on leased real estate assets	0	—	
Other taxes to be recovered (1)	(790)	—	
Total	<u>41,739</u>	<u>718</u>	<u>(46,904)</u>

b) Effect on income

The tax expense for the years ended December 31, 2013, 2014 and 2015 is comprised of the following items:

	As of December 31,		
	<u>2013</u> MCh\$	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Income Tax Expense			
Current tax expense	(82,327)	(83,800)	(106,705)
Deferred taxes			
Deferred tax expenses / (benefit)	18,940	1,190	5,291
Subtotal	<u>(63,387)</u>	<u>(82,610)</u>	<u>(101,414)</u>
Others	(1,104)	(243)	4,737
Net expense for income taxes	<u>(64,491)</u>	<u>(82,853)</u>	<u>(96,677)</u>

c) Effective tax rate reconciliation

The following table reconciles the income tax rate to the effective rate applied to determine the Bank's income tax expense as of December 31, 2015 and 2014.

The nominal tax rates of the countries where consolidated subsidiaries are located are:

<u>Country</u>	<u>2013</u> Rate	<u>2014</u> Rate	<u>2015</u> Rate
Chile	20.0%	21.0%	22.5%
Colombia	34.0%	34.0%	39.0%
United States	34.0%	34.0%	34.0%



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	As of December 31,					
	2013		2014		2015	
	Tax Rate	Amount	Tax Rate	Amount	Tax Rate	Amount
	%	MCh\$	%	MCh\$	%	MCh\$
Calculation of Statutory Rate	20.0	46,348	21.0	72,397	22.5	75,369
Permanent and other differences (*)	4.4	10,798	2.6	11,727	10.2	34,338
Effect of rate change Chile (1)	0.0	—	(0.1)	(369)	(2.8)	(9,373)
Effect of rate change Colombia (2)	0.0	(82)	0.3	890	0.0	(135)
Intangible assets business combination	(3.7)	(8,531)	(5.4)	(18,496)	(6.2)	(20,759)
Effect of rates New York subsidiary (**)	0.6	1,421	0.2	704	0.2	790
Effect of rates Colombia (**)	6.2	14,537	4.6	16,000	4.9	16,447
	<u>27.5</u>	<u>64,491</u>	<u>23.2</u>	<u>82,853</u>	<u>28.8</u>	<u>96,677</u>

(*) This line contains permanent differences.

(**) This line reflects the differences in tax rates in other jurisdictions, based on the Bank's consolidated results.

(1) In September 2014, Law 20,780 was published in the Official Gazette. The law modifies the income tax system in order to increase revenue collection to finance education reform, make taxation more equitable and improve the current tax system.

One of the most important changes introduced by the tax reform is the creation of two separate taxation systems in the Income Tax Law: the "attributed income" system and the "semi-integrated" system. This law also called for a gradual increase in the corporate income tax rate from 20% in 2013 to:

Years	2014	2015	2016	2017	2018
Rates	21%	22.5%	24%	25.5%	27%

Beginning in 2017, the applicable tax rate will depend on the tax system chosen. Taxpayers choosing the "Attributed Income" system will have a final rate of 25% while those choosing the "Semi-Integrated" system will have a transitory rate of 25.5% in 2017 and a final rate of 27% in 2018 and beyond.

The impact of this rate change on deferred taxes resulted in a credit to profit for the period of MCh\$9.373 (MCh\$369 in 2014).

(2) In December 2014, Law 1,739 was published in Colombia. This new law modified both the Tax Statutes and Law 1,607 and also created mechanisms to prevent tax evasion.

Among the more important modifications introduced by the Colombian tax reform were a gradual and transitory increase in income taxes between 2015 and 2018. This modification will raise the income tax rate in Colombia from 34%, in effect for commercial year 2014, to:

Years	2015	2016	2017	2018
Rates	39%	40%	42%	43%

The impact of this rate change on deferred taxes resulted in a charge to profit for the period of MCh\$135 (credit of MCh\$890 in 2014 for the effect of the tax reform in Law 1,739 on December 23, 2014).



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d) Other comprehensive income – tax effects

The table below sets for a summary of the deferred tax effect on other comprehensive income for the periods ended December 31, 2014 and 2015, which consists of the following items:

i) Tax effect of “OCI” that may be reclassified to profit in subsequent periods:

	As of December 31,		
	2013	2014	2015
	MCh\$	MCh\$	MCh\$
Financial assets available-for sale	(911)	2,310	10,904
Hedge of a net investment in New York Branch	568	1,371	2,758
Cash flow hedge	842	(1,090)	1,104
Total charge to other comprehensive income	499	2,591	14,766

ii) “OCI” that will not be reclassified subsequently to profit or loss:

	As of December 31,		
	2013	2014	2015
	MCh\$	MCh\$	MCh\$
Remeasurement of defined benefit obligation	3,300	1,442	90
Income tax relating to defined benefit obligation	(1,122)	(562)	(35)
Total charge to other comprehensive income	2,178	880	55

e) Effect of deferred taxes

Effect of deferred taxes by geographic area:

	As of December 31, 2015			Total
	Chile	New York	Colombia	
	MCh\$	MCh\$	MCh\$	MCh\$
Deferred tax assets	51,977	8,671	53,330	113,978
Deferred tax liabilities	(53,763)	—	(91,977)	(145,740)
Net by geographic area	(1,786)	8,671	(38,647)	(31,762)
Net total	MCh\$			
Assets	8,671			
Liabilities	(40,433)			

Below are the effects of deferred taxes on assets and liabilities assigned as a result of temporary differences (by geographic area):



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	As of December 31, 2014		
	<u>Chile</u> MCh\$	<u>New York</u> MCh\$	<u>Colombia</u> MCh\$
Loan Provisions	24,597	2,123	18,489
Accrued interest and indexation past due portfolio	4,038	—	—
Unaccrued price difference	78	—	—
Personnel provisions	266	—	6,924
Miscellaneous provisions	8,880	453	5,003
Subsidiary tax loss	6,205	—	—
Net tax value of amortizable assets	2,234	—	8,629
Depreciation of property, plant and equipment	(1,752)	(57)	(4,656)
Lease division and others	(2,867)	—	—
Market value of financial instruments	(23,723)	—	(33,542)
Intangible assets Corpbanca Colombia	(65,373)	—	(42,969)
Intangible assets mercantile credit CorpBanca Colombia	—	—	24,150
Other	(1,367)	183	(9,837)
Total asset (liability), net	(48,784)	2,702	(27,809)
Assets	2,702		
Liabilities	(76,593)		

	As of December 31, 2015		
	<u>Chile</u> MCh\$	<u>New York</u> MCh\$	<u>Colombia</u> MCh\$
Loan Provisions	25,665	5,122	23,711
Accrued interest and indexation past due portfolio	5,421	—	—
Unaccrued price difference	86	—	—
Personnel provisions	390	—	6,140
Miscellaneous provisions	15,034	638	7,795
Subsidiary tax loss	7,304	—	—
Net tax value of amortizable assets	1,667	—	11,754
Depreciation of property, plant and equipment	(689)	(254)	(8,665)
Lease division and others	20,285	—	—
Market value of financial instruments	(13,252)	—	(45,595)
Intangible assets Corpbanca Colombia	(55,558)	—	(35,621)
Intangible assets mercantile credit CorpBanca Colombia	—	—	885
Other	(5,930)	2,742	(837)
Total asset (liability), net	423	8,248	(40,433)
Assets	8,671		
Liabilities	(40,433)		



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NOTE 16 - OTHER ASSETS

a) The detail of other assets is as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Rentals in advance (1)	18,157	16,805
Accounts and Notes receivable	118,959	94,649
Prepaid expenses	34,397	37,002
Projects under development (2)	32,899	32,797
Assets for Leasing (3)	57,022	52,388
Assets received in lieu of payment (4)	5,255	2,024
Margin accounts	115,949	171,626
Other	32,629	31,032
Total	<u>415,267</u>	<u>438,323</u>

- (1) Rent paid in advance to SMU by the places to install ATMs (See Note 33 *Related Party Transactions*, letter 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 sale and have 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.

b) The change due to received assets in lieu of payment during 2014 and 2015 is as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Balance as of January 1	4,347	5,255
Receipts	3,550	2,171
Sales	(2,691)	(5,402)
Provision	49	—
Balance as of December 31	<u>5,255</u>	<u>2,024</u>



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NOTE 17 - CURRENT ACCOUNTS, DEMAND DEPOSITS, TIME DEPOSITS AND SAVING ACCOUNTS

a) As of December 31, 2014 and 2015 “Current accounts and demand deposits” consist of the following:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Current Accounts	1,671,220	1,833,746
Other deposits and demand accounts	2,067,625	2,391,431
Advance payments received from customers	86,029	171,707
Other demand liabilities	<u>130,074</u>	<u>34,735</u>
Total	<u>3,954,948</u>	<u>4,431,619</u>

b) As of December 31, 2014 and 2015 “Time deposits and saving accounts” consist of the following:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Time deposits	7,950,992	8,463,703
Term Savings Accounts	31,556	31,573
Other term creditors	<u>94,418</u>	<u>327</u>
Total	<u>8,076,966</u>	<u>8,495,603</u>

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NOTE 18 - BORROWINGS FROM FINANCIAL INSTITUTIONS

As of December 31, 2014 and 2015, borrowings from financial institutions include the following:

	2014	2015
	MChS	MChS
Loans obtained from the Chilean Central Bank	—	—
Subtotal	—	—
Loans obtained from local financial institutions	—	536
Subtotal	—	536
Loans obtained from foreign financial institutions		
Apple Bank for saving	9,026	14,147
Bancaribe Curaçao Bank	—	14,217
Banco Aliado S.A., Panamá	6,060	3,552
Banco Bogota - Colombia	6,058	—
Banco Crédito del Peru	21,201	17,775
Banco Estado (New York)	30,470	14,234
Banco Latinoamericano de Comercio Exterior SA	5,445	58,861
Banco de Comercio Exterior de Colombia - Bancoldex	41,209	28,885
Bancolombia	8,512	—
Banco República, Uruguay	393	11,348
Bank of America, N.A.	60,779	115,915
Bank of Montreal Toronto	84,693	36,894
Bank of New York	29,484	38,904
Bank of Nova Scotia	33,239	10,414
Bank of Taiwan	21,938	11,389
Bank Tokio-Mitsubishi	30,086	—
Banque Nationale Du Canada	30,086	24,757
BNP Paribas	30,086	24,757
Citibank N.A.	137,745	118,225
Commerzbank A.G.	120,861	97,659
Corporacion Andina de Fomento	30,333	35,340
Corporacion Financiera de Desarrollo S.A.	—	42,746
Credicorp Capital S.A.	—	60,734
Finagro - Colombia	10,044	7,379
Findeter S.A.-Financiera del Desarrollo Territorial	69,322	66,133
Global Bank Corporation	6,055	—
HSBC England	27,078	28,294
HSBC USA	30,086	28,294
Kookmin Bank of New York	—	17,808
Mercantil Commercebank	23,965	39,127
Mizuho Bank	30,086	24,757
OCBC Bank	24,069	—
Royal Bank of Scotland	27,078	—
Standard Chartered Bank	107,236	55,345
Sumitomo Mitsui Banking Corporation	84,907	128,792
Taiwan Cooperative Bank	—	21,480
Wells Fargo Bank, N.A.	146,362	180,493
Banco de la producción S.A.	20,611	22,502
Other banks	87,320	126,892
Subtotal	1,431,923	1,528,049
Total	1,431,923	1,528,585



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CORPBANCA AND SUBSIDIARIES
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The detail of borrowings from financial institutions by maturity is as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Due within 1 year	934,076	1,131,837
Due within 1 year but within 2 years	384,363	269,271
Due within 2 years but within 3 years	26,961	55,152
Due within 3 years but within 4 years	17,263	7,963
Due within 4 years but within 5 years	11,073	5,309
Due after 5 years	58,187	59,053
	<u>1,431,923</u>	<u>1,528,585</u>



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NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL OBLIGATIONS

a) As of December 31, 2014 and 2015 the composition of these items is as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
I. Debt issued		
Letters of credit	98,444	79,761
Bonds	2,078,358	2,215,515
Subordinated bonds	902,248	932,278
Subtotal	<u>3,079,050</u>	<u>3,227,554</u>
II. Other financial obligations		
Public Sector liabilities	5,378	3,629
Borrowings from domestic financial institutions	8,673	9,236
Foreign Borrowings	1,371	1,610
Subtotal	<u>15,422</u>	<u>14,475</u>
Total	<u>3,094,472</u>	<u>3,242,029</u>

b) 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:

	<u>As of December 31, 2014</u>		
	<u>Long Term</u>	<u>Short Term</u>	<u>Total</u>
	MCh\$	MCh\$	MCh\$
Letters of credit	81,330	17,114	98,444
Bonds	1,858,576	219,782	2,078,358
Subordinated bonds	902,248	—	902,248
I. Debt issued	<u>2,842,154</u>	<u>236,896</u>	<u>3,079,050</u>
II. Other financial obligations	<u>5,161</u>	<u>10,261</u>	<u>15,422</u>
	<u>As of December 31, 2015</u>		
	<u>Long Term</u>	<u>Short Term</u>	<u>Total</u>
	MCh\$	MCh\$	MCh\$
Letters of credit	67,334	12,427	79,761
Bonds	1,876,960	338,555	2,215,515
Subordinated bonds	904,991	27,287	932,278
I. Debt issued	<u>2,849,285</u>	<u>378,269</u>	<u>3,227,554</u>
II. Other financial obligations	<u>3,534</u>	<u>10,941</u>	<u>14,475</u>



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c) The detail of letter of credit by maturity is as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Due within 1 year	17,114	12,427
Due after 1 year but within 2 years	10,100	10,188
Due after 2 years but within 3 years	10,776	8,620
Due after 3 years but within 4 years	9,133	7,806
Due after 4 years but within 5 years	8,302	7,094
Due after 5 years	43,019	33,626
Total	<u>98,444</u>	<u>79,761</u>

d) The detail of bonds issued is as follows:

	Expiration Date	Interest rate	Currency	<u>2014</u>	<u>2015</u>
				MCh\$	MCh\$
Financial Bonds DTF	09-02-2014	6.08%	US	2,898	—
Bonds-Q0110	09-01-2015	3.60%	UF	119,998	—
Bonds-AD0710	01-07-2015	3.00%	UF	50,209	—
Bonds-O0110	09-07-2015	6.30%	\$	23,103	—
Financial Bonds Fixed Rate - issued CorpBanca Colombia	09-02-2016	11.31%	US	—	324
BCOR-J0606	01-06-2016	4.00%	UF	14,547	5,073
BCORAE0710	01-07-2016	3.00%	UF	250,420	260,280
BCOR-L0707	01-07-2017	3.40%	UF	99,961	103,978
BCORAF0710	01-07-2017	3.00%	UF	153,013	159,717
BCORUSDD0118	15-01-2018	3.125%	US	439,350	519,206
BCORAG0710	01-07-2018	3.00%	UF	74,969	78,622
Financial Bonds UVR - issued CorpBanca Colombia	03-08-2018	6.36%	US	13,456	12,779
Financial Bonds IPC - issued CorpBanca Colombia	10-12-2019	6.18%	US	116,722	83,393
BCORBW 914	09-01-2020	5.40%	\$	—	45,044
Bonds-AI0710	01-07-2020	3.00%	UF	118,391	185,392
Bonds-R0110	09-07-2020	4.00%	UF	126,487	132,996
Bonds-P0110	09-07-2020	7.30%	\$	23,875	23,830
BCORUSD0919	07-09-2020	3.88%	US	450,959	530,943
BCORA-J0710	07-01-2021	3.00%	UF	—	73,938
Total				<u>2,078,358</u>	<u>2,215,515</u>



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e) The detail of bonds issued by maturity is as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Due within 1 year	219,782	338,555
Due after 1 year but within 2 years	282,611	332,268
Due after 2 years but within 3 years	282,109	629,466
Due after 3 years but within 4 years	552,030	492,196
Due after 4 years but within 5 years	472,092	360,248
Due after 5 years	269,734	62,782
Total	<u>2,078,358</u>	<u>2,215,515</u>

f) The detail of subordinated bonds is as follows:

	<u>Expiration</u>	<u>Interest rate</u>	<u>Currency</u>	<u>2014</u>	<u>2015</u>
	Date			MCh\$	MCh\$
Serie A - issued Corpbanca Colombia	30-03-2017	10.84%	COP	1,234	1,103
Serie B - issued CorpBanca Colombia.	30-03-2017	IPC+6,35	COP	8,459	7,723
Serie B - issued CorpBanca Colombia.	30-03-2017	IPC+4,45	COP	36,250	32,688
Serie A - issued Corpbanca Colombia	30-03-2019	10.79%	COP	548	490
Serie B - issued CorpBanca Colombia.	30-03-2019	IPC+4,45	COP	25,813	23,570
Serie UCOR-Y1197	01-11-2022	6.50%	UF	7,847	7,397
Serie UCOR-Z1197	01-11-2022	6.50%	UF	18,259	17,216
Serie AS10 - issued CorpBanca Colombia.	07-02-2023	IPC+3,89	COP	26,629	23,926
Serie B - issued CorpBanca Colombia.	18-03-2024	Libor 6m + 4%	USD	104,318	122,928
Serie AS15- issued CorpBanca Colombia.	07-02-2028	IPC+4	COP	37,389	33,594
Serie UCORBF0710	01-07-2032	4.00%	UF	12,098	12,610
Serie UCOR-V0808	01-08-2033	4.60%	UF	131,270	136,694
Serie UCOR BI0710	01-07-2035	4.00%	UF	29,372	30,550
Serie UCOR AA-0809	09-08-2035	4.90%	UF	120,261	125,056
Serie UCORBJ0710	01-07-2036	4.00%	UF	130,053	135,589
Serie UCOR BL0710	01-07-2038	4.00%	UF	102,059	106,170
Serie UCOR BN0710	01-07-2040	4.00%	UF	75,078	78,183
Serie UCORBP0710	01-07-2042	4.00%	UF	35,311	36,791
Total				<u>902,248</u>	<u>932,278</u>

g) The detail of subordinated bonds by maturity is as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Due within 1 year	—	27,287
Due after 1 year but within 2 years	—	51,148
Due after 2 years but within 3 years	45,943	18,460
Due after 3 years but within 4 years	—	42,521
Due after 4 years but within 5 years	26,361	18,460
Due after 5 years	829,944	774,402
Total	<u>902,248</u>	<u>932,278</u>



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h) The detail of other financial obligations by maturity is as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Due within 1 year	1,588	1,705
Due after 1 year but within 2 years	—	113
Due after 2 years but within 3 years	268	613
Due after 3 years but within 4 years	709	301
Due after 4 years but within 5 years	—	648
Due after 5 years	<u>4,184</u>	<u>1,859</u>
Total long term obligations	6,749	5,239
The detail of other short term financial obligations is as follows:		
Amounts due to credit card operators	8,673	9,236
Total short term financial obligations:	<u>8,673</u>	<u>9,236</u>
Total other financial obligations	<u>15,422</u>	<u>14,475</u>



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NOTE 20 - PROVISIONS

As of December 31, 2014 and 2015 the Bank has recorded the following provisions and changes in its provisions:

a. Other Provisions

The provisions as of December 31, 2014 and 2015 are as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
(i) Provisions for employee benefits and salaries	85,965	80,803
(ii) Accrual for mandatory dividends	113,130	100,886
(iii) Allowances for contingencies	<u>1,194</u>	<u>1,018</u>
Total	<u>200,289</u>	<u>182,707</u>

(i) Employee benefits and staff salaries

This item includes the following provisions related to: i) provisions for staff benefits and payroll, ii) provisions for compensation for years of service indemnities, iii) provisions for other employee benefits and iv) provisions for vacations.

(ii) Mandatory Dividends

Corresponds to the minimum dividends to be paid.

(iii) Contingencies

Includes estimates for probable losses.

b. The provision balance changes during 2014 and 2015, were as follows:

	<u>As of December 31, 2014</u>			
	<u>(i) Employee benefits and staff salaries</u>	<u>(ii) Mandatory Dividends</u>	<u>(iii) Contingencies</u>	<u>Total</u>
	MCh\$	MCh\$	MCh\$	MCh\$
Balance as of January 1, 2014	80,801	77,547	6,584	164,932
Established provision	24,044	113,130	—	137,174
Provisions released	(18,341)	(77,547)	(2,749)	(98,637)
Other changes	(539)	—	(2,641)	(3,180)
Balance as of December 31, 2014	<u>85,965</u>	<u>113,130</u>	<u>1,194</u>	<u>200,289</u>



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	As of December 31, 2015			
	(i) Employee benefits and staff salaries MCh\$	(ii) Mandatory Dividends MCh\$	(iii) Contingencies MCh\$	Total MCh\$
Balance as of January 1, 2015	85,965	113,130	1,194	200,289
Established provision	52,127	100,886	—	153,013
Provisions released	(53,341)	(113,130)	(934)	(167,405)
Other changes	(3,948)	—	758	(3,190)
Balance as of December 31, 2015	<u>80,803</u>	<u>100,886</u>	<u>1,018</u>	<u>182,707</u>

Accounting effects:

- (i) Employee benefits and staff salaries are recorded in “Personnel salaries expenses.”
- (ii) Mandatory dividends are recorded in the Equity Statement, against “Accrual for mandatory dividends”.
- (iii) 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 2014 and 2015, shown below:

	Note	2014 MCh\$	2015 MCh\$
Balance as of January 1,		6,584	1,194
Established provision	32 b)	—	—
Provisions released	32 a)	(2,749)	(934)
Other		(2,641)	758
Balance as of December 31,		<u>1,194</u>	<u>1,018</u>

c. Provisions employee benefits and staff salaries

	2014 MCh\$	2015 MCh\$
Long-term employee benefits	7,167	7,021
Pension Plan	37,900	32,030
Severance	361	342
Retirement benefit plan	—	322
Provision for employee benefits	45,428	39,715
Provision for other employee benefits (1)	32,897	34,027
Provision for vacations (1)	7,640	7,061
Total	<u>85,965</u>	<u>80,803</u>

- (1) Short-term personnel benefits



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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

	<u>2014</u>	<u>2015</u>
	%	%
Discount rate(s)	6.50	6.75
Expected rate(s) of salary increase	5.50	5.50

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.

Others

For fiscal year 2015, it is assumed that the nominal discount rate increases from 6.50% to 6.75% annual.

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

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Present value of the liability at the beginning of fiscal year	3,349	7,167
Cost of net profit	1,253	1,568
Payments	(395)	(667)
Increase in provision	3,819	—
Others	(859)	(1,047)
Total	<u>7,167</u>	<u>7,021</u>



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Cost of net profit

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Current service cost	858	811
Interest expense on obligation	395	757
	<u>1,253</u>	<u>1,568</u>

ii) Pension 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.

1.-Assumptions used:

The principal assumptions used in the valuation are presented in the following tables:

Summary of economic hypotheses

	<u>2014</u>	<u>2015</u>
	%	%
Discount rate(s)	6.75	6.75
Expected rate(s) of salary increase	5.50	5.50
Inflation rate	3.00	3.00

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

Others

Amounts respect of these defined benefit plans were as follows:



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Changes in provision

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Present value of the liability at the beginning of fiscal year	43,815	37,900
Interest expense on obligation	2,602	2,170
Payments	(3,847)	(3,875)
Actuarial gain	(1,403)	(183)
Others	(3,267)	(3,982)
Total	<u>37,900</u>	<u>32,030</u>

iii) Severance

The benefit is equivalent to one month's salary, adjusted for the application of severance factor (defined as the sum of 12 basic salaries plus additional payments does not constitute salary) per year of service and corresponding fraction.

1.- Assumptions used

The main assumptions used in the valuation are presented in the following tables:

Summary of economic hypotheses

<u>Severance</u>	<u>2014</u>	<u>2015</u>
	%	%
Discount rate(s)	6.25	6.75
Expected rate(s) of salary increase	5.50	5.50
Inflation rate	3.00	3.00

2.- Methodology

Cost Method

To determine the cost of benefits, the method of the projected unit credit (PUC) was used.

Method applied to assets

The plan does not have its own assets.

Others

Amounts recognized respect of these defined benefit plans were as follows:

Changes in provision

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Opening defined benefit obligation	—	361
Opening defined obligation (June, 2014)	529	—
Current service cost	25	30
Interest expense on obligations	23	20
Actuarial (gains)/losses	(39)	90
Benefits paid	(139)	(122)
Other - exchange rate differences	(38)	(37)
Closing defined benefit obligation	<u>361</u>	<u>342</u>



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iv) Retirement benefit plan

This plan corresponds to the payment of a fixed amount in pesos at the time of retirement of the employee.

1.- Assumptions used

The main assumptions used in the valuation are presented in the following tables:

Summary of economic hypotheses

	<u>2014</u> %	<u>2015</u> %
Discount rate(s)	—	7.00
Rate increase in profit	—	5.50
Inflation rate	—	3.00

2.- Methodology

Cost Method

To determine the cost of benefits, the method of the projected unit credit (PUC) was used.

Method applied to assets

The plan does not have its own assets.

Others

Amounts recognized respect of these defined benefit plans were as follows:

Changes in provision

	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Opening defined benefit obligation	—	284
Current service cost	—	24
Interest expense on obligations	—	19
Actuarial (gains)/losses	—	3
Benefits paid	—	(8)
Other - exchange rate differences	—	—
Closing defined benefit obligation	<u>—</u>	<u>322</u>

vi) Summary effects in Other Comprehensive Income (OCI)

	<u>2014</u> %	<u>2015</u> %
Pension Plan	1,403	183
Severance	39	(90)
Retirement benefit plan	—	(3)
Total gain (loss)	<u>1,442</u>	<u>90</u>



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v) 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 with respect thereto, there are no significant events affecting the results presented since the last valuation.

vi) Expected future payments

2014	Long-term employee benefits	Pension Plan	Severance	Retirement benefit plan
	MCh\$	MCh\$	MCh\$	MCh\$
Fiscal year 2015	674	3,959	13	—
Fiscal year 2016	857	3,802	21	—
Fiscal year 2017	939	3,629	18	—
Fiscal year 2018	983	3,417	19	—
Fiscal year 2019	709	3,221	44	—
Fiscal year 2020-2024 (combined)	4,916	13,591	331	—

2015	Long-term employee benefits	Pension Plan	Severance	Retirement benefit plan
	MCh\$	MCh\$	MCh\$	MCh\$
Fiscal year 2016	780	3,465	28	18
Fiscal year 2017	900	3,316	18	12
Fiscal year 2018	948	3,123	18	10
Fiscal year 2019	759	2,948	33	11
Fiscal year 2020	902	2,772	50	21
Fiscal year 2021-2025 (combined)	5,005	11,942	313	195

The average duration of the obligation for these plans is: 13.2 years (long term employee benefits); 14.9 years (Pension Plans); 6.2 years (Severance) and 12.9 years (Retirement benefit plan)



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NOTE 21 - OTHER LIABILITIES

As of December 31, 2014 and 2015 other liabilities are as follows:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Margin accounts (1)	204	35,388
Accounts and notes payable (2)	160,050	134,695
Dividends payable	266	259
Unearned income	6,993	7,878
Various creditors	15,544	23,368
Provision for commissions and consulting fees	914	1,753
Other liabilities	<u>26,745</u>	<u>6,098</u>
Total	<u>210,716</u>	<u>209,439</u>

- (1) Guarantees from financial operations
- (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.



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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:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
CONTINGENT LOANS	3,191,435	3,285,411
Collaterals and Guarantees	182,894	171,902
Collaterals and Guarantees in Chilean currency	—	—
Collaterals and Guarantees in foreign currency	182,894	171,902
Confirmed foreign letters of credit	329	1,633
Letters of credit	58,695	29,926
Bank Guarantees	826,235	862,193
Interbank letters of guarantee	—	—
Cleared lines of credit	1,592,026	1,593,174
Other credit commitments	531,256	626,583
Other contingent loans	—	—
THIRD PARTY OPERATIONS	1,714,376	1,783,233
Collections	10,811	25,042
Foreign Collections	5,184	5,276
Domestic Collections	5,627	19,766
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	370,791	505,928
Assets assigned to Insurance Companies	35,469	32,943
Securitized assets	—	—
Other assets assigned to third parties	335,322	472,985
Third party funds under management	1,332,774	1,252,263
Financial assets under management on behalf of third parties	1,332,774	1,252,263
Other assets under management on behalf of third parties	—	—
Financial assets acquired in own name	—	—
Other assets acquired in own name	—	—
SECURITIES CUSTODY	493,698	514,228
Securities in custody held by the bank	118,321	148,759
Securities in custody deposited in another entity	284,594	270,589
Bank-issued Securities	90,783	94,880
Term deposit notes	90,783	94,880
Saleable letters of credit	—	—
Other documents	—	—
COMMITMENTS	—	—
Underwriting transaction guarantees	—	—
Asset acquisition commitments	—	—
Total	5,399,509	5,582,872

The information above only includes the most significant balances.



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b) Pending litigation

b.1) CorpBanca

As of the date of issuance of these financial statements, there are lawsuits pending against the Bank related to loans and other matters, most of which, according to the Bank’s Legal Services Division, present no risk of significant loss. Nevertheless, as of December 31, 2015, it has not recorded provisions (MCh\$207 as of December 31, 2014) in compliance with IAS 37 (included in “Allowances for contingencies”, Note 20 *Provisions, letter a*)).

Pending litigation	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Balance as of January 1,	239	207
Established provision	—	—
Provisions released	<u>(32)</u>	<u>(207)</u>
Balance as of December 31,	<u><u>207</u></u>	<u><u>—</u></u>

b.2) CorpBanca Corredores de Bolsa S.A.

According to the Bank’s Legal Services Division, as of December 31, 2014 and 2015, this company does not have any pending lawsuits that represent a risk of significant loss for the Bank. However, the company has initiated and/or is party to the following lawsuits and/or collections proceedings that could result in a loss for the Bank:

As of December 31, 2015, the subsidiary had MCh\$201 (MCh\$212 as of December 31, 2014) in doubtful accounts related to customer management. In the opinion of the Bank’s general counsel, not recovering the amounts owed could result in a loss for the Bank. Therefore, the subsidiary has recorded a provision of MCh\$195 (MCh\$212 as of December 31, 2014) in its financial statements (recorded within “Other assets”).

Before the 5th Criminal Court of Santiago, in fraud case No. 149913-7, as part of a criminal suit filed by Banco del Estado de Chile, to which CorpBanca Corredores de Bolsa S.A. is not party, the court seized (in the Company’s opinion, improperly) Time Deposit No. 00243145 for MCh\$43 (historical pesos) that Concepción S.A. Corredores de Bolsa, now CorpBanca Corredores de Bolsa S.A., had acquired from its initial beneficiary, because it was considered *corpus delicti*. This time deposit is fully provisioned in the Company’s financial statements and is presented net of the provision in notes and accounts receivable (recorded within “Other assets”).

b.3) CorpBanca Administradora General de Fondos

On August 21, 2013, Jose Hernan Romero Salinas, sued to Corpbanca Administradora General de Fondos SA for absolute nullity of various subscription contracts Mutual Fund contributions made by him, plus restitution of the value thereof, loss of earnings, moral damages and costs, totaling MCh\$662.-

Such judgment “Romero Salinas with Corpbanca Administradora General de Fondos SA”, was presented in the 9th Civil Court of Santiago, with Rol No. 9302-2013.

Regarding the conduct of the trial we note the following milestones:

By judicial sentence dated December 1, 2014, the 9th Civil Court of Santiago, partially upheld the complaint filed by Mr. Romero.

On January 6, 2015, the Society appealed cassation and appeals with respect to such failure.



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On April 28, 2015, the Third Chamber of the Court of Appeals of Santiago accepted the appeal and overturned the lower court ruling, rejecting the demand in all its parts, with costs.

Regarding the decision dated April 28, 2015, the complainant Mr. Romero appealed cassation on the merits, which was granted on 4 June 2015. However, the complainant filed an incident for clarification, correction or amendment, which he was rejected, and not having allocated funds for the preparation of the respective attest copies, as provided by Articles 197 and 776 of the Code of Civil Procedure, the Court of Appeals of Santiago declared void his appeal in the background, with dated June 25, 2015.

On September 10, 2015, counsel for the Administrator argued before the First Chamber of the Hon. Supreme Court, requesting its dismissal, taking account of their inadmissibility. On the same date, accepting our request, the ministers of the Hon. Supreme Court unanimously rejected, with costs, the appeal made reference (Role 10226-2015).

Finally, on September 15, 2015 the day, the 9th Civil Court of Santiago ordered be it done in the judgment of the Court of Appeals of Santiago, on April 18, 2015, which, as noted above, overturned the first instance ruling and “rejected” the demand in all its parts, with costs, which ended this trial. Obtaining a favorable outcome for Corpbanca widely Administradora General de Fondos, since it was ultimately rejected in its entirety the abovementioned demand.

b.4) Banco CorpBanca Colombia S.A.

As of the date of issuance of these financial statements, there are lawsuits pending against the Bank related to loans and other matters, most of which, according to the Bank’s Legal Services Division, present no risk of significant loss. Nevertheless, as of December 31, 2015, it has recorded provisions of MCh\$2,088 (MCh\$3,642 as of December 31, 2014) in compliance with IAS 37.

b.5) Other Companies Included in Consolidation

As of December, 2015 and 2014, the following companies do not have any pending lawsuits that represent a risk of significant loss for the Bank:

- CorpBanca Asesorías Financieras S.A.
- CorpBanca Corredores de Seguros S.A.
- CorpLegal S.A.
- CorpBanca New York Branch
- SMU Corp S.A.
- CorpBanca Investment Trust Colombia S.A.
- CorpBanca Securities Inc.
- Recaudaciones y Cobranzas S.A.
- Helm Corredores de Seguros S.A.
- Helm Comisionista de Bolsa S.A.



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c) Contingent loans

The following table details the Bank's contractual obligations:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Sureties and guarantees	182,894	171,902
Letters of credit	58,695	29,926
Confirmed foreign letters of credit	329	1,633
Performance bonds	826,235	862,193
Amounts available on lines of credit and credit cards	1,592,026	1,593,174
Guaranteed credit by the state for Higher Education Law No. 20,027	493,824	356,248
Other	37,432	270,335
Total	<u>3,191,435</u>	<u>3,285,411</u>

d) Assets held in custody

The Bank holds the following assets under management:

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Notes under collection	10,811	25,042
Financial assets transferred to and managed by the bank	370,791	505,928
Third party resources managed by the bank	1,332,774	1,252,263
Securities held in custody	493,698	514,228
Total	<u>2,208,074</u>	<u>2,297,461</u>

e) Guarantees

e.1) CorpBanca and subsidiaries

Assets given as collateral

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Securities	3,878	6,015
Deposits	10	12
Other	13,347	10,497
Total amount given as collateral	<u>17,235</u>	<u>16,524</u>

e.2) CorpBanca Corredores de Bolsa S.A.

- **Direct commitments** - As of December 31, 2014 and 2015, the Company does not have any direct commitments.
- **Guarantees in Assets Established in Favor of Third-Party Obligations**

With the exception of guarantees that must be established in the normal course of business for legal or regulatory purposes, as of December 31, 2014 and 2015, the Company does not have any guarantees involving Bank assets established in favor of third parties.



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CORPBANCA AND SUBSIDIARIES
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- **Personal guarantees** - As of December 31, 2014 and 2015 and, 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, 2016, through Compañía de Seguros de Crédito Continental S.A., designating the Santiago Stock Exchange as the creditors' representative.

On November 29, 2014, an employee fidelity insurance policy with MUS\$10 in coverage was purchased from ORION SEGUROS GENERALES, expiring November 28, 2015.

On November 28, 2015, an employee fidelity insurance policy with MUS\$10 in coverage was purchased from ORION SEGUROS GENERALES, expiring December 29, 2015.

On December 29, 2015, an employee fidelity insurance policy with MUS\$10 in coverage was purchased from ORION SEGUROS GENERALES, expiring December 29, 2016.

This subsidiary maintains shares in the stock exchanges to guarantee simultaneous operations for MCh\$10,497 (MCh\$13,347 in December 2014).

The Bank has established guarantees for MUS\$100, equivalent to MCh\$71, and MUS\$30, equivalent to MCh\$21, (MUS\$100, equivalent to MCh\$61, and MUS\$30, equivalent to MCh\$18, in December 2014), to guarantee transactions with foreign traders Pershing and Corp FX, respectively. The latter is a Chilean company engaged primarily in purchasing and selling financial assets on its own or on behalf of third parties and, in general, carrying out any type of purchase and sale transaction, arbitrage and/or any transaction or operation involving any monetary and/or financial assets, expressly including derivative contracts (swaps, forwards, options and/or arbitrage) for any type of underlying asset, in addition to receiving guarantees for the contracts and operations mentioned above, and accepting any type of mandate for these transactions involving any type of asset over which these guarantees are established.

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\$6,015 and MCh\$0, respectively (MCh\$3,878 and MCh\$795 in December 2014, respectively).

e. 3) CorpBanca Administradora General de Fondos

- **Direct commitments** - As of December 31, 2014 and 2015, the Company does not have any direct commitments.
- **Guarantees Established in Favor of Third-Party Obligations**

On December 29, 2015, CorpBanca Administradora General de Fondos SA signed the Global Policy Bank (Bankers Blanket Bond) with ORION SEGUROS GENERALES, in order to anticipate possible situations of officer infidelity, with maturity on December 29, 2016. The insured amount of the policy amounted to MMUS\$5, for each and every individual event and loss of MMUS\$10 in the annual aggregate.

On November 29, 2015, CorpBanca Administradora General de Fondos SA extended the maturity of the insurance policy that the Company has with ORION SEGUROS GENERALES, to anticipate possible situations of employee fidelity remaining maturity at December 29, 2015.

On November 29, 2014, Insurance Policy contracted with ORION SEGUROS GENERALES, which mature on November 28, 2015, in order to anticipate possible situations employee fidelity, with its upward coverage MMUS\$5 each and each individual event and loss MMUS\$10 in annual aggregate.



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On October 29, 2014, CorpBanca Administradora General de Fondos SA extended the maturity of the insurance policy that the Company has with ORION SEGUROS GENERALES, to anticipate possible situations of employee fidelity remaining maturity to November 29, 2014.

e.4) Other Companies Included in Consolidation

As of December 31, 2014 and 2015, the following companies have not granted any guarantees that must be disclosed in these financial statements:

- CorpBanca Asesorías Financieras S.A.
- CorpBanca Corredores de Seguros S.A.
- CorpLegal S.A.
- CorpBanca New York Branch
- SMU CORP S.A.
- Banco CorpBanca Colombia and Subsidiaries.
- CorpBanca Securities Inc.
- Recaudaciones y Cobranzas S.A.
- Helm Corredores de Seguros S.A.
- CorpBanca Investment Trust Colombia S.A.
- Helm Comisionista de Bolsa S.A.

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, 2015 and 2014, the Bank has not transferred any customs duties obligations to its customers.

As of December 31, 2015, lease agreements pending asset delivery amount to MCh\$142,508 (MCh\$90,122 in December 2014).

f.3) 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 debt for MCh\$22, according to Administrative File 10305-2013 (Las Condes). On December 27, 2013, the debt was paid and the Company filed a motion to release the seized assets.

On December 27, 2013, the debt was paid and the Company filed a motion to release the seized assets.

On February 7, 2014, the seized assets were released into account No. 1244905 at CorpBanca.

f.4) Other Companies Included in Consolidation

As of December 31, 2013 and 2014, the following companies have no other obligations that must be disclosed in these financial statements:

- CorpBanca Corredores de Bolsa S.A.
- CorpBanca Asesorías Financieras S.A.
- CorpBanca Corredora de Seguros S.A.
- CorpLegal S.A.
- CorpBanca New York Branch
- SMU CORP S.A.



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- Banco CorpBanca Colombia and Subsidiaries.
- CorpBanca Securities Inc.
- CorpBanca Investment Trust Colombia S.A.
- Helm Comisionista de Bolsa S.A.

g) Penalties

g.1) CorpBanca Corredores de Bolsa S.A.

CCLV Penalties as of December 31, 2015:

On December 3, 2015, the Company was fined 10 UF by the CCLV for annulling accepted transactions

On October 9, 2015, the Company was fined 50 UF by the CCLV for hedge of net seller positions during beyond the time limits.

On July 30, 2015, the Company was fined 12.58 UF by the CCLV for hedge of net seller positions during the beyond the time limits.

On July 29, 2015, the Company was sanctioned by the CCLV for hedge of net seller positions during beyond the time limits.

On May 6, 2015, the Company was sanctioned by the CCLV for hedge of net seller positions during beyond the time limits.

On April 24, 2015, the Company was sanctioned by the CCLV for hedge of net seller positions during beyond the time limits.

On February 17, 2015, the Company was fined 50 UF by the CCLV for hedge of net seller positions during beyond the time limits.

During the periods ended December 31, 2015 and 2014, its directors have not received penalties from any regulator.



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NOTE 23 - EQUITY**a) Movement in Shareholders' equity accounts (attributable to equity holders of the Bank)**

As of December 31, 2014 and 2015 the Bank's issued shares are represented by the following detail, ordinary shares authorized, subscribed and paid, with no par value, detailed below:

	<u>Ordinary Shares 2014</u> (number of shares)	<u>Ordinary Shares 2015</u> (number of shares)
Issued as of January 1	340,358,194,234	340,358,194,234
Issuance of paid shares	—	—
Issuance of outstanding shares	—	—
Repurchase of Bank's issued shares (treasury shares)	—	—
Sale of bank own issued shares	—	—
Total	<u>340,358,194,234</u>	<u>340,358,194,234</u>
Capital MCh\$	781,559	781,559

i. Purchases and Sales of Bank Shares

As of December 31, 2014 and 2015, there were no purchase or sale transactions by the Bank involving its own shares.

ii. Subscribed and Paid Shares**2015**

As of December 31, 2015, the Bank's paid capital is represented by 340,358,194,234 subscribed and paid common shares with no par value.

2014

As of December 31, 2014, the Bank's paid capital is represented by 340,358,194,234 subscribed and paid common shares with no par value.

iii. Profit Distribution**2015**

- Regarding 2014 profit, at the Ordinary General Shareholders' Meeting held on March 12, 2015, shareholders agreed to distribute MCh\$113,130 in earnings, representing 50% of profit for the year (see note 3 *Relevant Events*).
- At the Extraordinary Shareholders' Meeting held on June 26, 2015, shareholders agreed to distribute MCh\$239,860 corresponding to 2014 profit and retained earnings from prior periods (see note 3 *Relevant Events*).



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2014

- Regarding 2013 profit, at the Ordinary General Shareholders' Meeting held on March 13, 2014, shareholders agreed to distribute MCh\$88,403 in earnings, representing 57% of profit for the year. The remaining 43% was left as retained earnings.

b) List of major shareholders

As of December 31, 2014 the shareholder composition is as follows:

	Common Stock Year 2014	
	N° of Shares	Share %
Corp Group Banking S.A.	148,835,852,909	43.72918%(*)
Banco de Chile por cuenta de Terceros no Residentes	28,294,988,762	8.31330%
Banco Santander por cuenta de Inv. Extranjeros	23,071,014,201	6.77845%
Banco Itaú por cuenta de Inversionistas	23,733,292,313	6.97303%
Compañía Inmobiliaria y de Inversiones SAGA Limitada	20,918,589,773	6.14605%(1)(*)
Deutsche Bank Trust Company Americas (ADRS)	14,042,402,000	4.12577%
Moneda S.A. AFI para Pionero Fondo de Inversión	8,949,961,000	2.62957%
Sierra Nevada Investments Chile Dos Ltda.	9,817,092,180	2.88434%
Corpbanca Corredores de Bolsa S.A. por cuenta de terceros	4,238,106,664	1.24519%
Inv. Las Nieves S.A.	3,790,725,224	1.11375%
Cía. de Seguros Corpvida S.A.	3,563,148,560	1.04688%
Cía. de Seguros de Vida Consorcio Nacional de Seguros S.A.	3,316,120,234	0.97430%
Santander S.A. C de B	3,528,163,068	1.03660%
Bolsa de Comercio de Santiago Bolsa de Valores	2,569,145,250	0.75484%
BTG Pactual Chile S.A. C de B	2,053,973,966	0.60347%
Inmob. E Inversiones Boquiñeni Ltda.	2,353,758,526	0.69155%
MBI Corredores de Bolsa S.A.	1,969,927,336	0.57878%
Consorcio C. de B. S.A.	1,918,739,065	0.56374%
Compañía de Seguros Corpseguros S.A.	2,290,479,818	0.67296%
Valores Security S.A. C. de B.	1,872,636,183	0.55020%
Other Shareholders	29,230,077,202	8.58805%
Total	<u>340,358,194,234</u>	<u>100.00000%</u>

(1) This group includes Deutsche Securities Corredores de Bolsa Ltda., which includes 926,513,842 shares in custody that are owned by Compañía Inmobiliaria y de Inversiones SAGA Limitada.

(*) In summary, the ultimate parent of the group is the Saieh Group which group is deemed to have control with its 49.8752% participation.

As of December 31, 2015 the list of major shareholders as follows:



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	Common Stock Year 2015	
	N° of Shares	Share %
Corp Group Banking S.A.	148,835,852,909	43.72918%(*)
Banco de Chile por cuenta de Terceros no Residentes	31,093,128,417	9.13541%
Banco Santander por cuenta de Inv. Extranjeros	23,965,413,566	7.04123%
Banco Itaú por cuenta de Inversionistas	17,788,266,368	5.22634%
Compañía Inmobiliaria y de Inversiones SAGA Limitada	20,918,589,773	6.14605%(1)(*)
Deutsche Bank Trust Company Americas (ADRS)	16,074,657,500	4.72286%
Moneda S.A. AFI para Pionero Fondo de Inversión	7,473,384,000	2.19574%
Sierra Nevada Investments Chile Dos Ltda.	9,817,092,180	2.88434%
Corpbanca Corredores de Bolsa S.A. por cuenta de terceros	9,227,579,709	2.71114%
Inversiones Las Nieves S.A.	1,890,725,224	0.55551%
Cía. de Seguros de Vida Consorcio Nacional de Seguros S.A.	3,694,485,882	1.08547%
Bolsa de Comercio de Santiago Bolsa de Valores	3,485,036,065	1.02393%
BCI Corredores de Bolsa S.A.	3,263,195,956	0.95875%
Compañía de Seguros Confuturo S.A.	3,145,931,028	0.92430%
BTG Pactual Chile S.A. C de B	2,312,540,037	0.67944%
Inmob. E Inversiones Boquiñeni Ltda.	2,353,758,526	0.69155%
Banchile Corredores de Bolsa S.A.	1,978,989,439	0.58144%
Larrain Vial Corredores de Bolsa S.A.	1,626,092,346	0.47776%
Consorcio Corredores de Bolsa S.A.	1,896,991,436	0.55735%
CRN Inmobiliaria Limitada	1,535,239,055	0.45107%
Credicorp Capital S.A. Corredores de Bolsa	1,389,545,804	0.40826%
El Maderal Inversiones Ltda.	1,244,312,335	0.36559%
Itau BBA Corredores de Bolsa Ltda.	1,137,057,344	0.33408%
Valores Security S.A. Corredores de Bolsa	4,024,271,107	1.18236%
Other Shareholders	20,186,058,228	5.93085%
Total	<u>340,358,194,234</u>	<u>100.00000%</u>

(1) This group includes Deutsche Securities Corredores de Bolsa Ltda. which includes 926,513,842 shares in custody that are owned by Compañía Inmobiliaria y de Inversiones SAGA Limitada.

(*) In summary, the ultimate parent of the group is the Saieh Group which group is deemed to have control with its 49.8752% participation.

c) Dividends

The distribution of dividends of the Bank is as follows:



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<u>Year</u>	<u>Income attributable to equity holders</u> MCh\$	<u>To reserves or retained earnings</u> MCh\$	<u>Intended Dividends</u> MCh\$	<u>Percentage Distributed</u> %	<u>N° of Shares</u>	<u>Dividend per share (in MCh\$)</u>
2014 (Extraordinary Shareholders Meeting, June 2015)	—	(239,860)	239,860	100.00%	340,358,194,234	0.705
2014 (Shareholders Meeting, March 2015)	226,260	113,130	113,130	50.00%	340,358,194,234	0.332
2013 (Shareholders Meeting, February 2014)	155,093	66,690	88,403	57.00%	340,358,194,234	0.260
2012 (Shareholders Meeting, February 2013)	120,080	60,040	60,040	50.00%	340,358,194,234	0.176

Figures are presented as required by local regulations.

- d) As of the years ended December 31, 2014 and 2015 basic earnings and diluted earnings attributable to the equity holders of the bank is as follows:

	<u>2014</u>		<u>2015</u>	
	<u>N° Shares</u> Millions	<u>Total</u> MCh\$	<u>N° Shares</u> Millions	<u>Total</u> MCh\$
Basic and diluted earnings per share				
Basic earnings per share				
Net income attributable to the equity holders	—	233,997	—	216,321
Weighted average number of shares outstanding	340,358	—	340,358	—
Adjusted number of shares	340,358	—	340,358	—
Basic earnings per share (Chilean pesos)		0.69		0.64
Diluted earnings per share				
Net income attributable to the equity holders	—	233,997	—	216,321
Weighted average number of shares outstanding	340,358	—	340,358	—
Diluted effect	—	—	—	—
Adjusted number of shares	340,358	—	340,358	—
Diluted earnings per share (Chilean pesos)		0.69		0.64

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 there is a significant or prolonged decline in value.

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.

Foreign Investment Accounting Hedge Reserve: Corresponds to adjustments for hedges of net investments in foreign operations.

Defined benefit obligation: This includes the effects of complying with IAS 19.

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f) Other Comprehensive Income

The following tables present movements in equity and income taxes for the years ended December 31, 2013, 2014 and 2015.

<u>Other Comprehensive Income</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Financial instruments available for sale			
Balance as of January 1,	(8,143)	(3,546)	(11,605)
Gains (losses) on remeasuring financial instruments available for sale, before tax	4,597	(8,059)	(43,720)
Total	(3,546)	(11,605)	(55,325)
Hedges of net investment in foreign operations			
Balance as of January 1,	456	(2,384)	(7,135)
Gains (losses) on hedges of net investment in foreign operations, before tax	(2,840)	(4,751)	(8,876)
Total	(2,384)	(7,135)	(16,011)
Cash flow hedges			
Balance as of January 1,	570	(5,187)	958
Gains (losses) on cash flow hedges, before tax	(5,757)	6,145	(4,046)
Total	(5,187)	958	(3,088)
Exchange differences on translation - New York Branch - Colombia			
Balance as of January 1,	(26,217)	(14,257)	(82,930)
Gains (losses) on exchange differences on translation, before tax	11,960	(68,673)	(82,148)
Total	(14,257)	(82,930)	(165,078)
Remeasurement of defined benefit obligation			
Balance as of January 1,	(10,301)	(7,001)	(6,046)
Gains (losses) on Remeasurement of defined benefit obligation, before tax	3,300	955	60
Total	(7,001)	(6,046)	(5,986)
Other comprehensive income, before tax	(32,375)	(106,758)	(245,488)
Income tax relating to components of other comprehensive income			
Income tax relating to instruments available for sale	747	4,736	18,879
Income tax relating to hedges of net investment in foreign operations	477	1,848	4,606
Income tax relating to cash flow hedge	728	(362)	742
Income tax relating to defined benefit obligation	2,318	1,946	1,923
Total	4,270	8,168	26,150
Other comprehensive income, after tax	(28,105)	(98,590)	(219,338)



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g) Rollforward for the year ended (OCI)

i) Rollforward for the year ended (OCI) - Available for sale

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Opening Balance, Accumulated other comprehensive income	(3,546)	(11,605)
Amount recognized in other comprehensive income for the period	11,798	(36,012)
Amount reclassified from equity to profit or loss for the period	(19,857)	(7,708)
Ending balance, accumulated other comprehensive income	<u>(11,605)</u>	<u>(55,325)</u>

ii) Rollforward for the year ended (OCI) - Cash flow hedges

	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
Opening Balance, Accumulated other comprehensive income	(5,187)	958
Amount recognized in other comprehensive income for the period	(1,278)	(3,694)
Amount reclassified from equity to profit or loss for the period	7,423	(352)
Ending balance, accumulated other comprehensive income	<u>958</u>	<u>(3,088)</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.

This corresponds to the net amount of equity in the subsidiaries 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:

As of December 31, 2013

<u>Subsidiaries</u>	<u>Non-controlling %</u>	<u>Equity MCh\$</u>	<u>Net Income MCh\$</u>	<u>Other Comprehensive income</u>						
				<u>Defined benefit obligation MCh\$</u>	<u>Financial instruments available for sale MCh\$</u>	<u>Exchange differences on translation NY MCh\$</u>	<u>Effect Variation Accounting Case Foreign Investment MCh\$</u>	<u>Cash Flow Hedges Effect Change MCh\$</u>	<u>Deferred Tax MCh\$</u>	<u>Other Comprehensive income MCh\$</u>
SMU CORP S.A.	49.00%	2,386	(1,475)	—	—	—	—	—	—	—
Corredora de Seguros Helm	20.00%	554	83	—	—	—	—	—	—	—
Banco CorpBanca Colombia and subsidiaries	33.62%	302,758	14,209	—	—	—	—	—	—	—
		305,698	12,817	—	—	—	—	—	—	—



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As of December 31, 2014

Subsidiaries	Non-controlling %	Equity MCh\$	Net Income MCh\$	Other Comprehensive income						
				Defined benefit obligation MCh\$	Financial Instruments available for sale MCh\$	Exchange differences on translation NY MCh\$	Effect Variation Accounting Case Foreign Investment MCh\$	Cash Flow Hedges Effect Change MCh\$	Deferred Tax MCh\$	Other Comprehensive income MCh\$
SMU CORP S.A.	49.00%	2,743	(687)	—	—	—	—	—	—	—
Corredora de Seguros Helm	20.00%	1,761	374	—	—	—	—	—	—	—
Banco CorpBanca Colombia and subsidiaries	33.72%	321,433	40,017	487	4,261	—	—	—	(1,869)	2,879
		325,937	39,704	487	4,261	—	—	—	(1,869)	2,879

As of December 31, 2015

Subsidiaries	Non-controlling %	Equity MCh\$	Net Income MCh\$	Other Comprehensive income						
				Defined benefit obligation MCh\$	Financial Instruments available for sale MCh\$	Exchange differences on translation NY MCh\$	Effect Variation Accounting Case Foreign Investment MCh\$	Cash Flow Hedges Effect Change MCh\$	Deferred Tax MCh\$	Other Comprehensive income MCh\$
SMU CORP S.A.	49.00%	2,644	(526)	—	—	—	—	—	—	—
Corredora de Seguros Helm	20.00%	1,673	169	—	—	—	—	—	—	—
Banco CorpBanca Colombia and subsidiaries	33.72%	310,424	22,701	30	7,431	—	945	—	(3,251)	5,155
		314,741	22,344	30	7,431	—	945	—	(3,251)	5,155

The rollforward of non-controlling interest is as follow:

	2013 MCh\$	2014 MCh\$	2015 MCh\$
Balances as of January 1,	54,370	305,698	325,937
Net income for the year	12,817	42,583	27,499
Change in non-controlling interest	3,503	(22,344)	(38,695)
Non-controlling interest arising on the acquisition non participation in rights to sahere increase	235,008	—	—
Balances as of December 31,	305,698	325,937	314,741



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The summarized financial information of Banco CorpBanca Colombia and its subsidiaries:

h.1) Information represents the non-controlling interest prior to intergroup elimination is as follows:

	<u>2013</u> MCh\$	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Dividends paid	—	—	—
	<u>2013</u> MCh\$	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Cash and deposit in banks	200,679	209,827	175,505
Loans and receivables from banks	4,781	34,465	21,789
Loans and receivables from customers, net	1,680,824	1,700,845	1,679,798
Intangible assets	156,379	137,972	117,344
Others	425,646	541,753	613,133
TOTAL ASSETS	<u>2,468,309</u>	<u>2,624,862</u>	<u>2,607,569</u>
Currents account and demand deposits	838,040	965,449	1,040,753
Time deposits and saving accounts	852,859	754,471	801,791
Debt issued	116,940	126,023	115,502
Others	354,772	454,606	335,666
TOTAL LIABILITIES	<u>2,162,611</u>	<u>2,300,549</u>	<u>2,293,712</u>
	<u>2013</u> MCh\$	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Net interest income	45,955	97,818	93,125
Net service fee income	11,016	21,968	17,048
Operating income before provision for loan losses	60,605	167,099	151,284
Total operating income, net of loan losses, interest and	(450,407)	134,944	108,339
Total net operating income	15,198	46,831	34,264
Net income for the period	<u>12,817</u>	<u>39,704</u>	<u>23,033</u>
	<u>2013</u> MCh\$	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Cash flow from operating activities	39,639	(103,207)	80,786
Cash flow from investing activities	(49,442)	(36,018)	(11,413)
Cash flow from financing activities	115,639	173,995	(138,531)

h.2) Summarized financial information of Banco CorpBanca Colombia and its subsidiaries as follows:

	<u>2013</u> MCh\$	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Dividends paid	—	—	—
	<u>2013</u> MCh\$	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Cash and deposit in banks	595,663	622,238	520,456
Loans and receivables from banks	14,423	102,204	64,616
Loans and receivables from customers, net	5,017,516	5,044,196	4,981,414
Intangible assets	355,572	321,029	286,769
Others	1,231,299	1,606,191	1,802,481
TOTAL ASSETS	<u>7,214,473</u>	<u>7,695,858</u>	<u>7,655,736</u>
Currents account and demand deposits	815,955	801,149	741,464
Time deposits and saving accounts	2,537,342	2,237,372	2,377,700



Debt issued	347,909	373,720	342,519
Others	2,730,817	3,490,399	3,415,222
TOTAL LIABILITIES	6,432,023	6,902,640	6,876,905

	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Net interest income	196,295	290,077	276,160
Net service fee income	41,890	65,147	50,557
Operating income before provision for loan losses	301,998	495,532	448,627
Total operating income, net of loan losses, interest and	255,715	400,175	321,278
Total net operating income	84,356	140,240	102,972
Net income for the period	56,861	115,170	69,666

	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Cash flow from operating activities	102,985	(152,867)	108,235
Cash flow from investing activities	(125,463)	(48,255)	(15,291)
Cash flow from financing activities	293,444	233,113	(185,600)

i) Dilutive effect of purchase of Helm Bank and subsidiaries

Since CorpBanca Chile did not participate in the capital increase of Banco CorpBanca Colombia the ownership of CorpBanca Chile decreased from 91.9314% to 66.3877% CorpBanca Chile remeasured non-controlling interest at the date of transaction at fair value and adjusted the carrying amounts of the controlling and non-controlling interest to reflect the changes in their relative interests in the subsidiary (For more information, see Statements of Changes in Equity). In 2014, the interest decreased to 66.279% through the merger with Helm Bank Colombia.



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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, 2013, 2014 and 2015 is as follows:

	As of December 31,								
	2013			2014			2015		
	Interest MCh\$	Inflation (1) MCh\$	Total MCh\$	Interest MCh\$	Inflation (1) MCh\$	Total MCh\$	Interest MCh\$	Inflation (1) MCh\$	Total MCh\$
Normal Portfolio									
Investments under agreements to resell	15,115	20	15,135	13,518	37	13,555	13,985	4	13,989
Loans and receivables to banks	14,673	—	14,673	11,000	—	11,000	10,009	—	10,009
Commercial loans	536,812	43,437	580,249	629,883	114,015	743,898	640,667	86,011	726,678
Mortgage Loans	90,079	29,401	119,480	118,304	88,985	207,289	118,610	69,388	187,998
Consumer Loans	189,261	919	190,180	273,992	484	274,476	253,600	221	253,821
Financial investments	38,158	1,560	39,718	31,666	9,944	41,610	59,497	17,989	77,486
Other interest income	4,133	514	4,647	7,674	1,328	9,002	7,737	1,057	8,794
Gain (loss) from accounting hedges (*)	(713)	—	(713)	(291)	—	(291)	1,709	—	1,709
Subtotals	887,518	75,851	963,369	1,085,746	214,793	1,300,539	1,105,814	174,670	1,280,484
Impaired loan Portfolio									
Interest Recovery									
Commercial Loans	14,990	1,349	16,339	8,592	2,640	11,232	14,652	2,949	17,601
Mortgage Loans	1,479	629	2,108	1,556	1,697	3,253	532	606	1,138
Consumer Loans	25,285	5	25,290	5,093	7	5,100	257	—	257
Financial investments	—	—	—	—	—	—	—	—	—
Other interest income	—	—	—	—	—	—	—	—	—
Subtotals	41,754	1,983	43,737	15,241	4,344	19,585	15,441	3,555	18,996
Total Interest Income	929,272	77,834	1,007,106	1,100,987	219,137	1,320,124	1,121,255	178,225	1,299,480



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b) The detail of interest expenses for the years ended December 31, 2013, 2014 and 2015 is the following:

	As of December 31,								
	2013			2014			2015		
	Interests	Inflation (1)	Total	Interests	Inflation (1)	Total	Interests	Inflation (1)	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Demand Deposits	(33,195)	(224)	(33,419)	(73,560)	(547)	(74,107)	(83,278)	(372)	(83,650)
Investments under agreements to repurchase	(14,569)	(167)	(14,736)	(28,107)	(35)	(28,142)	(36,468)	(16)	(36,484)
Deposits and Time Deposits	(352,167)	(9,476)	(361,643)	(325,316)	(23,849)	(349,165)	(304,121)	(25,487)	(329,608)
Borrowings from financial institutions	(15,987)	—	(15,987)	(21,977)	—	(21,977)	(22,027)	—	(22,027)
Debt issued	(95,368)	(32,843)	(128,211)	(119,213)	(92,057)	(211,270)	(136,686)	(68,300)	(204,986)
Other financial obligations	(334)	(805)	(1,139)	(274)	(567)	(841)	(180)	(212)	(392)
Other interest expenses	(379)	(857)	(1,236)	(946)	(2,506)	(3,452)	(2,157)	(1,349)	(3,506)
Gain (loss) from accounting hedges (*)	6,955	—	6,955	(286)	—	(286)	1,752	—	1,752
Total Interest Expenses	<u>(505,044)</u>	<u>(44,372)</u>	<u>(549,416)</u>	<u>(569,679)</u>	<u>(119,561)</u>	<u>(689,240)</u>	<u>(583,165)</u>	<u>(95,736)</u>	<u>(678,901)</u>

(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 mark to market adjustments are presented in this line for hedging derivatives used in hedging of assets except in the case of foreign currency hedges and cash flow hedges (cross-currency), their all-in mark to market adjustment is included in the foreign exchange gain (losses) (See Note 27 *Net foreign exchange income (losses)*).



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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, 2013, 2014 and 2015 are summarized as follows:

	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Income from services fees			
Lines of credit and overdrafts	13,393	11,629	10,962
Letters of credit and guarantees	9,826	12,621	10,458
Card services	25,591	37,911	38,461
Account administration	8,959	11,066	11,012
Collections, billings and payments	30,127	34,129	35,987
Management and brokerage commissions for securities	6,281	8,369	9,986
Investments in mutual funds and others	14,522	23,557	19,471
Insurance brokerage	13,615	21,025	17,788
Financial advisors	11,725	23,631	23,986
Other fees earned	9,397	16,401	20,473
Other payments for services rendered	1,341	1,674	1,817
Total Income from services fees	<u>144,777</u>	<u>202,013</u>	<u>200,401</u>
	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Expenses from services fees			
Credit card transactions	(12,367)	(17,282)	(24,727)
Securities transactions	(3,588)	(3,922)	(4,554)
Commissions paid through Chilean clearing house (ACC)	(3,779)	(4,503)	(5,610)
Foreign trade transactions	(415)	(996)	(996)
Expenses from refunded commissions	(15)	(6)	—
Customer loyalty program	(824)	(887)	(969)
Customer loyalty program benefits	(1,191)	(925)	(1,466)
Loan services to customers	(1,409)	(3,692)	(3,934)
Fees for payroll deduction agreements	(613)	(4,565)	(2,517)
Other paid commissions	(2,599)	(3,645)	(2,781)
Total expenses from services fees	<u>(26,800)</u>	<u>(40,423)</u>	<u>(47,554)</u>
Net service fee income	<u>117,977</u>	<u>161,590</u>	<u>152,847</u>

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, 2013, 2014 and 2015 is as follows:

	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Trading instruments (securities)	10,660	37,752	19,354
Trading instruments (derivatives)	58,471	94,279	286,168
Other financial investments at fair value with effect on profit or loss	7,741	19,862	22,285
Financial investments available-for-sale realized gain (losses) (*)	22,293	31,659	10,406
Profit on bank-issued time deposit repurchase	397	64	58
Loss on bank-issued time deposit repurchase	(478)	(376)	(172)
Other	<u>2,203</u>	<u>453</u>	<u>599</u>
Total trading and investment income, net	<u>101,287</u>	<u>183,693</u>	<u>338,698</u>

(*) 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 sale.
- Results generated from sales and / or liquidation, corresponding to the difference between the value obtained as compensation and the fair 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, 2013, 2014 and 2015 is as follows:

	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Gains (losses) of foreign currency exchange differences			
Net gains (losses) of foreign currency exchange positions	(18,980)	(8,627)	(158,271)
Other foreign currency exchange gains (losses)	1,963	3,165	10,858
Subtotal	<u>(17,017)</u>	<u>(5,462)</u>	<u>(147,413)</u>
Net earnings on exchange rate adjustments			
Adjustments to loan to customers	1,427	1,860	488
Adjustments to investment instruments	713	1,448	1,739
Adjustments to other liabilities	(88)	(95)	(1)
Fair value gains (losses) on foreign currency hedging derivatives (1) (*)	1,059	(11,177)	(6,010)
Subtotal	<u>3,111</u>	<u>(7,964)</u>	<u>(3,784)</u>
Total	<u>(13,906)</u>	<u>(13,426)</u>	<u>(151,197)</u>

(1) In this present current earnings by hedging currency assets and liabilities. Different information to revealed in Note 24 *Interest Income and Expense* and Note 26 *Net Trading and Investment Income*.

(*) The Fair value gains (losses) on hedging derivatives as of December 31, 2013, 2014 and 2015 is as follows:

	Cash Flows (CF) or Fair Value (FV) Hedge	Fair Value		Gain/(loss) MCh\$
		Assets MCh\$	Liabilities 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		<u>385</u>	<u>5,396</u>	<u>(3,495)</u>
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		<u>3,235</u>	<u>6,061</u>	<u>4,554</u>
Total derivatives held-for-hedging		<u>3,620</u>	<u>11,457</u>	<u>1,059</u>



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	Cash Flows (CF) or Fair Value (FV) Hedge	Fair Value		Gain/(loss) MCh\$
		Assets MCh\$	Liabilities MCh\$	
As of December 31, 2014				
Derivatives held-for-hedging				
Foreign currency forwards	FV	—	—	—
Foreign currency swaps	FV	4,343	3,942	6,070
Interest rate swaps	FV	2,532	2,466	(2,637)
Subtotal		6,875	6,408	3,433
Foreign currency forwards	CF	15	6,612	(13,644)
Foreign currency swaps	CF	1,775	192	(678)
Interest rate swaps	CF	120	5,322	(288)
Subtotal		1,910	12,126	(14,610)
Total derivatives held-for-hedging		8,785	18,534	(11,177)

	Cash Flows (CF) or Fair Value (FV) Hedge	Fair Value		Gain/(loss) MCh\$
		Assets MCh\$	Liabilities MCh\$	
As of December 31, 2015				
Derivatives held-for-hedging				
Foreign currency forwards	FV	395	1,236	3,500
Foreign currency swaps	FV	1,670	4,452	4,227
Interest rate swaps	FV	3,140	3,234	(3,564)
Subtotal		5,205	8,922	4,163
Foreign currency forwards	CF	2,635	10,744	(9,772)
Foreign currency swaps	CF	23,698	15,428	1,028
Interest rate swaps	CF	—	3,914	(1,429)
Subtotal		26,333	30,086	(10,173)
Total derivatives held-for-hedging		31,538	39,008	(6,010)



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NOTE 28 - PROVISION FOR LOAN LOSSES

- a) The changes in provision for loan losses recorded on the income statement for the years ended December 31, 2013, 2014 and 2015 is as follows:

	For the year ended December 31, 2013 (changes in provision)				
	Loans and receivables from customers				
	Loans and receivables from banks MCh\$	Commercial loans MCh\$	Mortgage Loans MCh\$	Consumer Loans MCh\$	Total MCh\$
Recognized provision:					
Individually evaluated	(1,054)	(193,586)	—	—	(194,640)
Collectively evaluated	—	(29,038)	(7,602)	(100,783)	(137,423)
Charge to income for provisions recognized	(1,054)	(222,624)	(7,602)	(100,783)	(332,063)(*)
Released provisions:					
Individually evaluated	1,086	148,563	—	—	149,649
Collectively evaluated	—	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)
	For the year ended December 31, 2014 (changes in provision)				
	Loans and receivables from customers				
	Loans and receivables from banks MCh\$	Commercial loans MCh\$	Mortgage Loans MCh\$	Consumer Loans MCh\$	Total MCh\$
Recognized provision:					
Individually evaluated	(269)	(133,767)	—	—	(134,036)
Collectively evaluated	—	(45,398)	(10,198)	(138,902)	(194,498)
Charge to income for provisions recognized	(269)	(179,165)	(10,198)	(138,902)	(328,534)(*)
Released provisions:					
Individually evaluated	141	91,686	—	—	91,827
Collectively evaluated	—	22,710	5,349	56,431	84,490
Credit to income for provisions used	141	114,396	5,349	56,431	176,317(*)
Recovery of assets previously written-off	—	9,321	1,277	14,347	24,945
Net charge to income	(128)	(55,448)	(3,572)	(68,124)	(127,272)



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	For the year ended December 31, 2015 (changes in provision)				
	Loans and receivables from customers				
	Loans and receivables from banks MCh\$	Commercial loans MCh\$	Mortgage Loans MCh\$	Consumer Loans MCh\$	Total MCh\$
Recognized provision:					
Individually evaluated	(121)	(203,482)	—	—	(203,603)
Collectively evaluated	—	(41,465)	(15,019)	(138,651)	(195,135)
Charge to income for provisions recognized	(121)	(244,947)	(15,019)	(138,651)	(398,738)(*)
Released provisions:					
Individually evaluated	180	115,698	—	—	115,878
Collectively evaluated	—	12,401	15,396	65,430	93,227
Credit to income for provisions used	180	128,099	15,396	65,430	209,105(*)
Recovery of assets previously written-off	—	6,905	1,875	11,105	19,885
Net charge to income	<u>59</u>	<u>(109,943)</u>	<u>2,252</u>	<u>(62,116)</u>	<u>(169,748)</u>

(*) The amounts disclosed in the Consolidated Statements of Cash Flows are detailed below:

	2013 MCh\$	2014 MCh\$	2015 MCh\$
Charge to income for provisions recognized	(332,063)	(328,534)	(398,738)
Credit to income for provisions used	212,524	176,317	209,105
	(119,539)	(152,217)	(189,633)

b) The break down by type of loan, whether assessed collectively or individually, for established and released provision amounts, respectively, is as follows:

	For the year ended December 31, 2013.						Note
	Established Provision			Released Provision			
	Individual Analysis MCh\$	Group Analysis MCh\$	Total MCh\$	Individual Analysis MCh\$	Group Analysis MCh\$	Total MCh\$	
Commercial Loans	(193,586)	(29,038)	(222,624)	148,563	14,027	162,590	
Mortgage Loans	—	(7,602)	(7,602)	—	4,604	4,604	
Consumer Loans	—	(100,783)	(100,783)	—	44,244	44,244	
	<u>(193,586)</u>	<u>(137,423)</u>	<u>(331,009)</u>	<u>148,563</u>	<u>62,875</u>	<u>211,438</u>	10
Banks	(1,054)	—	(1,054)	1,086	—	1,086	9
	<u>(194,640)</u>	<u>(137,423)</u>	<u>(332,063)</u>	<u>149,649</u>	<u>62,875</u>	<u>212,524</u>	



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	For the year ended December 31, 2014.						Note
	Established Provision			Released Provision			
	Individual Analysis	Group Analysis	Total	Individual Analysis	Group Analysis	Total	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Commercial Loans	(133,767)	(45,398)	(179,165)	91,686	22,710	114,396	
Mortgage Loans	—	(10,198)	(10,198)	—	5,349	5,349	
Consumer Loans	—	(138,902)	(138,902)	—	56,431	56,431	
	<u>(133,767)</u>	<u>(194,498)</u>	<u>(328,265)</u>	<u>91,686</u>	<u>84,490</u>	<u>176,176</u>	10
Banks	(269)	—	(269)	141	—	141	9
	<u>(134,036)</u>	<u>(194,498)</u>	<u>(328,534)</u>	<u>91,827</u>	<u>84,490</u>	<u>176,317</u>	

	For the year ended December 31, 2015.						Note
	Established Provision			Released Provision			
	Individual Analysis	Group Analysis	Total	Individual Analysis	Group Analysis	Total	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Commercial Loans	(203,482)	(41,465)	(244,947)	115,698	12,401	128,099	
Mortgage Loans	—	(15,019)	(15,019)	—	15,396	15,396	
Consumer Loans	—	(138,651)	(138,651)	—	65,430	65,430	
	<u>(203,482)</u>	<u>(195,135)</u>	<u>(398,617)</u>	<u>115,698</u>	<u>93,227</u>	<u>208,925</u>	10
Banks	(121)	—	(121)	180	—	180	9
	<u>(203,603)</u>	<u>(195,135)</u>	<u>(398,738)</u>	<u>115,878</u>	<u>93,227</u>	<u>209,105</u>	

In management's opinion, the credit risk provisions established cover all losses that may arise from estimated incurred loan 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, 2013, 2014 and 2015 are as follows:

	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Personnel remunerations	(102,967)	(131,872)	(126,933)
Bonuses and gratifications/awards	(45,009)	(57,326)	(54,864)
Severance indemnities	(3,026)	(10,231)	(4,220)
Training Expenses	(955)	(1,093)	(416)
Other personnel expenses	(13,052)	(18,790)	(16,321)
Total	<u>(165,009)</u>	<u>(219,312)</u>	<u>(202,754)</u>



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NOTE 30 - ADMINISTRATION EXPENSES

Administration expenses for the years ended December 31, 2013, 2014 and 2015 are as follows:

	<u>2013</u>	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$	MCh\$
Maintenance and repair of fixed assets	(8,178)	(13,296)	(14,382)
Office rentals	(14,297)	(20,986)	(21,238)
Equipment rentals	(3,088)	(4,644)	(3,943)
Insurance premiums	(10,996)	(17,949)	(17,143)
Office supplies	(1,202)	(1,595)	(1,478)
IT and communications expense	(7,583)	(11,262)	(12,059)
Lighting, heating and other services	(4,697)	(5,545)	(6,064)
Security Service and transportation of securities	(2,213)	(1,994)	(1,810)
Public relations expense and staff travel expenses	(1,935)	(2,675)	(2,573)
Legal and Notary Costs	(1,435)	(795)	(2,583)
Technical report fees	(12,997)	(31,963)	(30,908)
Professional services fees	(1,233)	(2,366)	(1,616)
Securities classification fees	(180)	(121)	(114)
Fines	(165)	(131)	(119)
Comprehensive management ATMs	(2,649)	(2,448)	(2,422)
Other administration expenses	(16,620)	(26,361)	(19,495)
Subtotal	(89,468)	(144,131)	(137,947)
Subcontracted services			
Data processing	(9,526)	(11,688)	(13,250)
Sales	(307)	(779)	(718)
Loan valuation	(35)	(3,674)	(482)
Others	(8,455)	(10,665)	(7,463)
Subtotal	(18,323)	(26,806)	(21,913)
Board of Directors Expenses			
Remunerations	(1,343)	(1,567)	(1,493)
Other Board of Directors expenses	—	(25)	—
Subtotal	(1,343)	(1,592)	(1,493)
Marketing and advertising	(6,672)	(7,205)	(6,938)
Real estate taxes, contributions and levies	(23,808)	(33,406)	(43,312)
Real estate taxes	(352)	(416)	(391)
Patents	(818)	(817)	(829)
Other taxes(*)	(18,795)	(27,145)	(36,501)
Contributions to SBIF	(3,843)	(5,028)	(5,591)
Subtotal	(23,808)	(33,406)	(43,312)
Total	(139,614)	(213,140)	(211,603)



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(*) This amount corresponds primarily to taxes other than income taxes that affect Banco 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.

NOTE 31 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) **Depreciation and amortization expenses as of December 31, 2013, 2014 and 2015 were as follows:**

	As of Decembre 31,			Note
	2013	2014	2015	
	MCh\$	MCh\$	MCh\$	
Depreciation and amortization				
Depreciation of property, plant and equipment	(12,680)	(13,827)	(11,667)	14
Amortization of intangible assets	(29,608)	(37,786)	(31,238)	13
Balances	(42,288)	(51,613)	(42,905)	

b) **Impairment losses for the years ended December 31, 2013, 2014 and 2015 are detailed below:**

	For the years ended December 31,		
	2013	2014	2015
	MCh\$	MCh\$	MCh\$
Impairment of financial investments available-for-sale	—	—	—
Impairment of financial investments held-to-maturity	—	—	—
Subtotal financial assets (i)	—	—	—
Impairment of property, plant and equipment (*)	—	(1,308)	(332)
Impairment of Goodwill and Intangibles	—	—	—
Subtotal Non-financial assets (ii)	—	(1,308)	(332)
Total	—	(1,308)	(332)

(*) Impairment for technological obsolescence as a result of new regulations on ATMs (decree 222 dated October 30, 2013 from the Ministry of Internal Affairs and Public Safety of Chile), accounted for in accordance with IAS 36 *Impairment of Assets*. See note 14 *Property, Plant and Equipment*, letter b).

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.

i. 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.



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ii. Non-financial assets¹¹

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. The 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 required for a CGU to which goodwill has been allocated and for intangible assets with indefinite useful lives. Different cash generating units and different intangible assets can be tested for impairment at different times during the year as long as they are carried out at the same time each 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 to 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.

¹¹ (Goodwill and intangible assets with definite/indefinite lives) were reviewed for indicator of impairment at December 31, 2015. No indicators of impairment were present.



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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.

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 Income Taxes.

Impairment testing of goodwill and intangible assets with indefinite useful lives at December 31, 2015

1. Goodwill Impairment Testing

The Group's business combinations began in the first half of 2012, with CorpBanca Chile's acquisition of Banco Santander Colombia S.A. from Banco Santander Spain¹². The acquiree's name was changed to Banco CorpBanca Colombia S.A. Following a capital increase in which CorpBanca Chile did not contribute the same proportion as its initial interest, CorpBanca Chile held a 66.27% interest in CorpBanca Colombia and subsidiaries.

Aspects	Acquirer	Acquired
Entities	CorpBanca	Banco Santander (SIVAL)
Country (residence)	Chile	Colombia

In the same period, Banco CorpBanca Colombia acquired 94.50% of the shares entitled to vote of Corpbanca Investment Trust Colombia S.A.¹³

Aspects	Acquirer	Acquired
Entities	CorpBanca Colombia	CITRUST
Country (residence)	Colombia	Colombia

Subsequently, during the second half of 2013, Banco CorpBanca Colombia S.A. acquired and took control of Helm Bank and subsidiaries, (this acquisition also enabled it to enter the Panamanian market), while CorpBanca Chile acquired 80% of the shares of Helm Corredor de Seguros S.A.-Lastly, on June 1, 2014, the merger between Banco CorpBanca Colombia and Helm Bank S.A. was completed in order to operate as one single bank, taking advantage of the synergies generated as a result of each bank's area of expertise and target business segments.

Aspects	Acquirer	Acquired
Entities	CorpBanca Colombia	Helm Bank and subsidiaries
Country (residence)	Colombia	Colombia; Panamá
Entities	CorpBanca	Helm Corredores de Seguros
Country (residence)	Chile	Colombia

This is framed within the Group's long-term strategy, which includes elements such as: To expand geographically; to increase returns from individual segments while maintaining low risk levels; to diversify and improve funding sources; to lead in costs and operating efficiency; to obtain synergies that promote growth; to cultivate a corporate culture that enables its strategy to be applied, etc.

The business combinations summarized in the preceding paragraph generated goodwill and intangible assets that must be tested for impairment in accordance with current regulations. They were allocated to the Colombia CGU, which is also identified as an operating segment¹⁴ (See Note 4 *Operating Segments*).

¹² This transaction also included the acquisition of Santander Investment Valores Colombia S.A. (currently CorpBanca Investment Valores Colombia S.A.) and Santander Investment Trust Colombia S.A. (currently CorpBanca Investment Trust Colombia S.A.).

¹³ Company that became a subsidiary subsequent to a business combination between Banco Santander Colombia and CorpBanca Chile.



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The following table details the intangible assets with indefinite lives for 2015, 2014 and 2013:

	Note	2013 MCh\$	2014 MCh\$	2015 MCh\$
Trademarks		1,298	1,206	988
Licenses	13	50,567	46,797	42,277
Database		500	463	381
Goodwill	13	420,623	386,180	345,620
Total		472,988	434,646	389,266

The Group has conducted annual impairment testing as of December 31, 2015, 2014 and 2013. Upon evaluating whether indications of impairment exist, the relationship between its market capitalization and the carrying amount of its equity are among the main factors considered. The Group's market capitalization is greater than the carrying amount of its equity (Price/BV around 2.2 and 2.3 times, respectively).

The variables evaluated in the projections used in the Colombia CGU take into account aspects such as:

External Variables

Gross Domestic Product (GDP)

Colombia has grown steadily since 2000 forward. In the years before the crisis of 2008, GDP growth was maintained at values between 4.5 and 7%, which were subsequently affected by the subprime crisis, and then continued in 2011 with growth of between 4 and 4, 5%. 2015 is expected to end with a growth of about 3%, because of a general slowdown in the Latin American economy, returning to values above 4% in 2017.

Unemployment

The unemployment rate in Colombia is a good indicator of economic development that have sustained in the past 15 years. Starting in 2001 with an unemployment rate of 15%, which has decreased to 9% in 2015.

Inflation and exchange rate

These variables have not been ignored by the improvement in the last 15 years. Except for the last two years that inflation has increased slightly to 6%. Since 2000, levels have declined and, in general, have remained in line with the inflation target of the Central Bank of Colombia.

Rising inflation in Colombia (2015/2014) is principally due to a devaluation of the Colombian peso, reduction of foreign trade and local economic slowdown. This, coupled with climatic effects ("El Niño"¹⁵) has punished crops increasing food prices 62% increase in the previous year.

Economists expect this negative economic phenomenon will not last more than two years, counting on the end of El Niño in the middle of 2016, the stabilization of inflation to normal levels and the strengthening of GDP growth due to the competitive advantages obtained by the devaluation generated in recent months and the normalization of domestic demand.

Economic Sector

Regarding the most dynamic economic sectors, these were as follows: 8.7% construction, mining and quarrying with 4.2%, commerce, repairs, restaurants and hotels with 3.8% and financial institutions, real estate and business services with 3.6%.

¹⁴ The Group determined that its operating segments also correspond to its reportable segments. As a result, no operating segments were aggregated to create reportable segments.

¹⁵ El Niño is an abnormal weather pattern that is caused by the warming of the Pacific Ocean near the equator, off the coast of South America. This occurs when the normal trade winds weaken (or even reverse), which lets the warm water that is usually found in the western Pacific flow instead towards the east. This warm water displaces the cooler water that is normally found near the surface of the eastern Pacific, setting off atmospheric changes that affect weather patterns in many parts of the world.



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Directly responsible for the momentum has been consumption registering a variation of 2.9% due to the growth of household consumption (3.3%) and the expenditures of government (1.8%) ; meanwhile, the sector with negative demand was that of the gross fixed capital formation wich suffered a sharp slowdown.

Portfolio

The growth of the portfolio of Colombian financial institutions is positively correlated with GDP growth (0.72) therefore it has grown and accompanied the development of the economy.

As for the composition of growth in the banking book it shows that 10 years ago, it was led by commercial and consumer loans (microloans have historically shown higher volatility). Currently, the credit growth rate has converged at approximately 15%.

Interest Rate

As for interest rates when bank penetration has been growing and competitive, they have been thus reducing also the spread of loans rates and deposits.

The intervention rate for the end of 2015 is expected at around the 4.5% level, half the expected rate for commercial loans.

Bank solvency index

The minimum solvency ratio required by the regulation in Colobia is 9%, demonstrating the banking industry showed a steady increase between 2000 and 2015 (11.7% and 15.2% respectively).

Banking services

Colombia in the item financial inclusion ranks second among a group of 55 emerging economies, but still has barriers, use and access issues that keep to Colombia at a disadvantage compared to other countries.

The last measurement to establish the level of financial inclusion has to Colombia in the 57th, Korea in first place and Brazil in 29th place (among 82 countries). This analysis also indicates the barriers to further financial inclusion (63rd); in access to financial services (54th) and use of the products (46th).

According to the Banking Association in Colombia (Asobancaria) today throughout the territory of Colombia has coverage of banking services. However, 51% of savings accounts are inactive, and another percentage is only used for state subsidies and that money is fully withdrawn when accredited.

In turn, financial depth, which indicates the level of access to credit with Colombians last October reached 43.3%, according to the Financial Superintendence of Colombia.

In terms of banking services, Colombia is located very close to the Brazilian rates (around 60%) but with a significant growth potential and is expected to reach the level of Chile (around 80%) in less than 10 years, due to high levels of growth that have and will loan portfolios of consumer, commercial, mortgage and microcredit.

Taxes

The current rates for corporate taxes, according to the latest tax reform approved by the government of Colombia in December 2014 were applied.

INTENAL VARIABLES

Management, prepared its projections considering the following aspects: Revenues were projected considering the historical growth, which is consistent with the level of growth experienced by the Colombian GDP, the expected growth of the economy, and the expected increase in market share as a result of merger and growth expectations for the Colombian banking industry.



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It is expected that the market share CorpBanca has sustained will grow in the coming years, in loans and deposits, for the following reasons:

- a. Colombia represents about 7% of production in Latin America, fourth largest economy in the region.
- b. Colombia should grow above the average of Latin America in the next 5 years.
- c. GDP has grown consistently over the past seven years.
- d. 80% of GDP is domestic demand.



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e. The growth of loans and deposits is presented aligned to the expectation of market growth, which is explained by low levels of banking penetration in Colombia

- The company has strong solvency figures which gives margin to reinvest and improve the conditions for growth.
- Expenses and revenues are projected similarly, ie according to historical growth presented by the industry, adjusted for synergies and economies of scale generated by mergers described above, which are characterized by the following:

a. The main income attributable to: interest (generated by average portfolio balances in relation to their rate), service fee (transactions generated by product) and results from financial operations (obtained by operation of financial instruments).

b. Expenses primarily relate to interest (paid by deposit products in relation to agreed rates), provisions for credit risk (associated with the loan portfolio) and other expenses (which include administrative expenses, personnel and amortization).

The recoverable amount of the CGU Colombia, has been determined using the asset valuation approach called income approach, using the methodology of the dividend discount model main method. This methodology considers the flow that would generate dividends paid to shareholders in a perpetual projection horizon, discounted at the rate of equity cost at the date of valuation, facilities and estimated the economic value of the assets of the company, using flow projections cash derived from financial budgets approved by management and covering a period of 5 years of explicit projection (2020), a perpetual time horizon, assuming a profit growth of approximately 5% in perpetuity (a starting in 2021).

Senior Management believes that this growth rate is justified by the acquisition of new subsidiaries in Colombia and the issues discussed above, allowing capture more market and other potentials.

Key assumptions used in calculating the recoverable amount

The values assigned to the key assumptions are an evaluation by senior management of future industry trends based on both external and internal sources. The key assumptions used in calculating the recoverable amount are summarized below and detailed in subsequent sections:

<u>Key Assumptions</u>	<u>2015</u>	<u>2014</u>
Projection period	5.0	5.0
Perpetuity growth rates (%)	5.0	5.0
Projected inflation rates (%)	3.0	3.0
Discount rate (%)	12.6	12.3
Tax rate (%)	41.8	40.4
Solvency index limit (%)	10.0	10.0

Goodwill

a. Projection period and perpetuity.

- The recoverable amount has been determined using cash flows based on six -month budgets approved by senior management with a discount rate of around 12%. Cash flows beyond this time horizon have been extrapolated using a growth rate of around 5.0%. This growth rate does not exceed the average long-term growth rate for the market in which the CGU operates.
- Cash flow projections correspond to 5 years (until 2019) after which time a present value is calculated for cash flows in perpetuity by normalizing cash flows. 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 5.0% nominal (represents an approximate excess of 2.0 percentage points over inflation). Projected inflation for Colombia is around 3.0%.



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- Growth in perpetuity is 5% is based on future projections and their potential for short-term increase, which implies an increase in portfolio in the first five years near 15% and reducing it gradually to 5% by 2025.

b. Loans and deposits.

- Loans were projected considering an increase of around 15% annually and the deposit portfolio was projected on a correlated basis, both concepts aligned to the expectations of market growth and market share.

c. Income

- Determined by average balances (calculated with respect to gaining market share) of mortgage loans, credit cards, commercial loans and consumer loans.
- Average growth rates until 2020 for interest income are around 16.3% while fee and commission income is close to 11.4%.
- In relation to the results generated on financial transactions growth of around 15.5%.

d. Costs.

- Cost projections are determined primarily by average balances of time and demand deposits as well as other relevant components.
- Interest expense (expenses related to deposits and taxes) demonstrate growth of 15.6% up to 2020. Credit risk provisions grow around 18.3% and other expenses demonstrate growth of 5%.

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 models 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.
- Taxes are projected at a rate of 40% for 2016, 42% for 2017, 43% and 43% for 2018 and 2021, in accordance with the tax reform passed in Colombia in December 2014. For the 2015 period, a tax rate of 34% was used for the first three years and after that a rate of 39%.
- The discount rate is a variable that has a considerable impact on results, sensitivity testing was performed for that rate, concluding that no reasonable change would negatively impact the results.

f. Dividend payments.

- Dividend payments were used to maximize the cash flows of shareholders with the restriction that solvency (technical capital to risk-weighted assets) did not go below 10% for projected cash flow. This did not exceed the solvency limits required by regulators, which are in line with the market and future growth forecasts.



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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.

Results of Impairment Testing

The Bank concluded that the recoverable amounts of the assets tested exceed their respective carrying amounts. As a result of this analysis, senior management has not identified impairment.

2. Impairment Testing of Intangible Assets with Indefinite Useful Lives

License

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. A spread of 1% is added for cash flows generated by this asset, which is in line with its nature and is presented as riskier than the average of the assets in the Statement of Financial Position.

As a result of this analysis, senior management has not identified impairment for this asset.

Trademark

The relief from royalty method was used, which considers the income attributable to the brands of Banco 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 0.3%. 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 21% of results after the effects of the post-tax royalties.
- d. Discount rate: The cash flows were discounted at the same rate used in the equity valuation model described above. A spread of 1% is added for cash flows generated by this asset, which is in line with its nature and is presented as riskier than the average of the assets in the Statement of Financial Position.

As a result of this analysis, senior management has not identified impairment for this asset.

Database

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.



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As a result of this analysis, senior management has not identified impairment for this asset.

Sensitivity to Changes in Key Assumptions Used

In determining the recoverable amount of the assets described above (in 2.1 to 2.3), senior management performed a sensitivity analysis under diverse scenarios and concluded that no reasonable possible change in any of the aforementioned key assumptions would make their carrying amount significantly exceed that amount.

3. 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 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.

4. Others

There have been no changes in valuation techniques of this period relative to those used in previous.



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NOTE 32 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

The detail of other operating income is as follows:

	<u>Note</u>	<u>2013</u> MCh\$	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Revenues for assets received in lieu of payment				
Assets received in lieu of payment provision released		—	—	—
Gain on sales of assets received in lieu of payment		1,921	2,226	2,356
Others		71	645	1,699
Subtotal		<u>1,992</u>	<u>2,871</u>	<u>4,055</u>
Contingency provisions used				
Other contingency provisions	20 b)	57	2,749	934
Subtotal		<u>57</u>	<u>2,749</u>	<u>934</u>
Other Revenues				
Gain on sales of property, plant and equipment		25,164	415	461
Compensation insurance companies		106	89	95
Subtotal		<u>25,270</u>	<u>504</u>	<u>556</u>
Leasing contributions revenue		1,591	2,181	1,167
Other operating income -Subsidiaries		1,146	2,561	3,136
Gain on sales of leased assets		334	604	1,357
Other operating income -Leasing		185	241	366
Insurance reimbursement		2,750	6,417	8,206
Change useful life intangible assets Helm Bank		—	2,272	—
Reimbursement of guarantees (Fogafin - Colombia)		—	1,402	—
Income policy administration		397	1,481	—
Valuation of investment income		—	—	889
Rental income		1,279	2,713	618
Other income		4,657	2,962	2,368
Subtotal		<u>12,339</u>	<u>22,834</u>	<u>18,107</u>
Total		<u>39,658</u>	<u>28,958</u>	<u>23,652</u>



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b) Other operating expenses

Other operating expenses for the years ended December 31, 2013, 2014 and 2015 are the following:

	<u>Note</u>	<u>2013</u> MCh\$	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Provisions and expenses for assets received in lieu of payment				
Provisions for assets received in lieu of payment		(35)	—	(361)
Maintenance expenses of assets received in lieu of payment		(352)	(554)	(486)
Subtotal		(387)	(554)	(847)
Contingency provisions				
Other contingency provisions	20 b)	(107)	—	—
Subtotal		(107)	—	—
Other expenses				
Other expenses		(14,740)	(23,745)	(22,348)
Subtotal		(14,740)	(23,745)	(22,348)
Total		(15,234)	(24,299)	(23,195)



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NOTE 33 - RELATED PARTY TRANSACTIONS

As defined in IAS 24, a related party is: (a) a person or a close member of that person’s family related to a reporting entity if that person (i) has control or joint control of the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) an entity is related to a reporting entity if (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) the entity is controlled or jointly controlled by a person identified in (a) or ; (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity):

Transactions that the Bank entered into with related parties as of December 31, 2013, 2014 and 2015 are specified below:

a) Loans granted to related parties

Loan granted to related parties as of December 31, 2014 and 2015 are as follows:

As of December 31, 2014	<u>Operating Companies</u> MCh\$	<u>Investment Companies</u> MCh\$	<u>Individuals</u> MCh\$
Loans and receivables to customers:			
Commercial loans	181,576	31,351	1,741
Mortgage Loans	—	—	14,580
Consumer Loans	—	—	2,592
Loans and receivables to customers - gross	<u>181,576</u>	<u>31,351</u>	<u>18,913</u>
Provision for loan losses	(2,650)	(154)	(47)
Loans and receivables to customers, net	<u>178,926</u>	<u>31,197</u>	<u>18,866</u>
Other	<u>76,396</u>	<u>312</u>	<u>2,304</u>
As of December 31, 2015	<u>Operating Companies</u> MCh\$	<u>Investment Companies</u> MCh\$	<u>Individuals</u> MCh\$
Loans and receivables to customers:			
Commercial loans	86,595	24,406	3,863
Mortgage Loans	—	—	16,451
Consumer Loans	—	—	2,362
Loans and receivables to customers - gross	<u>86,595</u>	<u>24,406</u>	<u>22,676</u>
Provision for loan losses	(1,731)	(6)	(82)
Loans and receivables to customers, net	<u>84,864</u>	<u>24,400</u>	<u>22,594</u>
Other	<u>28,972</u>	<u>674</u>	<u>2,910</u>



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b) Other transactions with related parties

For the years ended December 31, 2013, 2014 and 2015, the Bank entered into the following transactions with related parties for amounts exceeding UF 1,000.

As of December 31, 2013:

Company	Description	Notes	Effect on Statement of Income		
			Asset (Liability) MCh\$	Income MCh\$	(expense) MCh\$
Inmobiliaria Edificio Corpgroup S.A.	Corporate office rent and building costs		—	—	2,740
Corp Group Interhold S.A. and Corp Group Holding Inversiones Ltda.	Management advisory services		—	—	2,632
Transbank S.A.	Credit Card processing		—	—	2,430
SMU S.A., Rendic Hnos S.A.	Prepaid rent for space for ATMs	16	19,067	—	1,928
Redbanc S.A.	Automatic teller machine administration		—	—	1,782
Promoservice S.A.	Promotion 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
Compañía de Seguros Vida Corp S.A.	Brokerage of insurance premiums and office rent		—	—	318
Empresa Periodística La Tercera S.A.	Advertising services		—	—	163
Fundación Descúbreme	Donations		—	—	80

(*) Since February 2015, the company is a subsidiary of CorpBanca Chile.



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As of December 31, 2014:

Company	Description	Notes	Balance	Effect on Statement of Income	
			Asset (Liability)	Income	(expense)
			MCh\$	MCh\$	MCh\$
Transbank S.A.	Credit Card processing		—	—	3,617
Inmobiliaria Edificio Corpgroup S.A.	Corporate office rent and building costs		—	—	3,067
Inversiones Corp Group Interhold Ltda.	Management advisory services		—	—	2,187
SMU S.A., Rendic Hnos S.A.	Prepaid rent for space for ATMs	16	18,157	—	2,092
Redbanc S.A.	Automatic teller machine administration		—	—	2,016
Recaudaciones y Cobranzas S.A. (*)	Office rent and credit collection		—	—	1,943
Fundación Corpgroup Centro Cultural	Donations		—	—	1,505
Promoservice S.A.	Promotion services		—	—	1,188
Operadora de Tarjeta de Crédito Nexus S.A.	Credit card processing		—	—	936
Corp Group Holding Inversiones Limitada	Advisory		—	—	618
Corp Research S.A.	Management advisory services		—	—	408
Empresa Periodística La Tercera S.A.	Advertising services		—	—	282
CAI Gestion Inmobiliaria S.A	Commercial Homes (Department Stores)		—	—	219
Grupo de Radios Dial S.A	Publicity		—	—	177
Compañía de Seguros Vida Corp S.A.	Brokerage of insurance premiums and office rent		—	—	159
Hotel Corporation of Chile S.A	Accommodation, events		—	—	132
Pulso Editorial S.A	Publishing Services		—	—	111
Fundación Descúbreme	Donations		—	—	78
Corp Imagen y diseños S.A	Other services		—	—	76
Asesorías e Inversiones Rapelco Limitada S.A	Other services		—	—	49

(*) Since February 2015, the company is a subsidiary of CorpBanca Chile.

As of December 31, 2015:

Company	Description	Notes	Balance	Effect on Statement of Income	
			Asset (Liability)	Income	(expense)
			MCh\$	MCh\$	MCh\$
Transbank S.A.	Credit Card processing		—	—	5,469
Inmobiliaria Edificio Corpgroup S.A.	Corporate office rent and building costs		—	—	4,298
Fundación Corpgroup Centro Cultural	Donations		—	—	3,550
Inversiones Corp Group Interhold Ltda.	Management advisory services		—	—	2,289
SMU S.A., Rendic Hnos S.A.	Prepaid rent for space for ATMs	16	16,805	—	2,054
Redbanc S.A.	Automatic teller machine administration		—	—	2,028
Promoservice S.A.	Promotion services		—	—	1,677
Operadora de Tarjeta de Crédito Nexus S.A.	Credit card processing		—	—	1,018
Pulso Editorial S.A	Publishing Services		—	—	697



Corp Research S.A	Management advisory services	—	—	426
Corp Group Holding				
Inversiones Limitada	Advisory	—	—	375
Fundación Descúbreme	Donations	—	—	193
Grupo de Radios Dial S.A	Publicity	—	—	189
Compañía de Seguros				
Vida Corp S.A.	Brokerage of insurance premiums and office rent	—	—	160
Hotel Corporation of Chile				
S.A	Accommodation, events	—	—	160
Corp Imagen y diseños				
S.A	Other services	—	—	89
CAI Gestion Inmobiliaria				
S.A	Commercial Homes (Department Stores)	—	—	58
Asesorias e Inversiones				
Rapelco Limitada S.A	Other services	—	—	53



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These transactions were carried out at normal market prices prevailing at the day of the transactions.

In accordance with IAS 24, the relationship of all listed companies in the above table falls under the category “other related parties”.

c) Other assets and liabilities with related parties

As of December 31, 2013:

<u>Company</u>	<u>Description</u>	<u>Balance</u>	<u>Effect on Statement of</u>	
		<u>Asset</u>	<u>Income</u>	<u>(expense)</u>
		MCh\$	MCh\$	MCh\$
Fundación Corpgroup Centro Cultural	Donations	—	—	736
Fundación Descúbreme	Donations	—	—	80
Fundación El Golf	Donations	—	—	5

As of December 31, 2014:

<u>Company</u>	<u>Description</u>	<u>Balance</u>	<u>Effect on Statement of</u>	
		<u>Asset</u>	<u>Income</u>	<u>(expense)</u>
		MCh\$	MCh\$	MCh\$
Fundación Corpgroup Centro Cultural	Donations	—	—	1,505
Fundación Descúbreme	Donations	—	—	78
Fundación de Inclusión Social Aprendamos	Donations	—	—	5

As of December 31, 2015:

<u>Company</u>	<u>Description</u>	<u>Balance</u>	<u>Effect on Statement of</u>	
		<u>Asset</u>	<u>Income</u>	<u>(expense)</u>
		MCh\$	MCh\$	MCh\$
Fundación Corpgroup Centro Cultural	Donations	—	—	3,550
Fundación Descúbreme	Donations	—	—	193
Fundación de Inclusión Social Aprendamos	Donations	—	—	5

d) Other assets and liabilities with related parties

	<u>As of December 31,</u>	
	<u>2014</u>	<u>2015</u>
	MCh\$	MCh\$
ASSETS		
Derivative financial instruments	17,686	59,642
Other assets	212	249
LIABILITIES		
Derivative financial instruments	—	—
Demand deposits	84,848	76,337
Deposits and other time deposits	196,956	157,549
Other Liabilities	1,093	1,050



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e) Operating income /expenses from related party transactions

Type of recognized income or expense	As of December 31,					
	2013		2014		2015	
	Income	Expenses	Income	Expenses	Income	Expenses
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Interest revenue	25,501	9,251	11,159	1,318	18,048	11,502
Income and expenses on fees and services	470	249	903	88	483	29
Gain and Loss on other financial transactions	311	—	—	—	—	—
Operating support expense	525	15,994	317	20,906	214	27,295
Other income and expense	—	437	—	848	—	141
Total	26,807	25,931	12,379	23,160	18,745	38,967

f) Contracts with related parties

2014

Company

Description

Compañía de Seguros Vida Corp S.A.	Brokerage of insurance premiums and office lease
Corp Group Holding Inversiones Limitada	Advisory
Corp Research S.A.	Management advisory services
Empresa Periodística La Tercera S.A.	Advertising services
Fundación Corpgroup Centro Cultural	Donations
Fundación Descúbreme	Donations
Grupo de Radios Dial S.A	Publicity
Hotel Corporation of Chile S.A	Accommodation, events
Inmobiliaria Edificio Corpgroup S.A.	Corporate office rent and building costs
Inversiones Corp Group Interhold Ltda.	Management advisory services
Operadora de Tarjeta de Crédito Nexus S.A.	Credit card processing
Promoservice S.A.	Promotion services
Pulso Editorial S.A	Publishing Services
Recaudaciones y Cobranzas S.A. (*)	Office rent and credit collection
Redbanc S.A.	Automatic teller machine administration
SMU S.A., Rendic Hnos S.A.	Rent spaces ATMs
Transbank S.A.	Credit Card processing

(*) Since February 2015, the company is a subsidiary of CorpBanca Chile.



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2015

Company	Description
CAI Gestión Inmobiliaria S.A.	Department stores
Compañía de Seguros Vida Corp S.A.	Brokerage of insurance premiums and office lease
Corp Group Holding Inversiones Limitada	Advisory
Corp Imagen y Diseño S.A	Other services
Corp Research S.A	Management advisory services
Distribución y Servicios META S.A.	Other services
Empresa Periodística La Tercera S.A.	Advertising services
Fundación Corpgroup Centro Cultural	Donations
Fundación Descúbreme	Donations
Grupo de Radios Dial S.A	Publicity
Hotel Corporation of Chile S.A	Accommodation, events
Inmobiliaria Edificio Corpgroup S.A.	Corporate office rent and building costs
Instituto profesional AIEP S.A	Advertising services
Inversiones Corp Group Interhold Ltda.	Management advisory services
Inversiones Santa Valentina S.A.	Administrative consulting
Laborum.com Chile S.A.	Advertising services
Operadora de Tarjeta de Crédito Nexus S.A.	Credit card processing
Promoservice S.A.	Promotion services
Pulso Editorial S.A	Publishing Services
Redbanc S.A.	Automatic teller machine administration
SMU S.A., Rendic Hnos S.A.	Rent spaces ATMs
Transbank S.A.	Credit Card processing
UNIRED S.A.	Payment management

g) Remunerations to members of the board and key management personnel

Remunerations paid to key management personnel are sets forth in table below:

	As of December 31,		
	2013	2014	2015
	MCh\$	MCh\$	MCh\$
Short term benefits	23,563	26,325	23,545
Severance indemnities	395	1,482	508
Total	23,958	27,807	24,053

2015

In 2015 managers and senior executives received MCh\$17,652 for remuneration. Additionally, depending on the bonus policy established by the Division of Human Resources, in conjunction with the General Manager and duly approved by the Board of Directors, senior executives of the Bank were awarded bonuses for meeting goals.

2014

As agreed by shareholders at the Ordinary General Shareholders' Meeting on March 13, 2014, the Directors of CorpBanca received a total of MCh\$463 in compensation for the year.

Monthly remunerations for 2014 were set at 100 UF for directors and 600 UF for the chairman of the board during the ordinary shareholders' meeting. Members of the Directors' Committee received 150 UF, while the chairman received 250 UF.



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As agreed at the same meeting, the members of the Directors' Audit Committee were paid total fees of MCh\$799.

Total compensation received by the Bank's executives and key management personnel during the year ended December 31, 2014, amounted to MCh\$17,852.

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.

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.

h) Key management personnel

As of December 31, 2014 and 2015, the composition of the Bank's key management personnel is as follows:

<u>Position</u>	<u>Number of Executives</u>	
	<u>2014</u>	<u>2015</u>
Directors	42	51
Chief Executive Officers -at the Subsidiaries	9	9
Division Managers	24	21
Department Managers	154	158
Deputy Managers	138	142
Vicepresident	19	17

i) Transactions with key management personnel

During 2014 and 2015 transactions with key personnel were carried out as follows:

	<u>Income</u>		
	<u>2013</u> MCh\$	<u>2014</u> MCh\$	<u>2015</u> MCh\$
Credit Cards	149	138	202
Consumer loans	283	133	381
Commercial loans	62	101	53
Mortgages loans	792	2,495	1,254



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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 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 principal¹⁶ or most advantageous¹⁷ 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.

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:

¹⁶ The market with the greatest volume and level of activity for the asset or liability.

¹⁷ 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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- 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.
- 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.



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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 December 31, 2014 and 2015, including those that are not recorded at fair value in the Consolidated Statement of Financial Position.

	Notes	2014		2015	
		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		MCh\$	MCh\$	MCh\$	MCh\$
ASSETS					
Cash and deposits in banks	5	1,169,178	1,169,178	1,004,757	1,004,757
Cash in the process of collection	5	212,842	212,842	176,501	176,501
Trading portfolio financial assets	6	685,898	685,898	323,899	323,899
Investments under agreements to resell	7	78,079	78,079	24,674	24,674
Derivative financial instruments	8	766,799	766,799	1,008,915	1,008,915
Loans and receivables from banks	9	814,209	814,209	451,829	451,829
Loans and receivables from customers	10	13,892,270	14,215,243	14,454,357	15,389,442
Financial investments available-for-sale	11	1,156,896	1,156,896	1,924,788	1,924,788
Held to maturity investments	11	190,677	190,713	170,191	160,258
LIABILITIES					
Current accounts and demand deposits	17	3,954,948	3,928,982	4,431,619	4,393,163
Transaction in the course of payment	5	145,771	145,771	105,441	105,441
Obligations under repurchase agreements	7	661,663	661,663	260,631	260,631
Time deposits and saving accounts	17	8,076,966	8,077,208	8,495,603	8,476,053
Derivative financial instruments	8	607,683	607,683	731,114	731,114
Borrowings from financial institutions	18	1,431,923	1,438,512	1,528,585	1,523,976
Debt issued	19	3,079,050	3,239,315	3,227,554	3,383,605
Other financial obligations	19	15,422	15,422	14,475	14,475

1.1.1. Fair Value Measurements of assets and liabilities only for disclosure purposes (non-recurring):

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.

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



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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 from 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.

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



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1.1.2. Fair Value measurement of financial assets and liabilities (recurring)

	Note	Fair value measurement of recurring items	
		2014	2015
		MCh\$	MCh\$
ASSETS			
Trading portfolio financial assets	6	685,898	323,899
From the Chilean Government and Central Bank		4,822	6,210
Other instruments issued in Chile		15,883	37,295
Foreign government and Central Bank instruments		542,791	192,427
Other instruments issued abroad		110,615	57,875
Mutual fund investments		11,787	30,092
Financial investments available for sale	11	1,156,896	1,924,788
From the Chilean Government and Central Bank		536,928	786,609
Other instruments issued in Chile		105,891	148,829
Foreign government and Central Bank instruments		434,392	629,297
Other instruments issued abroad		79,685	360,053
Derivative financial instruments	8	766,799	1,008,915
Forwards		154,229	225,986
Swaps		609,526	777,763
Call Options		2,648	4,655
Put Options		396	511
Total		<u>2,609,593</u>	<u>3,257,602</u>
LIABILITIES			
Derivative financial instruments	8	607,683	731,114
Forwards		140,949	191,589
Swaps		463,484	535,212
Call Options		2,564	3,511
Put Options		686	802
Total		<u>607,683</u>	<u>731,114</u>

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



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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.

1.2 Fair value hierarchy¹⁸

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 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, prices are derived from identical assets or liabilities traded on an active market.

- 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). Although the inputs are not directly observable, observable inputs are available with the needed frequency of usage.

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 over-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 Over-The-Counter market.

For money market instruments, prices of transactions on the Santiago Stock Exchange are observed and used to model market curves.

¹⁸ Level 2 and level 1 hierarchy instruments are not subject to adjustments of liquidity and credit spread because prices for such instruments are observed on active markets.



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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 creates market curves for use in the final result.

- 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 include liquidity and credit spread adjustments, over an OIS CLP swap curve. Additionally The Group has two derivative products in this category:

Due to the lack of liquidity of the active banking rate (TAB), 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 Interest Rate Swap with the greatest market depth.

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	As of December 31, 2014					
	Total	Volatility of American	TAB 30	TAB 90	TAB 180	TAB 360
	MCh\$	Forwards	MCh\$	MCh\$	MCh\$	MCh\$
American Forward USD-CLP	—	—	—	—	—	—
Basis TAB CLP	(1,452)	—	82	(377)	(1,146)	(11)
Basis TAB CLF	(539)	—	—	—	28	(567)
Total	(1,991)	—	82	(377)	(1,118)	(578)

Impact of Calibration in	As of December 31, 2015					
	Total	Volatility of American	TAB 30	TAB 90	TAB 180	TAB 360
	MCh\$	Forwards	MCh\$	MCh\$	MCh\$	MCh\$
American Forward USD-CLP	—	—	—	—	—	—
Basis TAB CLP	(495)	—	(194)	(153)	(145)	(3)
Basis TAB CLF	(264)	—	—	—	(434)	170
Total	(759)	—	(194)	(153)	(579)	167

The adjustments (CVA and DVA) are recognized periodically in the financial statements since December 2013, the portfolio of derivative contracts accumulate an effect of MCh\$(6,773) as of December 31, 2015 (MCh\$(2,929) as of December 31, 2014), the breakdown is as follows:



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	As of December 31,			
	2014		2015	
	CVA MCh\$	DVA MCh\$	CVA MCh\$	DVA MCh\$
Derivatives held for hedging	(1)	10	(3)	15
Fair value	(1)	3	—	2
Currency Forwards	—	—	—	—
Currency Swaps	(1)	2	—	2
Interest Rate Swaps	—	1	—	—
Cash Flow	—	7	(4)	11
Currency Forwards	—	5	1	3
Currency Swaps	—	(1)	(6)	6
Interest Rate Swaps	—	3	1	2
Inversiones en el Exterior	—	—	1	2
Currency Forwards	—	—	1	2
Currency Swaps	—	—	—	—
Interest Rate Swaps	—	—	—	—
Derivatives held for trading	(3,075)	137	(7,016)	231
Currency Forwards	330	5	(307)	25
Currency Swaps	(3,723)	118	(5,533)	192
Interest Rate Swaps	313	13	(1,134)	12
Currency Call Options	5	1	(42)	2
Currency Put Options	—	—	—	—
Total financial derivatives	(3,076)	147	(7,019)	246
Net Effect	(2,929)		(6,773)	

The following table summarizes the fair value hierarchy for the Group's recurring valuation of financial instruments:

<u>Level</u>	<u>Instrument</u>	<u>Issuer</u>	<u>Price Source</u>	<u>Model</u>
	Shares	Various	Santiago Stock Exchange	Directly observable price.
1	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.
	Derivatives	N/A	Over-The-Counter (brokers), Bloomberg	Interest rate curves based on forward prices and coupon rates.
2	Money market instruments	Chilean Central Bank and Chilean Treasury	Santiago Stock Exchange	Interest rate curves based on prices.



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3	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
	Derivatives, active banking rate (TAB)	N/A	Over-The-Counter (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 December 31, 2014 and 2015.



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As of December 31, 2014	Notes	Fair Value Measurement at reporting date using			
		Fair Value Amount MCh\$	Quoted prices in Active Markets for identical assets (Level 1) MCh\$	Significant Other observable inputs (Level 2) MCh\$	Significant unobservable inputs (Level 3) MCh\$
ASSETS					
Trading securities	6	685,898	477,084	208,814	—
Chilean Central Bank and Government securities		4,822	4,822	—	—
Other national institution securities		15,883	—	15,883	—
Foreign Institution Securities		542,791	460,475	82,316	—
Other foreign Securities		110,615	—	110,615	—
Mutual funds Investments		11,787	11,787	—	—
Available-for-sale securities	11	1,156,896	964,878	192,018	—
Chilean Central Bank and Government securities:		536,928	530,486	6,442	—
Other national institution securities		105,891	—	105,891	—
Foreign Institution Securities		434,392	434,392	—	—
Other foreign Securities		79,685	—	79,685	—
Derivatives	8	766,799	—	716,207	50,592
Forwards		154,229	—	154,216	13
Swaps		609,526	—	558,947	50,579
Call Options		2,648	—	2,648	—
Put Options		396	—	396	—
Total		2,609,593	1,441,962	1,117,039	50,592
LIABILITIES					
Derivatives	8	607,683	—	605,488	2,195
Forwards		140,949	—	140,944	5
Swaps		463,484	—	461,294	2,190
Call Options		2,564	—	2,564	—
Put Options		686	—	686	—
Total		607,683	—	605,488	2,195



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As of December 31, 2015	Notes	Fair Value Measurement at reporting date using			
		Fair Value Amount MCh\$	Quoted prices in Active Markets for identical assets (Level 1) MCh\$	Significant Other observable inputs (Level 2) MCh\$	Significant unobservable inputs (Level 3) MCh\$
ASSETS					
Trading securities	6	323,899	228,729	95,170	—
Chilean Central Bank and Government securities		6,210	6,210	—	—
Other national institution securities		37,295	—	37,295	—
Foreign Institution Securities		192,427	192,427	—	—
Other foreign Securities		57,875	—	57,875	—
Mutual funds Investments		30,092	30,092	—	—
Available-for-sale securities	11	1,924,788	1,415,047	509,741	—
Chilean Central Bank and Government securities:		786,609	785,750	859	—
Other national institution securities		148,829	—	148,829	—
Foreign Institution Securities		629,297	629,297	—	—
Other foreign Securities		360,053	—	360,053	—
Derivatives	8	1,008,915	—	962,034	46,881
Forwards		225,986	—	225,981	5
Swaps		777,763	—	730,887	46,876
Call Options		4,655	—	4,655	—
Put Options		511	—	511	—
Total		<u>3,257,602</u>	<u>1,643,776</u>	<u>1,566,945</u>	<u>46,881</u>
LIABILITIES					
Derivatives	8	731,114	—	730,545	569
Forwards		191,589	—	191,560	29
Swaps		535,212	—	534,672	540
Call Options		3,511	—	3,511	—
Put Options		802	—	802	—
Total		<u>731,114</u>	<u>—</u>	<u>730,545</u>	<u>569</u>



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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 2014.

<u>As of December 31, 2014</u>	<u>Note</u>	<u>Fair Value</u> MCh\$	<u>Transfers from</u>	
			<u>Level 1 to 2</u> MCh\$	<u>Level 2 to 1</u> MCh\$
ASSETS				
Trading portfolio financial assets securities	6	685,898	—	—
Financial instruments available for sale	11	1,156,896	—	—
Derivative financial instruments	8	766,799	—	—
Total		2,609,593	—	—
LIABILITIES				
Derivative financial instruments	8	607,683	—	—
Total		607,683	—	—

<u>As of December 31, 2015</u>	<u>Note</u>	<u>Fair Value</u> M Ch\$	<u>Transfers from</u>	
			<u>Level 1 to 2</u> M Ch\$	<u>Level 2 to 1</u> M Ch\$
ASSETS				
Trading portfolio financial assets securities	6	323,899	—	—
Financial instruments available for sale	11	1,924,788	—	—
Derivative financial instruments	8	1,008,915	—	—
Total		3,257,602	—	—
LIABILITIES				
Derivative financial instruments	8	731,114	—	—
Total		731,114	—	—

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 valuation techniques which incorporate unobservable input.



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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 2015 and 2014.

<u>As of December 31, 2014</u>	<u>Opening balance</u> MCh\$	<u>Gain (loss) recognized in profit or loss</u> MCh\$	<u>Gain (loss) recognized in equity</u> MCh\$	<u>Net of purchases, sales and agreements</u> MCh\$	<u>Transfers from level 1 or level 2</u> MCh\$	<u>Closing balance</u> MCh\$
ASSETS						
Trading securities	—					—
Financial assets available for sale	—					—
Derivative instruments	35,722	21,428	—	(6,558)	—	50,592
Total	35,722	21,428	—	(6,558)	—	50,592
LIABILITIES						
Derivative instruments	2,716	5,897	—	(6,418)	—	2,195
Total	2,716	5,897	—	(6,418)	—	2,195
<u>As of December 31, 2015</u>	<u>Opening balance</u> MCh\$	<u>Gain (loss) recognized in profit or loss</u> MCh\$	<u>Gain (loss) recognized in equity</u> MCh\$	<u>Net of purchases, sales and agreements</u> MCh\$	<u>Transfers from level 1 or level 2</u> MCh\$	<u>Closing balance</u> MCh\$
ASSETS						
Trading securities	—					—
Financial assets available for sale	—					—
Derivative instruments	50,592	3,845	—	(7,556)	—	46,881
Total	50,592	3,845	—	(7,556)	—	46,881
LIABILITIES						
Derivative instruments	2,195	2,452	—	(4,078)	—	569
Total	2,195	2,452	—	(4,078)	—	569



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1.2.3 Hierarchy for remaining assets and liabilities

The following table classifies assets and liabilities measured at fair value on a non-recurring basis, in accordance with the fair value hierarchy as of year-end 2015 and 2014.

<u>As of December 31, 2014</u>	<u>Note</u>	<u>Measurement at fair value of items not valued on a recurrent</u>			
		<u>Estimated Fair Value</u> MCh\$	<u>Quoted prices in active markets in identical assets (level 1)</u> MCh\$	<u>Significant other observable inputs (Level 2)</u> MCh\$	<u>Significant unobservable inputs (level 3)</u> MCh\$
ASSETS					
Cash and deposits in banks	5	1,169,178	—	—	1,169,178
Cash in the process of collection	5	212,842	—	—	212,842
Investment under agreements to resell	7	78,079	—	50,973	27,106
Loans and receivables from banks	9	814,209	—	99,747	714,462
Loans and receivables from customers		14,215,243	—	—	14,215,243
Held to maturity investments		190,713	147,116	43,597	—
		16,680,264	147,116	194,317	16,338,831
LIABILITIES					
Current accounts and demand deposits		3,928,982	—	—	3,928,982
Transaction in the course of payment	5	145,771	—	—	145,771
Obligations under repurchase agreements	7	661,663	—	—	661,663
Time deposits and savings accounts		8,077,208	—	5,359,682	2,717,526
Borrowings from financial institutions		1,438,512	—	—	1,438,512
Debt issued		3,239,315	—	2,865,595	373,720
Other financial obligations	19	15,422	—	—	15,422
		17,506,873	—	8,225,277	9,281,596



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Measurement at fair value of items not valued on a recurrent

As of December 31, 2015	Note	Measurement at fair value of items not valued on a recurrent			
		Estimated Fair Value MCh\$	Quoted prices in active markets in identical assets (level 1) MCh\$	Significant other observable inputs (Level 2) MCh\$	Significant unobservable inputs (level 3) MCh\$
ASSETS					
Cash and deposits in banks	5	1,004,757	—	—	1,004,757
Cash in the process of collection	5	176,501	—	—	176,501
Investment under agreements to resell	7	24,674	—	14,126	10,548
Loans and receivables from banks	9	451,829	—	64,616	387,213
Loans and receivables from customers		15,389,442	—	—	15,389,442
Held to maturity investments		160,258	116,918	43,340	—
		17,207,461	116,918	122,082	16,968,461
LIABILITIES					
Current accounts and demand deposits		4,393,163	—	—	4,393,163
Transaction in the course of payment	5	105,441	—	—	105,441
Obligations under repurchase agreements	7	260,631	—	—	260,631
Time deposits and savings accounts		8,476,052	—	5,403,245	3,072,807
Borrowings from financial institutions		1,523,976	—	—	1,523,976
Debt issued		3,383,606	—	3,001,142	382,464
Other financial obligations	19	14,475	—	—	14,475
		18,157,344	—	8,404,387	9,752,957



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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 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.

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.

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.



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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.

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, 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.

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.



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2.1 Quantitative and qualitative information about Credit Risk:

For CorpBanca, proper risk management in all areas, particularly regarding credit risk, is one of the core pillars of the Bank’s portfolio management efforts, striving to maintain a proper risk/return ratio.

CorpBanca’s credit risk management is based on the following key elements:

- Loan policies.
- Loan approval processes.
- Sound risk culture that is consistent with the Bank’s strategy.
- Regulatory and preventive outlook on risk.
- Human resources with considerable expertise in loan-related decision making.
- Active participation from Credit Risk Division in the approval process, using a market segmented structure.
- Defined monitoring and collections processes with involvement from the Commercial, Risk, Rating and Asset Control Areas.
- Dissemination of a risk culture throughout the Bank with internal and external training programs for the Commercial and Risk Areas.
- The Companies Risk Division fulfills a checks-and-balances function for the commercial areas.

The Bank also has Credit Committees, which include Risk Managers, that determine debtor risk ratings.

These committees define individual and group exposure levels with customers as well as mitigating conditions such as collateral, loan agreements, etc.

The Bank’s risk management tool divides its portfolio into the following categories:

- Normal Risk Portfolio
- Watch List Portfolio
- Default Portfolio

Normal Risk Portfolio

The risk involved is reviewed at the following times:

- For each loan proposal upon initial granting, renewals and for special transactions.
- When deemed necessary by the Rating and Asset Control Division or the Companies Credit Risk Division.
- Whenever the account executive determines that relevant changes have occurred in any of the debtor’s risk factors that may imply greater risk.
- Through a monthly sample provided by the warning system.
- Through periodic review by diverse centers of responsibility.

Watch List

An asset on the watch list presents weaknesses that can correct themselves, but requires special attention from each account executive and the Rating and Asset Control Division. Payment outlooks are satisfactory but may deteriorate if these weaknesses are not corrected. Loans in this category do not necessarily present expected losses for the Bank.

To safeguard the credit quality of loans, the Bank has established that the commercial segments must maintain a minimum of 5% of the Bank’s commercial portfolio on the watch list.

The watch list is managed by the Commercial Areas. These areas must comply with action plans established by the Watch List Committee.



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The watch list is also reviewed by the Watch List Committee, which is composed of the Companies Credit Risk and/or Credit Risk Division Manager, Rating and Asset Control Division Manager and the corresponding Commercial Area Managers, based on the following timetable:

Every 4 months	Debtors are reviewed using these strategies:
	V1 Exit
	V2 Guarantee
	V3 Reduce
Every 6 months	V4 Continue
Every 2 months	V5 Structured exit
	If the loan remains unpaid.

The committee reviews all debtors classified individually on the watch list, which controls 93% of the Bank's commercial portfolio on a case-by-case basis.

The Risk Manager of each commercial segment and the Rating and Asset Control Division Manager are responsible for monitoring the account executive's compliance with action plans and any agreements made by the Watch List Committee.

Debtors on the watch list must be included in the following action plans, depending on the type of problems that affect them:

Debtors with exit plans.

The Bank made the decision to completely eliminate the risk. For these debtors, there must be a defined payment plan. V1

Debtors with plans to increase guarantee coverage.

V2

Debtors with plans to decrease exposure.

V3

Decrease debt to an amount that is comfortable for the Bank.

Debtors with monitoring plans.

Less degree of concern. Example: monitoring the capitalization of a company that is committed but not executed, one-time delays in payments, payment of claims questioned by the insurance company. V4

Debtors with structured payment plans.

V5

Defined payment plan for all debt. Only requires monitoring that installments are paid on time.

Debtors declared as satisfactory assets.

V0

They were eliminated from the system after having satisfactorily complied with agreed-upon action plans.

Variables that determine the classification of an asset as on the watch list.

1. Using warning signs, which may include:

- Qualitative aspects of debtor (some examples)

Change of owner, partner or guarantor.

Problems between partners.

Change of marital regime of guarantors.

Change of ownership of property, plant and equipment.

Labor conflicts.

Quality of financial information.

Adverse situation in industry or market in which debtor does business.

Regulatory changes.

Damage to facilities.



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- Quantitative aspects of debtor (some examples)

Decrease in sales.

Decrease in gross or operating margins.

Increase in cash cycle (inventory permanence, age of receivables).

Increase in bank debt.

Significant withdrawals by partners.

Increase in investments in and receivables from related parties.

Major investment projects.

- Payment behavior

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. Debtor risk rating.

- When the customer should be classified in category A6 or worse.

3. Debtor Analysis

As a result of renewals of lines of credit or requests for particular loans, the commercial and financial situation are reviewed.

- Who classified the debtor on the watch list?

- Account Executives
- Risk Managers
- Loan Approval Committees
- Past-due Portfolio Committee
- Rating and Asset Control Manager
- Commercial Managers

- To whom was the request for classification made?

Rating and Asset Control Manager

- Who changes payment plans for debtors on the watch list or removes customers from the list?

The Rating and Asset Control Division is the only entity that can change, modify or exclude a customer from the watch list.

- How is a customer removed from the watch list?

The request is submitted to the committee, which then studies the information and approves or rejects the request.

- How is the Commercial Area informed of the committee's agreements?

Through minutes issued by the Rating and Asset Control Manager.

Default Portfolio

This includes the entire portfolio managed by the Normalization Division. All customers with individual ratings of C1 or worse and all customers that have defaulted on any loan as a result of payment capacity problems, regardless of their rating, should be transferred to this division.



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The Rating and Asset Control Division reviews compliance with this provision on a monthly basis.

This portfolio is reviewed by the Rating and Asset Control Division each month.

Derivative Instruments

The Bank has strict controls for derivative contracts negotiated directly with its counterparties. Credit risk is limited to the fair value of contracts that are favorable for the Bank (asset position), which only represents a small fraction of the notional values of those instruments. This exposure to credit risk is managed as part of the loan limits for customers, together with potential exposure from market fluctuations. In order to mitigate risk, the Bank tends to operate with counterparty deposit margins.

Contingent Commitments

The Bank operates with diverse instruments that, although they are exposed to credit risk, are not reflected in the balance sheet. These include guarantors and pledges, documentary letters of credit, bank guarantees and commitments to grant loans.

Cosignatories and sureties represent an irrevocable payment obligation. In the event that a customer with a co-signer does not fulfill its obligations with third parties guaranteed by the Bank, this will affect the corresponding payments so that these transactions represent the same exposure to credit risk as a common loan.

Documentary letters of credit are commitments documented by the Bank on behalf of a customer that are guaranteed by merchandise on board, which therefore have less risk than direct indebtedness. Bank guarantees are contingent commitments that take effect only if the customer does not comply with a commitment made with a third party, guaranteed by them.

Regarding commitments to grant loans, the Bank is potentially exposed to losses equivalent to the unused total of the commitment. However, the likely amount of the loss is less than the unused total of the commitment. The Bank monitors the maturity of lines of credit because generally long-term commitments have greater credit risk than short-term commitments.

Financial Instruments

For this type of asset, the Bank measures the probability of not being able to collect from issuers using internal and external ratings such as risk rating agencies that are independent from the Bank.

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, 2014 and 2015, for different balance sheet components, including derivatives, and without deducting security interests in personal or real property or other credit improvements.

	Notes	Maximum Exposure	
		2014 MCh\$	2015 MCh\$
Loans and receivables from banks	9	814,209	451,829
Loans and receivables from customers	10	13,892,270	14,454,357
Derivative financial instruments	8	766,799	1,008,915
Investments under agreements to resell	7	78,079	24,674
Financial investments available-for-sale	11	1,156,896	1,924,788
Held to maturity investments	11	190,677	170,191
Other assets	16	415,267	438,323

For more detail on maximum credit risk exposure and concentration by type of financial instrument, see the specific notes.



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The following table displays the concentration of credit risk by industry for financial assets:

Notes	As of December 31, 2014			As of December 31, 2015		
	Maximum gross exposure	Maximum net exposure (1)	%	Maximum gross exposure	Maximum net exposure (1)	%
	MCh\$	MCh\$		MCh\$	MCh\$	
Manufacturing	1,077,362	1,067,420	10.68%	879,875	863,100	8.23%
Mining	629,716	624,517	6.24%	766,707	752,089	7.17%
Electricity, gas and water	757,220	750,519	7.50%	697,735	684,432	6.52%
Agriculture and Livestock	303,029	300,132	3.00%	363,521	356,590	3.40%
Forestry and wood extraction	56,129	54,996	0.56%	44,023	43,184	0.41%
Fishing	2,199	2,154	0.02%	3,252	3,190	0.03%
Transport	328,718	325,302	3.26%	348,126	341,490	3.25%
Communications	94,681	93,843	0.94%	61,978	60,795	0.58%
Construction	1,102,304	1,090,783	10.92%	1,206,117	1,183,122	11.28%
Commerce	1,358,838	1,345,358	13.47%	1,309,427	1,284,462	12.24%
Services	3,925,713	3,888,321	38.91%	4,358,553	4,340,671	40.75%
Others	454,566	451,121	4.50%	657,204	644,672	6.14%
Subtotal Commercial Loans	10 a) 10,090,475	9,994,466	100%	10,696,518	10,557,797	100%
Consumer Loans	10 a) 1,709,842	1,676,008		1,703,159	1,676,773	
Mortgage Loans	10 a) 2,229,558	2,221,796		2,228,619	2,219,787	
Total	14,029,875	13,892,270		14,628,296	14,454,357	

(1) Net of allowances

Guarantees

In order to mitigate credit risk, guarantees have been established in the Bank's favor. The main guarantees provided by customers are detailed as follows:

- For loans to companies, the main guarantees are:
 - Machinery and/or equipment
 - Projects under construction, buildings with specific purposes and urban plots or land.
- For loans to individuals, the main guarantees are:
 - Houses, and
 - Apartments.

Credit quality by financial asset class

With regard to the quality of credits, these are described consistent with the standards issued by the Superintendent of Banks and Financial Institutions. A detail by credit quality is summarized as follows:



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Individual Portfolio

Group Portfolio

As of December 31, 2014	Normal Portfolio						Impaired Portfolio (*)			Total	Normal Portfolio			Impaired Portfolio			Total	General Total
	A1 MCHS	A2 MCHS	A3 MCHS	A4 MCHS	A5 MCHS	A6 MCHS	B1 MCHS	B2 MCHS	Impaired MCHS		MCHS	MCHS	MCHS	MCHS	MCHS	MCHS		
Loans and receivables from banks	620,047	145,363	44,820	4,250	—	—	—	—	—	—	—	—	—	—	—	—	—	814,480
Provisions	—	(99)	(98)	(74)	—	—	—	—	—	—	—	—	—	—	—	—	—	(271)
%	—	0.07%	0.22%	1.74%	—	—	—	—	—	—	—	—	—	—	—	—	—	0.03%

Loans and receivable from customers

Commercial loans:		General Commercial		Loans		Foreign Trade loans		Lines of credit and overdrafts		Factored receivables		Leasing contracts		Other outstanding loans	
Provisions	—	440,672	1,715,679	3,006,527	2,092,385	244,994	142,492	51,957	203,352	7,898,058	357,032	47,988	405,020	8,303,078	
%	0.03%	6.821	160.843	177,597	88,026	8,926	28,230	1,243	23,993	495,679	9,497	375	9,872	505,551	

Subtotal Commercial loans	2	454,423	1,960,127	3,532,798	2,500,029	286,297	204,682	65,621	264,158	9,268,137	766,667	55,671	822,338	10,090,475
Provisions	—	(139)	(1,466)	(16,856)	(18,782)	(2,891)	(4,246)	(3,331)	(33,151)	(80,862)	(6,163)	(8,984)	(15,147)	(96,009)
%	—	0.03%	0.07%	0.48%	0.75%	1.01%	2.07%	5.08%	12.55%	0.87%	0.80%	16.14%	1.84%	0.95%
Consumer loans	—	—	—	—	—	—	—	—	—	—	1,660,853	48,989	1,709,842	1,709,842
Provisions	—	—	—	—	—	—	—	—	—	—	(21,399)	(12,435)	(33,834)	(33,834)
%	—	—	—	—	—	—	—	—	—	—	1.29%	25.38%	1.98%	1.98%
Mortgage loans	—	—	—	—	—	—	—	—	—	—	2,192,177	37,381	2,229,558	2,229,558
Provisions	—	—	—	—	—	—	—	—	—	—	(5,029)	(2,733)	(7,762)	(7,762)
%	—	—	—	—	—	—	—	—	—	—	0.23%	7.31%	0.35%	0.35%
Total loans and receivable to customers	2	454,423	1,960,127	3,532,798	2,500,029	286,297	204,682	65,621	264,158	9,268,137	4,619,697	142,041	4,761,738	14,029,875
Provisions	—	(139)	(1,466)	(16,856)	(18,782)	(2,891)	(4,246)	(3,331)	(33,151)	(81,133)	(32,591)	(24,152)	(56,743)	(137,605)
%Provisions	—	0.03%	0.07%	0.48%	0.75%	1.01%	2.07%	5.08%	12.55%	0.88%	0.71%	17.00%	1.19%	0.98%

(*) B1 and B2: Customers who have financial difficulties but still are not impaired.
 Impaired: Customers who have financial difficulties and are impaired.

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	Individual Portfolio											Group Portfolio				
	Normal Portfolio						Impaired Portfolio (*)					Normal Portfolio	Impaired Portfolio	Total	General Total	
As of December 31, 2015	A1 MCH\$	A2 MCH\$	A3 MCH\$	A4 MCH\$	A5 MCh\$	A6 MCh\$	B1 MCH\$	B2 MCh\$	Impaired MCH\$	Total MCH\$	MCH\$	MCH\$	MCH\$	MCH\$	MCH\$	MCH\$
Loans and receivables from banks	308,028	64,652	21,379	58,010	—	—	—	—	—	452,069	—	—	—	—	—	452,069
Provisions	—	(111)	(129)	—	—	—	—	—	—	(240)	—	—	—	—	—	(240)
%Provisions	—	0.17%	0.60%	—	—	—	—	—	—	0.05%	—	—	—	—	—	0.05%
Loans and receivable from customers																
Commercial loans:																
General Commercial loans	—	337,942	1,902,372	2,982,307	2,181,402	303,679	122,571	73,698	207,409	8,111,380	627,823	82,657	710,480	8,821,860		
Foreign Trade loans	—	3,558	142,449	148,669	82,726	24,727	33,564	11,082	18,368	465,143	55,512	684	56,196	521,339		
Lines of credit and overdrafts	—	—	390	7,837	3,760	184	61	25	757	13,014	13,267	2,451	15,718	28,732		
Factored receivables	—	—	1,236	30,918	13,182	38	670	—	49	46,093	15,537	383	15,920	62,013		
Leasing contracts	—	7,924	46,238	257,945	305,434	54,407	27,788	7,737	46,284	753,757	126,939	7,493	134,432	888,189		
Other outstanding loans	—	182	547	3,921	2,633	157	79	338	1,469	9,326	351,622	13,437	365,059	374,385		
Subtotal Commercial loans	—	349,606	2,093,232	3,431,597	2,589,137	383,192	184,733	92,880	274,336	9,398,713	1,190,700	107,105	1,297,805	10,696,518		
Provisions	—	(99)	(1,602)	(10,957)	(16,776)	(9,790)	(3,918)	(18,921)	(59,439)	(121,502)	(8,197)	(9,022)	(17,219)	(138,721)		
%Provisions	—	0.03%	0.08%	0.32%	0.65%	2.55%	2.12%	20.37%	21.67%	1.29%	0.69%	8.42%	1.33%	1.30%		
Consumer loans	—	—	—	—	—	—	—	—	—	—	1,660,349	42,810	1,703,159	1,703,159		
Provisions	—	—	—	—	—	—	—	—	—	—	(21,186)	(5,200)	(26,386)	(26,386)		
%Provisions	—	—	—	—	—	—	—	—	—	—	1.28%	12.15%	1.55%	1.55%		
Mortgage loans	—	—	—	—	—	—	—	—	—	—	2,192,888	35,731	2,228,619	2,228,619		
Provisions	—	—	—	—	—	—	—	—	—	—	(5,616)	(3,216)	(8,832)	(8,832)		
%Provisions	—	—	—	—	—	—	—	—	—	—	0.26%	9.00%	0.40%	0.40%		
Financial investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Total loans and receivable to customers	—	349,606	2,093,232	3,431,597	2,589,137	383,192	184,733	92,880	274,336	9,398,713	5,043,937	185,646	5,229,583	14,628,296		
Provisions	—	(99)	(1,602)	(10,957)	(16,776)	(9,790)	(3,918)	(18,921)	(59,439)	(121,502)	(34,999)	(17,438)	(52,437)	(173,939)		
%Provisions	—	0.03%	0.08%	0.32%	0.65%	2.55%	2.12%	20.37%	21.67%	1.29%	0.69%	9.39%	1.00%	1.19%		

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The overdue analysis by financial asset class is as follows:

	As of December 31, 2014			
	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	56,977	20,998	73,705	151,680
Mortgage loans	1,778	974	4,629	7,381
Consumer loans	32,367	14,915	4,316	51,598
Financial investments	—	—	—	—
Total	<u>91,122</u>	<u>36,887</u>	<u>82,650</u>	<u>210,659</u>

	As of December 31, 2015			
	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	41,108	29,628	96,047	166,783
Mortgage loans	1,407	970	4,724	7,101
Consumer loans	31,846	14,569	4,126	50,541
Financial investments	—	—	—	—
Total	<u>74,361</u>	<u>45,167</u>	<u>104,897</u>	<u>224,425</u>

The fair value of the collateral of overdue but not impaired loans was MCh\$301,965 as of December 31, 2015 (MCh\$857,110 as of December 31, 2014).



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The following tables details assets and liabilities by currency as of December 31, 2014 and 2015:

	Notes	US\$		Euro		Yen		Sterling pound		Colombian pesos		Other currencies		UF		Pesos		EUR(*)		
		MChS		MChS		MChS		MChS		MChS		MChS		MChS		MChS		MChS		
As of December 31, 2014																				
Cash and due from bank	5	399,755		11,675		1,293			30		622,248		265						133,912	
Cash in the process of collection	5	51,716		1,865				486		7,433		41							151,301	
Trading portfolio financial assets	6	82,316								571,089					5,434				27,059	
Investments under agreements to resell	7									50,973					272				26,834	
Derivative financial instruments	8	338,506								115,515									312,778	
Loans and receivables from banks	9	91,958								102,204									620,047	
Loans and receivables from customers	10	1,501,179		2,586						5,044,193		6			3,903,662				3,430,948	9,696
Financial investments available-for-sale	11	43,068								479,103					220,478				404,580	9,667
Held to maturity investments	11	24,275								159,227					7,175					
Investments in other companies	12									5,520									10,322	
Intangible assets	13	103								321,029									436,645	
Property, plant and equipment	14	1,345								52,502									38,795	
Current taxes	15									20,834										
Deferred income taxes	15	2,702																		
Other Assets	16	126,277								83,536									205,448	
Total Assets		2,663,200		16,126		1,293		516		7,635,406		312		4,137,027		6		5,798,669	19,363	
Current accounts and demand deposits	17	120,915		2,588				9		2,863,024		64		10,117					958,231	
Transaction in the course of payment	5	75,017		1,782		1,617		15		205		128							67,007	
Obligations under repurchase agreements	7	131								652,804									8,728	
Time deposits and saving accounts	17	1,024,704		8,388						2,237,371					527,356				4,279,146	1
Derivative financial instruments	8	268,071								80,876					640				258,096	
Borrowings from financial institutions	18	1,025,646		3,308						402,969										
Debt issued	19	892,149								373,720									46,985	
Other financial obligations	19									1,371					4,552				9,286	213
Current income tax provision	15	517																	18,709	
Deferred income taxes	15									27,809									48,784	
Provisions	20	5,764								44,657									149,868	
Other Liabilities	21	27,988								69,261					502				112,965	
Total Liabilities		3,440,902		16,066		1,617		24		6,754,067		192		2,309,363		5,957,805		214		
Net Assets (liabilities)		(777,702)		60		(324)		492		881,339		120		1,827,664		(159,136)			19,149	
Contingent loans	22	459,290		17,061		1,225				1,016,737				282,259		1,414,863				
Net asset (liability) position		(318,412)		17,121		901		492		1,898,076		120		2,109,923		1,255,727			19,149	

(*) exchange rate



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As of December 31, 2015	Notes	US\$	Euro	Yen	Sterling Pound	Columbian	Other	UF	Pesos	ER(*)
		MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Cash and due from bank	5	294,317	6,212	72	121	522,118	354	—	181,563	—
Cash in the process of collection	5	79,335	2,174	—	100	3,056	241	—	91,595	—
Trading portfolio financial assets	6	—	—	—	—	256,440	—	24,895	42,564	—
Investments under agreements to resell	7	—	—	—	—	14,126	—	—	10,548	—
Derivative financial instruments	8	502,519	—	—	—	164,095	—	—	342,301	—
Loans and receivables from banks	9	79,185	—	—	—	64,616	—	—	308,028	—
Loans and receivables from customers	10	1,671,859	3,375	—	—	4,981,415	—	4,060,651	3,736,532	525
Financial investments available-for-sale	11	76,383	—	—	—	926,865	—	577,264	333,345	10,931
Held to maturity investments	11	7,246	—	—	—	157,402	—	5,543	—	—
Investments in other companies	12	—	—	—	—	4,578	—	—	10,070	—
Intangible assets	13	99	—	—	—	286,769	—	—	378,396	—
Property, plant and equipment	14	1,391	—	—	—	49,657	—	—	40,582	—
Current taxes	15	—	—	—	—	46,904	—	—	—	—
Deferred income taxes	15	8,248	—	—	—	—	—	—	423	—
Other Assets	16	162,593	—	—	—	126,537	—	4	149,189	—
Total Assets		2,883,175	11,761	72	221	7,604,578	595	4,668,357	5,625,136	11,456
Current accounts and demand deposits	17	306,508	3,974	—	—	3,086,338	53	10,045	1,024,701	—
Transaction in the course of payment	5	14,082	6,289	—	16	—	238	—	84,816	—
Obligations under repurchase agreements	7	109	—	—	—	240,385	—	—	20,137	—
Time deposits and saving accounts	17	1,156,878	268	—	—	2,377,700	—	581,482	4,379,275	—
Derivative financial instruments	8	342,583	—	—	—	101,995	—	540	285,996	—
Borrowings from financial institutions	18	1,059,591	2,422	—	—	466,572	—	—	—	—
Debt issued	19	1,050,149	—	—	—	342,519	—	1,764,207	70,679	—
Other financial obligations	19	—	—	—	—	1,610	—	3,016	9,849	—
Current income tax provision	15	718	—	—	—	—	—	—	41,739	—
Deferred income taxes	15	—	—	—	—	40,433	—	—	—	—
Provisions	20	4,892	—	—	—	64,686	—	—	113,129	—
Other Liabilities	21	36,663	—	—	—	68,339	—	—	104,437	—
Total Liabilities		3,972,173	12,953	—	16	6,790,577	291	2,359,290	6,134,758	—
Net Assets (liabilities)		(1,088,998)	(1,192)	72	205	814,001	304	2,309,067	(509,622)	11,456
Contingent loans	22	608,029	7,413	728	—	904,259	—	354,929	1,410,053	—
Net asset (liability) position		(480,969)	6,221	800	205	1,718,260	304	2,663,996	900,431	11,456

(*) exchange rate



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FINANCIAL RISK MANAGEMENT

Definition and Principles of Financial Risk Management

Market Risk

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.

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

i. 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”.

ii. Indexation Rate 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.

iii. 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.



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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.

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.

iv. 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.

v. 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.

vi. 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.

vii. 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.

viii. 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.



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1. 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.



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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.
- 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.

c) Others

- The maturity analysis of financial assets and liabilities are in Note 36 *Maturity of assets and liabilities*.
- For further information on funding liquidity risk see page F- 219.

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 committees.

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.



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The Bank includes in the valuation of derivatives the “Counterparty Valuation Adjustment” (CVA), to reflect the counterparty risk in the determination of fair value. This valuation considers the Bank’s own credit risk, known as “Debit Valuation Adjustment” (DVA). See Note 34 *Financial Assets And Liabilities Measured At Fair Value*.

Offsetting financial assets and liabilities

The Bank should offset a financial asset and a financial liability and the net amount presented in the statement of financial position when and only when:

- i.- currently has a legally enforceable right to set off the recognized amounts; and
- ii.- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The bank includes assets and financial liabilities that have master netting agreements but do not qualify to be netting directly in the statement of financial position and hence their values are presented gross in that Statement.

According to the above, the following table shows the impact of the main assets and liabilities offset and those who maintain netting agreements (including financial guarantees), but do not qualify to be netting directly in the statement of financial position.

As of December 31, 2015									
		Financial Instruments offset in the Statement of Financial Position.			Financial Instruments not offset in the Statement of Financial Position. (3)				
		Gross amount (1) (a)	Amounts offset (2) (b)	Net amounts reported in the Statement of Financial Position. (c) = (a) - (b)	Note	Amounts to offset (4) (d)	Financial guarantees (5) (e)	Note	Net amounts (Total) (f) = (c) - (d) - (e)
		MMS	MMS	MMS		MMS	MMS		MMS
Financial Instruments									
Financial derivative	Assets	1,008,915	—	1,008,915	8	—	35,388	21	973,527
contracts	Liabilities	731,114	—	731,114	8	—	171,626	16	559,488

- (1) Gross amount without applying offset regulations.
- (2) Value to offset in the statement of financial position.
- (3) Financial Instruments that have master netting agreements but do not qualify to be netting directly in the statement of financial position
- (4) Amount to offset in the Financial Instruments that have master netting agreements but do not qualify to be netting directly in the statement of financial position.
- (5) Amounts related to financial guarantees

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:



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- 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, the following network of committees has been established:

- **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:



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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

(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 2015.

(a) Value at Risk (VaR)

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.

For the above Corpbanca uses a Historical VaR to measure the market risk in their portfolios, this because a Historical VaR has comparative advantages over the other two calculation methodologies best known, for example, with respect to the Parametric or Statistical VaR which is based on assumptions of normal distribution of returns or, with respect to Monte Carlo simulation which is demanding in technological resources and which must make assumptions on the distribution of returns as well. Although the above is recognized that the Historical VaR has limitations associated primarily with data historical used for calculating vectors results which could not be reflecting most volatile periods or loss of correlations. Another limitation is to consider only the positions held between days and not consider intra-day positions that are also potential sources of losses due to changes in risk factors by movements of market variables during the day. That is why the bank has provided complementary risk measures quantification such as Stress VaR, Expected Shortfall, Conditional VaR, among others.



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Additionally, the bank carries out VaR Backtesting to measure the reliability of the model calculation methodology and assumptions underlying. Results about VaR Backtesting are shown in the next point of this note.

The Bank assigns global limits based on its activities in different markets. In addition, in order to complement these global limits, VaR sublimits are defined using diverse variables such as market volatility, volume, liquidity and return on capital are defined.

The following table presents the use of VaR during 2015 for the Bank and its Chilean and foreign subsidiaries.

VaR Statistics for Bank and Subsidiaries
[MCh\$]
VaR with 99% confidence level

		2015			
		Minimum	Average	Maximum	Last
CONSOLIDATED	<i>Against P&L</i>	993.88	1,349.97	7,333.09	1,327.71
CORPBANCA CHILE	<i>Against P&L</i>	961.10	1,194.54	1,539.00	1,305.31
CONSOLIDATED COLOMBIA	<i>Against P&L</i>	157.44	295.43	517.12	403.03
CORREDORES DE BOLSA S.A.	<i>Against P&L</i>	37.80	86.96	119.96	81.24
CORPBANCA NEW YORK	<i>Against P&L</i>	0.03	0.28	2.21	0.34

FIGURE 1: VAR CONSUMPTION FOR THE BANK AND ITS SUBSIDIARIES

The following graphs show the daily evolution of the VaR during 2015 for the Bank and its subsidiary in Colombia. As mentioned previously, the Var consumption of CorpBanca Chile (blue line) is consistently higher than CorpBanca Colombia (red line)



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VaR Statistics for Bank and Subsidiaries
Figures in Millions of Chilean Pesos [MCh\$]
VaR with 99% confidence level

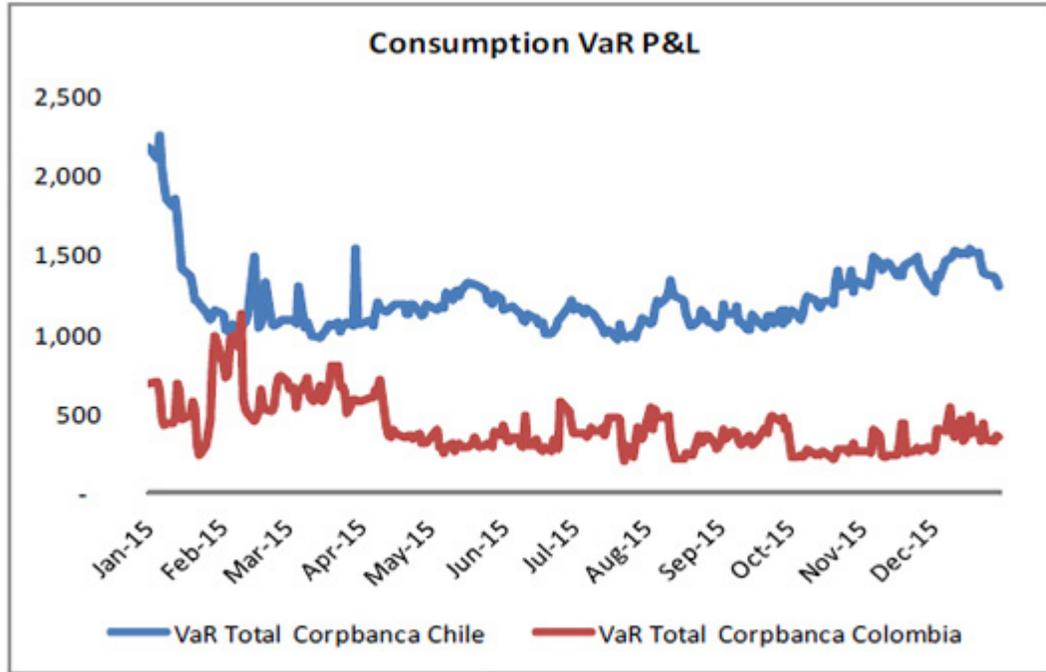


FIGURE 2: VAR TRENDS IN CHILE AND COLOMBIA IN 2015

(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 graphs below compare the bank’s daily VaR estimates and the realized P&L over a period of 300 days in order to probe the VaR measurements’ consistency (Kupiec’s frequency test). Indeed, about 99% of the realized P&L should lie within the $\pm 99\%$ VaR interval. Given the time period of 300 days, there should be an expected number of 3 excesses.

As seen below, CorpBbanca Chile exhibited 2 exceptions over the considered time period, which corresponds to the Basel green zone.



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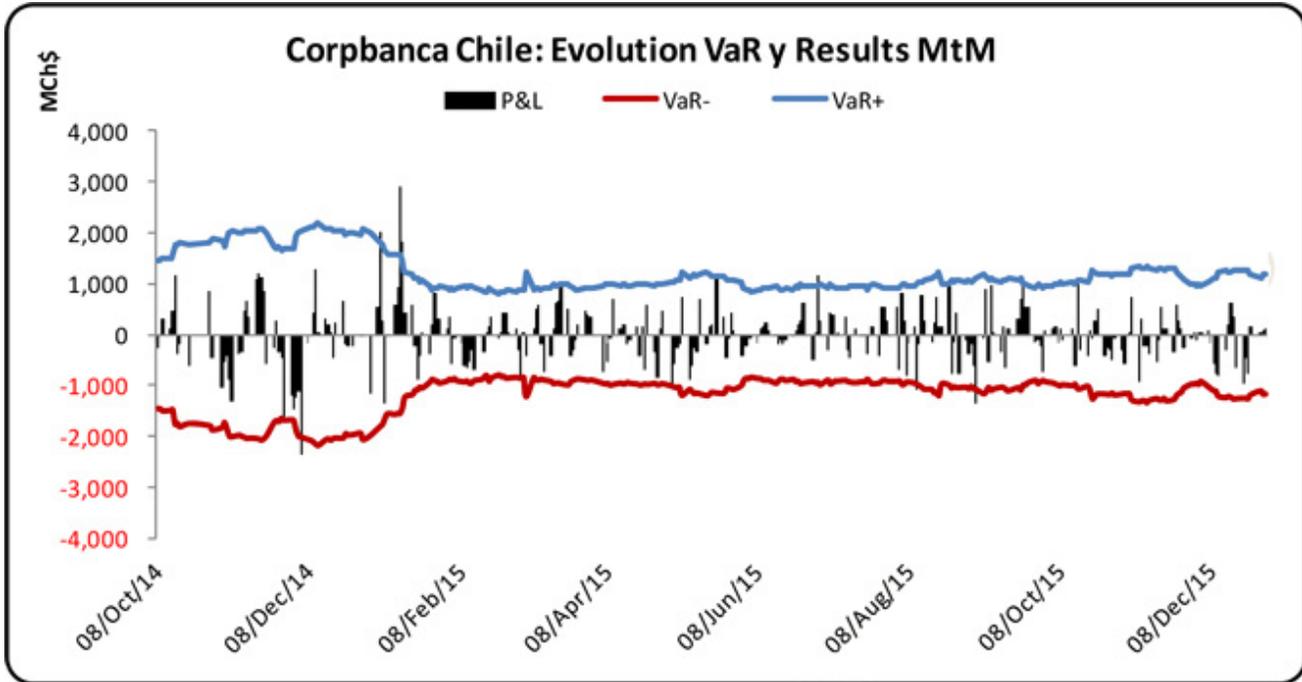


FIGURE 3: BACKTESTING TRENDS FOR CHILE IN 2015

The graph presented above shows VaR movements with data from 300 days of history and the Bank's results in Chile. Based on the graph, during the time frame indicated, there were 2 exceptions over the daily VaR. The frequency or Kupiec test places the model within the green zone, which indicates that the model is correct and aligned with the hypotheses made and accepts exceptions generated with a frequency of close to 1%, which are also independent from one another.

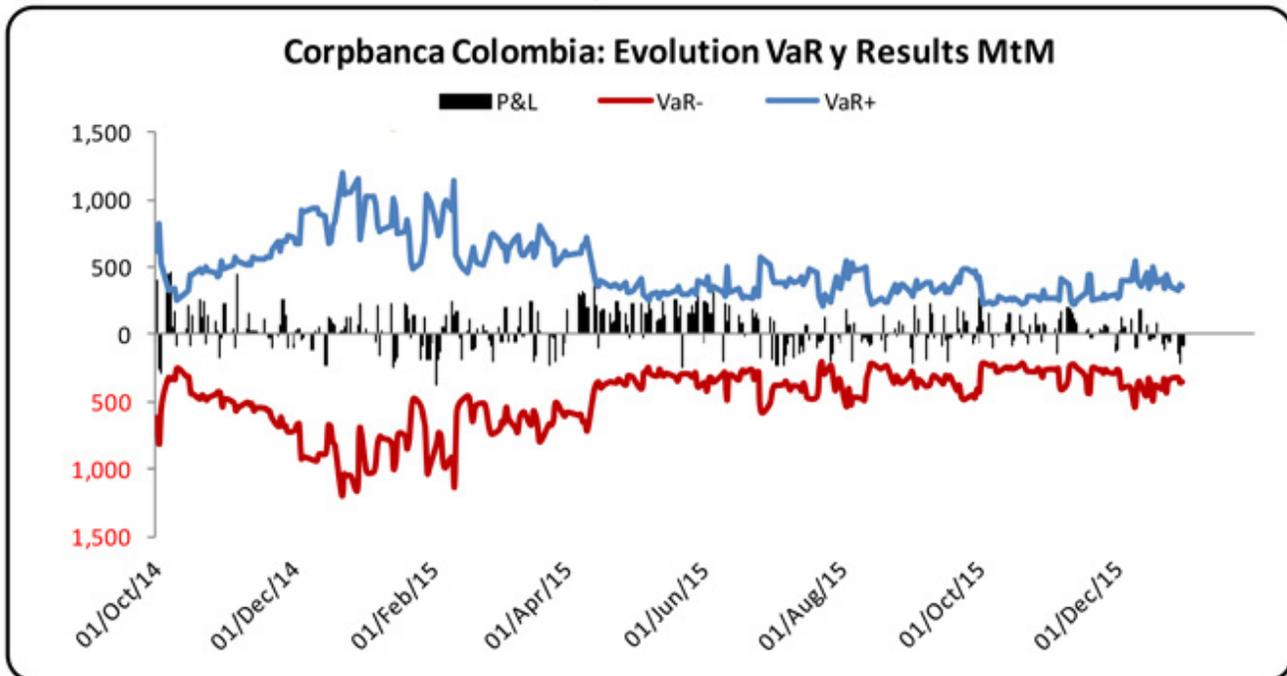


FIGURE 4: BACKTESTING TRENDS FOR COLOMBIA IN 2015



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The figure above illustrates an exception to the daily VaR. The frequency test places the model within the green zone, which indicates that there is no evidence for rejecting the model.

(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.

At the same time, 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 as of year-end 2015, and statistics for that year.

Exchange Rate	As of December 31, 2015			Consumption Statistics 2015		
	Position [USD]	VaR 99% [CLP]	VaR Inc 99% [CLP]	Minimum [USD]	Average [USD]	Maximum [USD]
USD/CLP	(2,762,500)	36,736,323	(8,851,222)	(15,539,176)	3,909,861	20,537,405
EUR/USD	(4,182,583)	44,714,350	20,453,425	(4,644,621)	(628,976)	3,847,712
JPY/USD	97,957	922,052	(363,692)	(130,447)	110,873	8,019,122
GBP/USD	164,707	1,361,434	(383,271)	(777,579)	84,218	299,155
CAD/USD	157,472	1,402,264	728,448	(265,607)	107,933	280,168
AUD/USD	67,073	865,428	(249,048)	(33,986)	36,267	83,800
MXN/USD	74,141	814,771	23,711	(24,711)	23,290	75,062
PEN/USD	—	—	—	—	697	10,471
BRL/USD	(22,553)	501,262	(73,859)	(914,258)	(8,753)	60,875
COP/USD	(10,205)	175,291	(61,146)	(954,361)	(66,546)	161,291
NOK/USD	21,272	327,349	126,717	21,272	49,167	138,217
DKK/USD	24,174	282,208	(119,243)	(297,483)	29,381	94,878
SEK/USD	357	4,120	(738)	(23,655)	6,433	18,231
CHF/USD	81,872	945,890	(425,275)	(2,334)	69,694	94,038
WON/USD	—	—	—	—	—	—
CNY/USD	7,396	24,592	(2,424)	2,665	10,189	34,627

FIGURE 5: CURRENT LIMITS AND CONSUMPTION OF CURRENCY POSITIONS FOR 2015

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).



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The graphs below show that the USD-CLP and EUR-USD exposures of CorpBbanca Chile lie within the authorized limits.

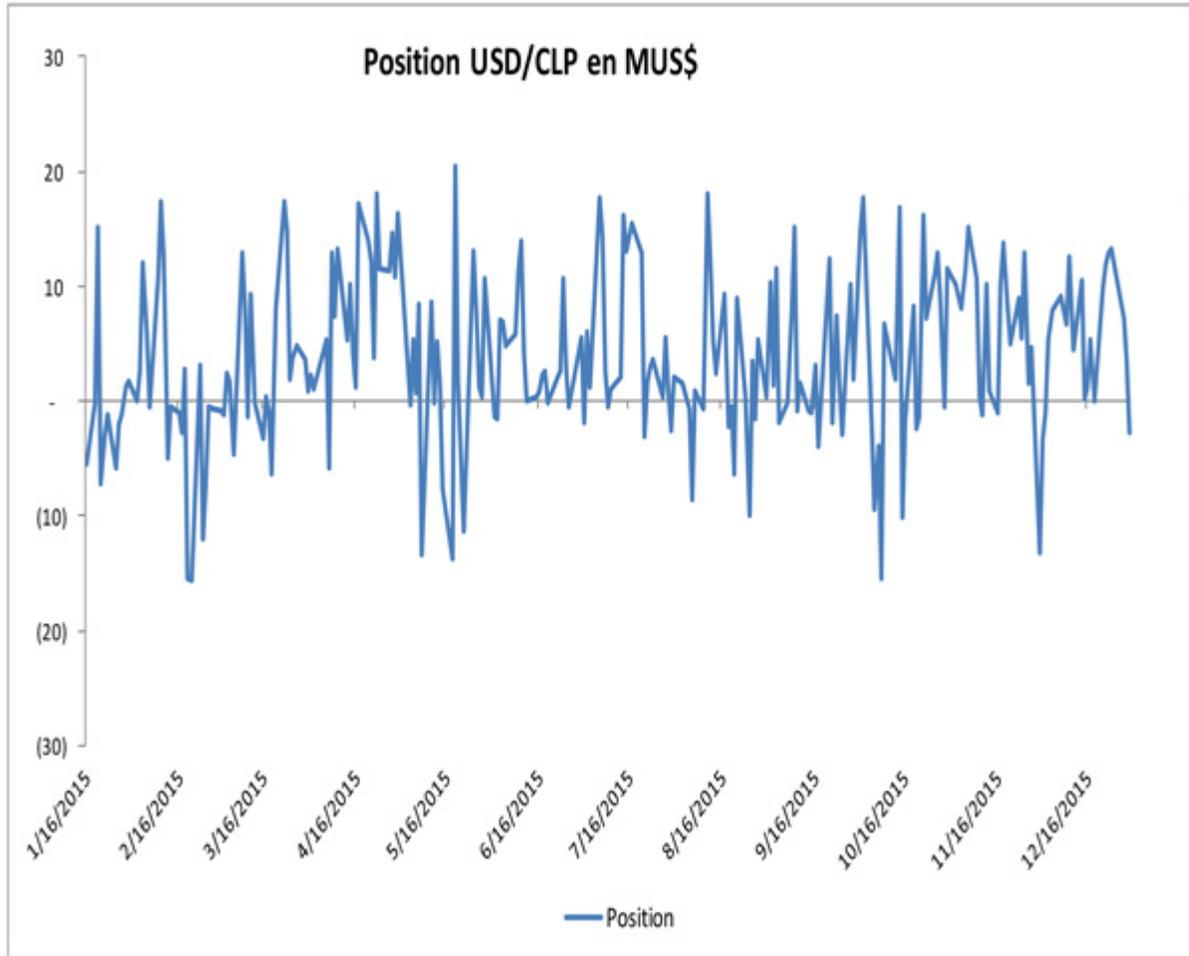


FIGURE 6: EVOLUTION OF USD POSITION FOR 2015



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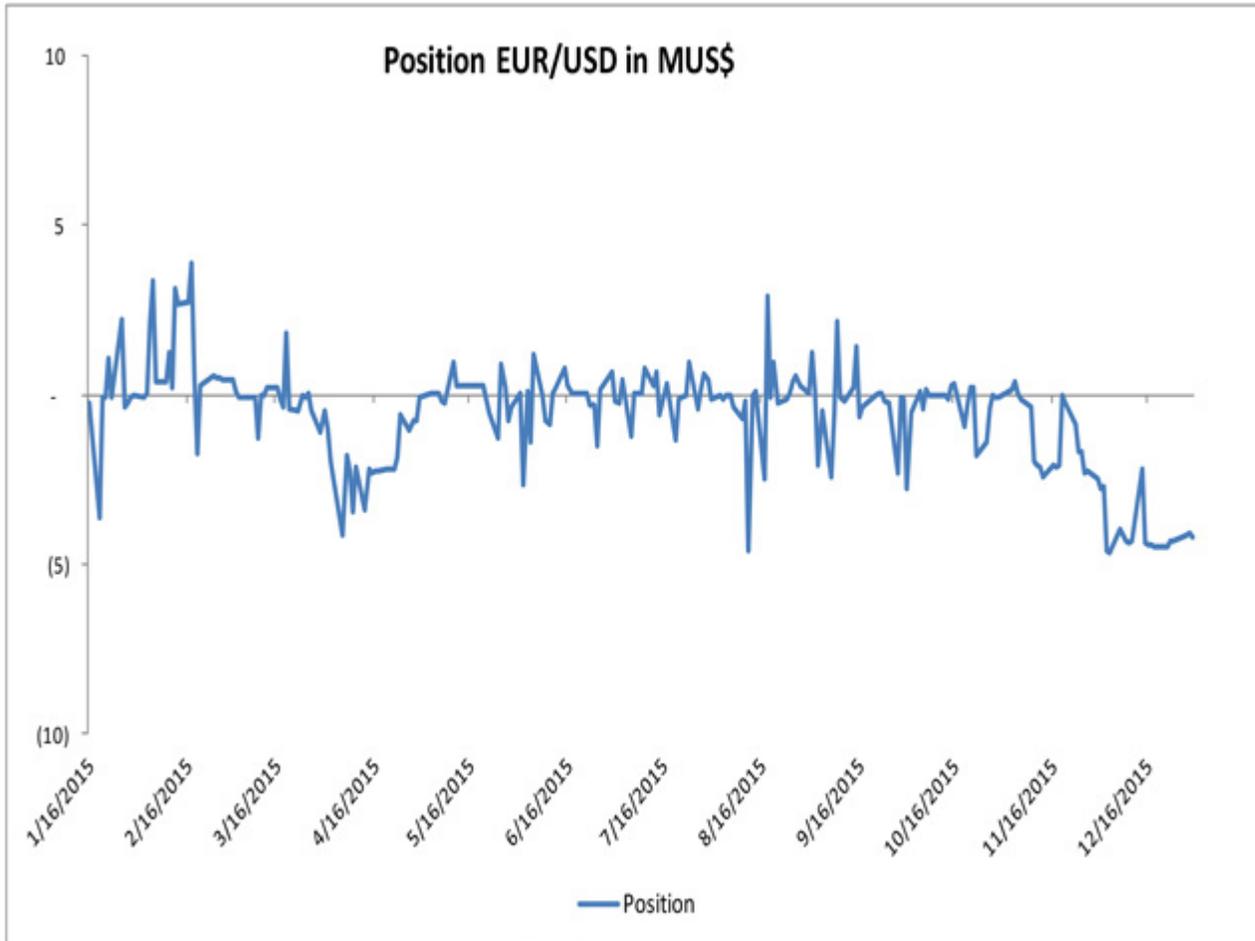


FIGURE 7: EVOLUTION OF EUR POSITION FOR 2015

The limit for Colombia uses an overall position for all currencies, which cannot exceed US\$ 40 million (notional). The table below shows the aggregate position for Colombia.



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Evolution position USD/CLP 2015 Corpbanca Colombia

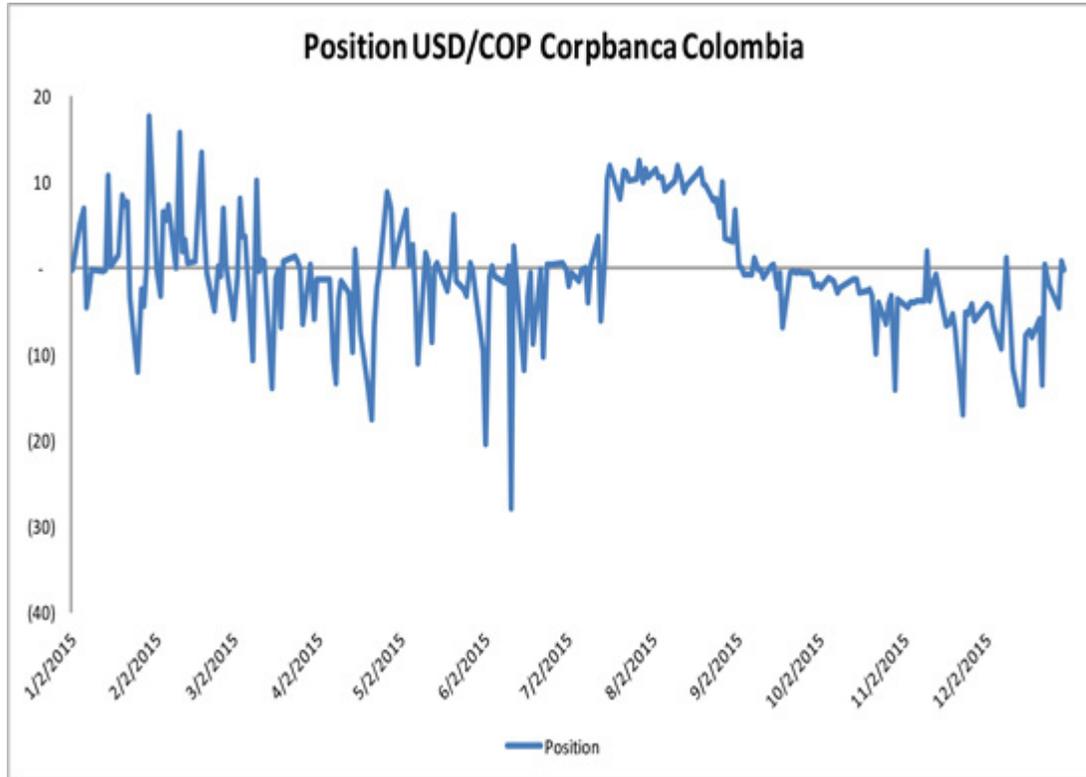


FIGURE 8: EVOLUTION OF USD/CLP POSITION FOR 2015 BANCO CORPBANCA COLOMBIA

(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 2015 and trends in their use.

Index	As of December 31, 2015	
	Limit	Value
	MCh\$	MCh\$
Gamma Risk	50	—
Vega Risk	300	211

FIGURE 9: CONSUMPTION OF GAMMA AND VEGA RISK 2015



200D&X&P&Q&K6VyC8Zb

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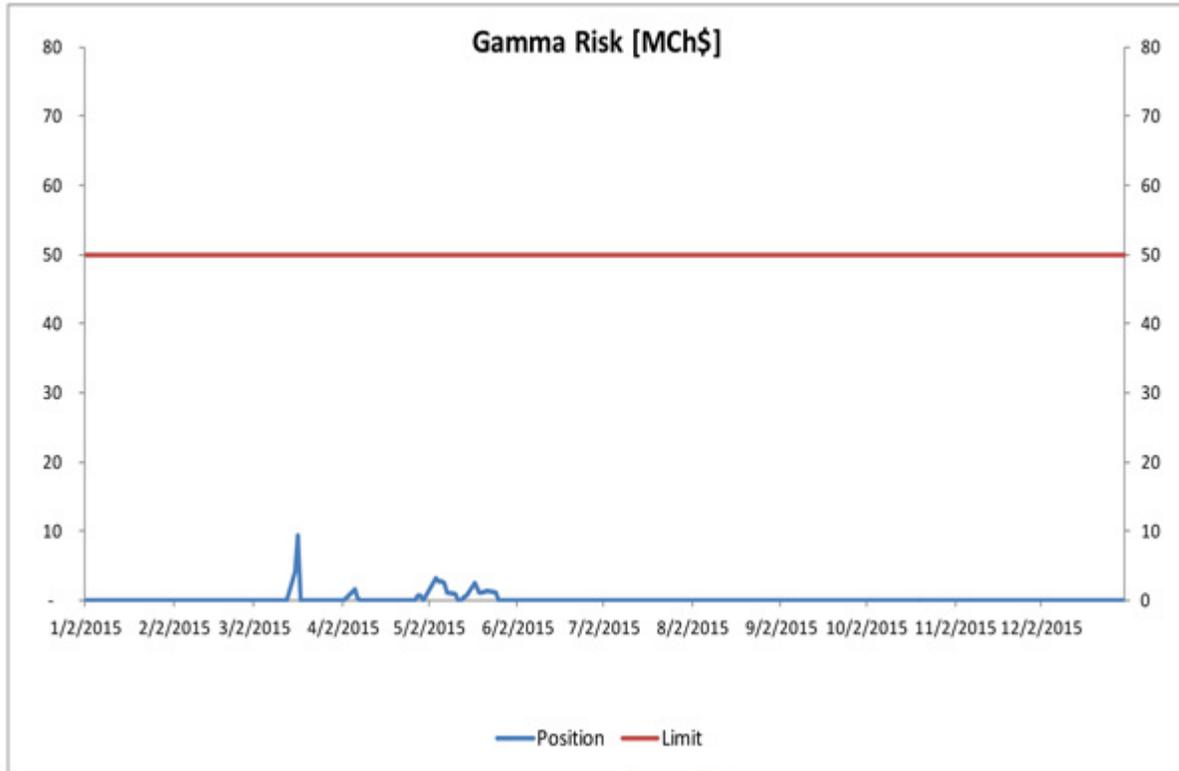


FIGURE 10: TRENDS IN GAMMA RISK 2015



200D&X&P0K6Vyc8Zb

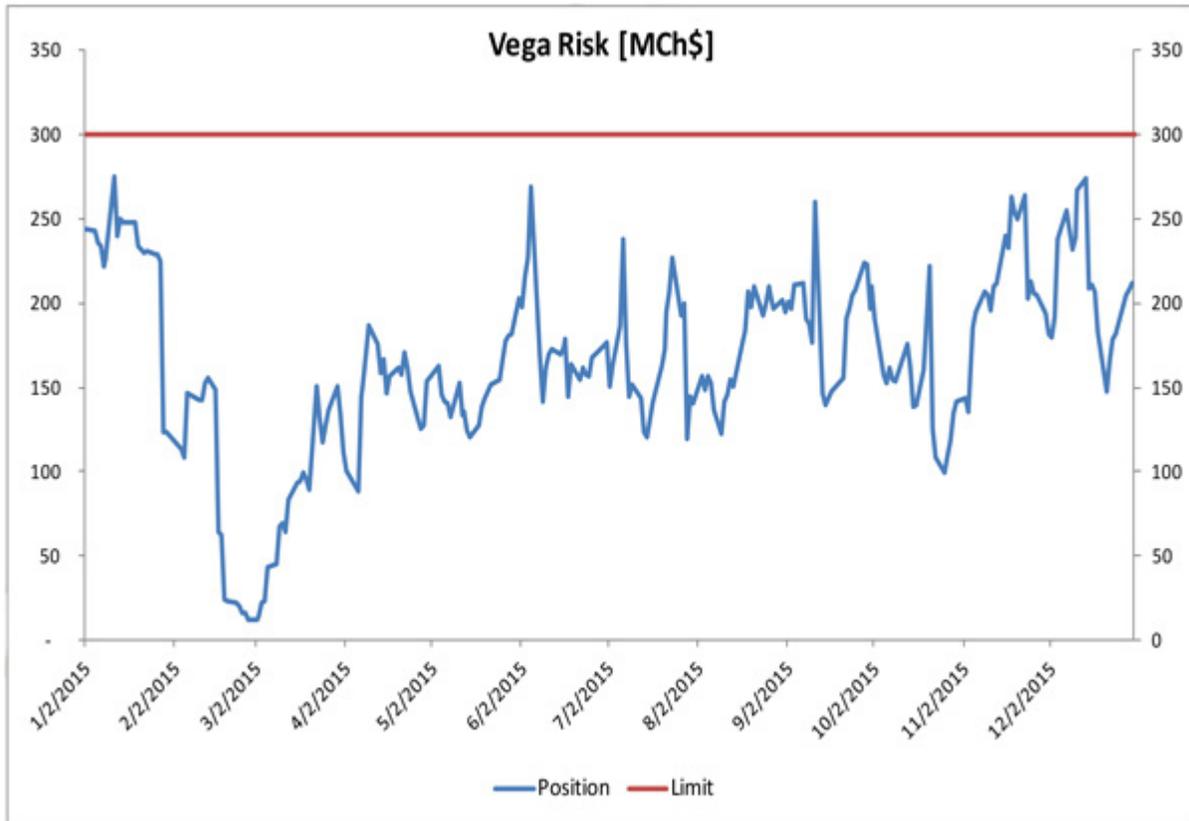


FIGURE 11: TRENDS IN VEGA RISK 2015



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The following figures show the use of Gamma and Vega limits as of year-end 2015, for our subsidiary in Colombia.

Index	As of December 31, 2015	
	Limit MCh\$	Value MCh\$
Gamma Risk	79	26
Vega Risk	192	2

FIGURE 12: CONSUMPTION OF GAMMA AND VEGA RISK 2015 CORPBANCA COLOMBIA

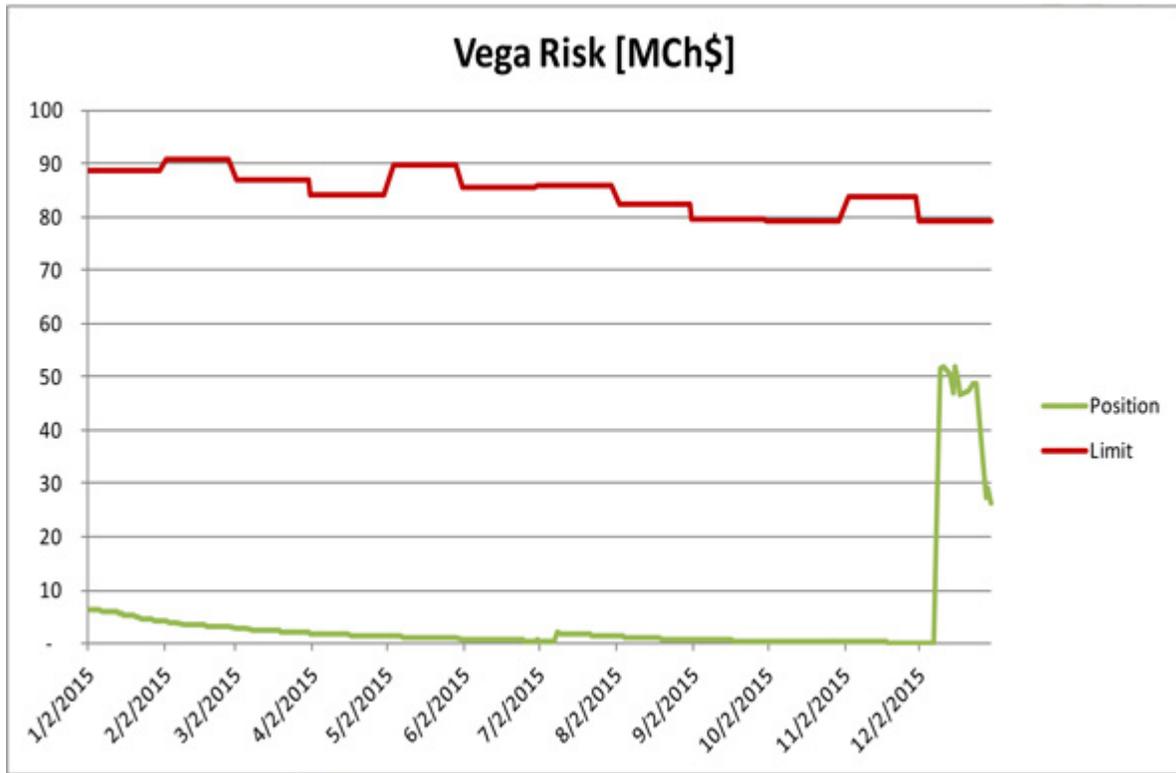


FIGURE 13: TRENDS IN VEGA RISK 2015 (CORPBANCA COLOMBIA)



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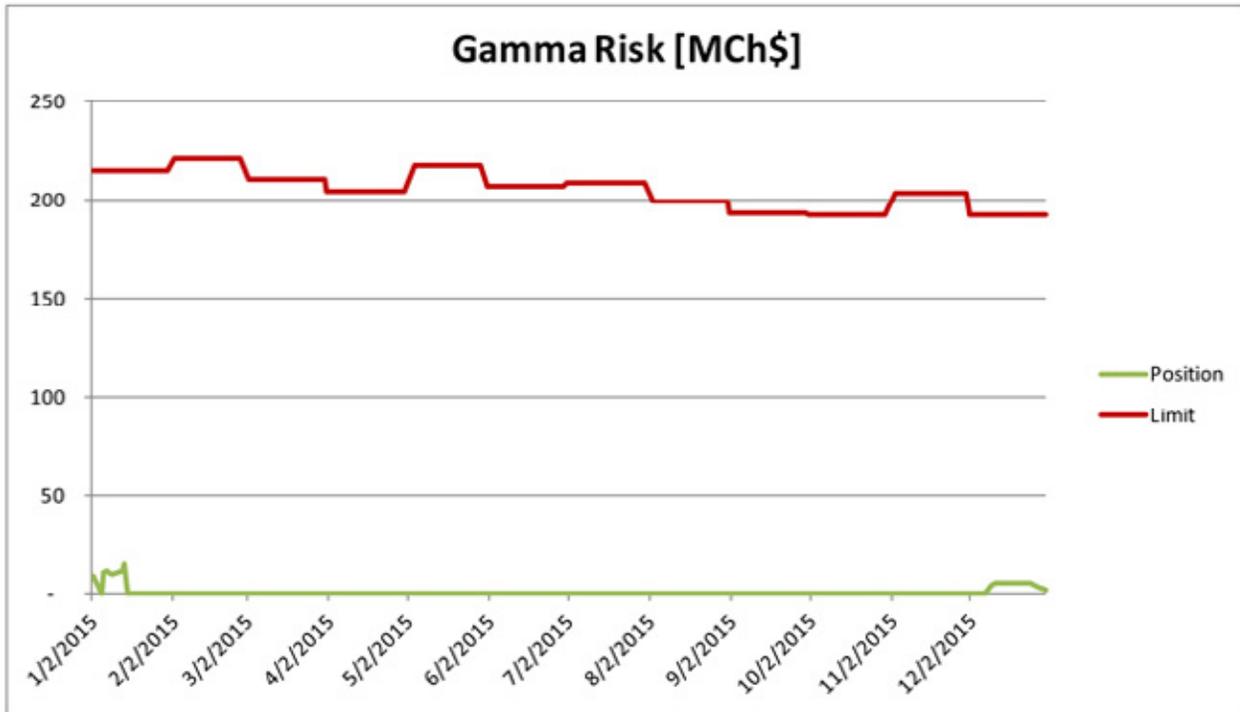


FIGURE14: TRENDS IN GAMMA RISK (CORPBANCA COLOMBIA)

(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) Financial Investment Positions

The banking book includes a portfolio of financial investments classified as available-for-sale instruments, used to manage structural interest rate risk in the balance sheet. Exposure to this type of investments is calculated using PV01 and VaR market value sensitivities, in order to continuously monitor the volatility of book basis equity.

Hedge accounting is used as an effective and relatively low-cost tool to manage this risk.



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(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 December 31, 2015 and the mismatch statistics during the year.

	December 31, 2015 [MCh\$]	Statistics 2015		
		Minimum [MCh\$]	Average [MCh\$]	Maximum [MCh]
Total Mismatch	<u>1,151,508</u>	<u>554,709</u>	<u>829,274</u>	<u>1,389,078</u>
Balance Sheet Mismatch	1,791,742	1,558,585	1,629,130	2,234,983
Derivatives Mismatch	(679,752)	(1,011,179)	(820,878)	(852,365)
Investments Mismatch	39,518	7,303	21,022	6,460

FIGURE 15: INFLATION MISMATCH AS OF YEAR-END 2015 AND STATISTICS FOR THE YEAR

The following figure shows the evolution of this mismatch during 2015, and the relative ease with which the Bank to manage this risk. During the course of the 2015 exhibition held at moderate levels.



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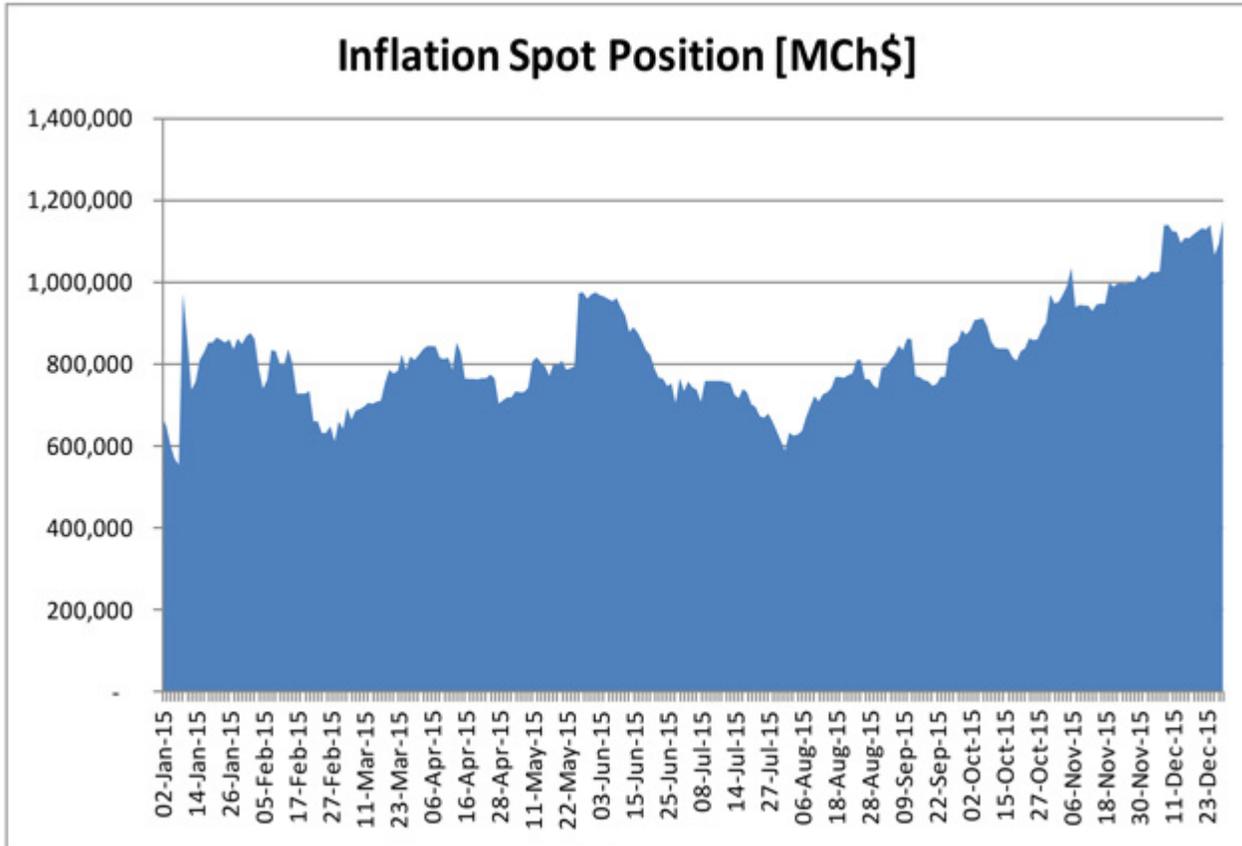


FIGURE 16: EVOLUTION OF INFLATION MISMATCH DURING 2015

(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 2015, the sensitivity risk in the interest margin in Chile has remained low with a positive sensitivity to drops in interest rates.

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.



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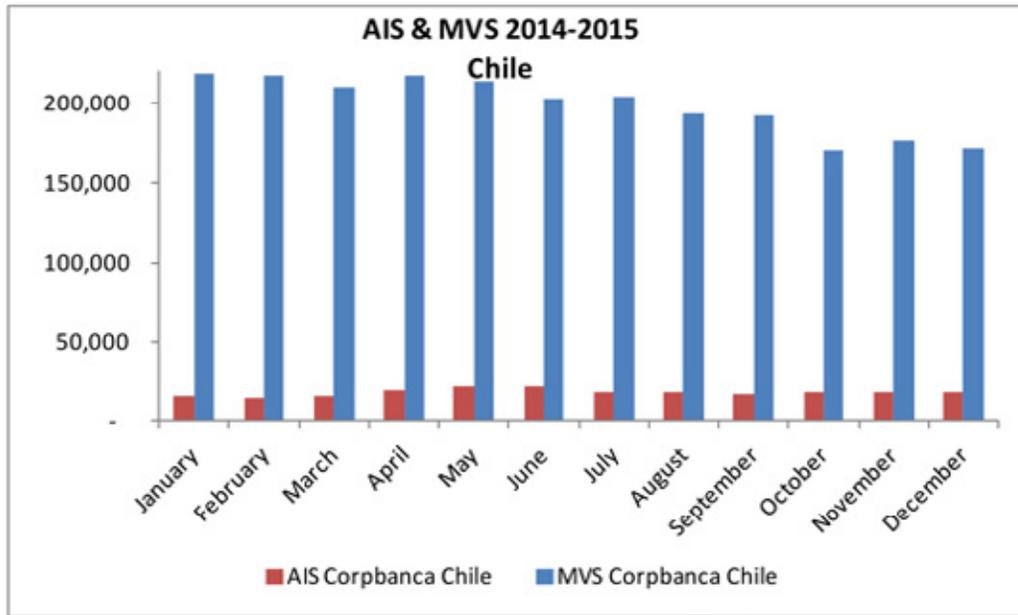


FIGURE 17: EVOLUTION MVS AND AIS CHILE 2014-2015

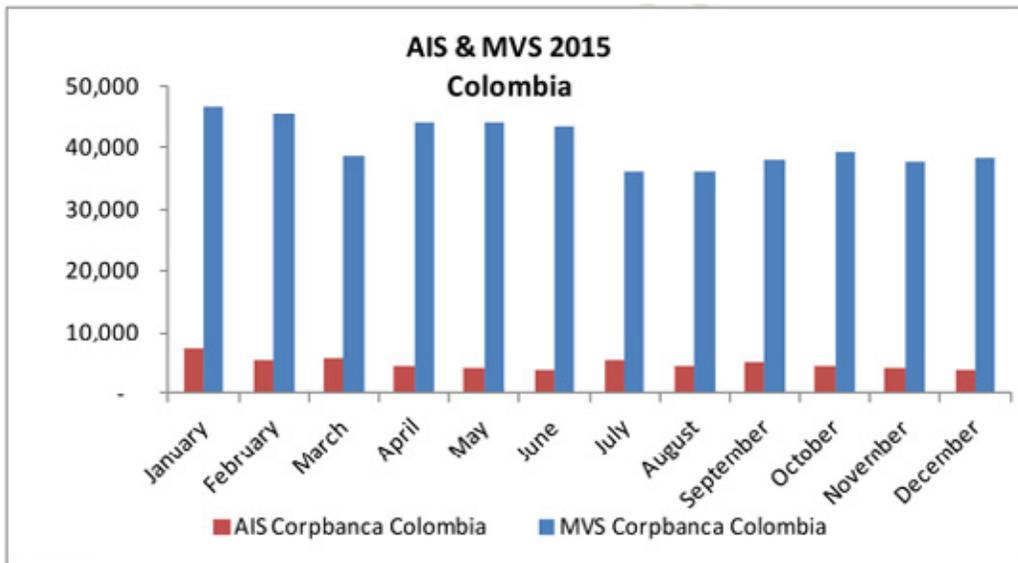


FIGURE 18: EVOLUTION MVS AND AIS COLOMBIA 2014-2015

(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 December 31, 2015, greater ongoing exposure was concentrated in Colombian pesos (approximately US\$ 1.1 billion).



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The Bank hedges part of these positions on a permanent basis using currency derivatives.

(b) Stress Tests

These exercises allow weaknesses in positions and the balance sheet structure to be diagnosed. From this, the Bank can create a critical factor plan to be used before such scenarios come about, or a contingency plan for when the scenarios have already taken place or the estimated probability of occurrence is high.

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 2015 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.

<u>Scenario</u>	<u>Description</u>
1	Parallel shift of +50 bps
2	Parallel shift of +75 bps
3	Parallel shift of +100 bps
4	Steepening of 0 to 100 bps in 5 years
5	Twist of 25 bps pivoting in 5 years
6	Shock to inflation compensation of +200 bps
7	Shock to inflation compensation of -70 bps
8	Shock of +80 bps to Libor-Camara curve
9	Fall of Lehman Brothers (September 2008)
10	Recomposition of AFP portfolios (March 2009)

FIGURE 19: 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.

Results of the market stress tests on the banking book are disclosed periodically to the ALCO and the Board of Directors.



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<u>Scenario</u>	<u>Description</u>
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 D inflation compensation: -200bps
10	Global recovery, Δ inflation compensation: +200bps

FIGURE 20: 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.

(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.



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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 and including 1Y.

$$AIS = \sum_{i,m} P_{im} (1 - T_i/360) \Delta r$$

- 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.

$$MVS = \sum_{i,m} (PV'_{im} - PV_{im})$$



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- 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 Monitoring

Regulatory monitoring of market risk exposure is measured in accordance with chapter III.B.2.2 of the Compendium of Financial Standards from the Chilean Central Bank and chapter 12-21 of the Updated Compilation of Standards from the Superintendency of Banks and Financial Institutions for both 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.

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

<u>Group</u>	<u>Description Sensitivity</u>	<u>Factor</u>
i	Each of the foreign currencies of countries with long-term external debt in foreign currency with a rating of at least AAAR, 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:



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Market Risk Limit for Trading Book	2013	2014	2015
	MCh\$	MCh\$	MCh\$
Market Risk-Weighted Assets	3,379,014	4,241,613	2,325,513
Rate Trading	796,729	785,550	735,625
Currency Trading	36,959	863	18,488
Options Trading	11,960	10,075	8,550
Currency Structural moneda	2,533,366	3,445,125	1,562,850
Credit Risk-Weighted Assets	15,058,532	16,715,382	17,465,950
Total Risk-Weighted Assets	18,437,546	20,956,995	19,791,463
Regulatory Capital	1,991,289	2,071,647	1,666,708
Basel Index	13.22%	12.39%	9.54%
Badel Index (includes MRE*)	10.80%	9.89%	8.42%
Margin	516,285	729,389	264,724
% Consumption	74.07%	64.79%	84.12%

FIGURE 21: 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 83% of the cases by the effect of our investment in Banco CorpBanca Colombia. As of December 2015, this investment amounted to approximately US\$815 million. 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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CorpBanca Colombia	
Market Risk	2015
	MCh\$
Risk-Weighted Assets (RWA)	576,312
Trading	576,312
Structural (currency)	—
Credit Risk	5,470,672
Total Risk-Weighted Assets	6,046,984
Regulatory Capital	780,375
Basel Index	14.00%
Badel Index (includes MRE*)	12.70%
Margin	291,020
% Consumption	62.70%

FIGURE 22: MARKET RISK IN COLOMBIA

Chilean regulations also require banks to establish limits for their market risk exposure in their banking book, which includes limits based on sensitivity in the financial margin and volatility in its equity value. Measurement of exposure to interest rate and indexation risks in the banking book must consider both the short-term impact on the capacity to generate net interest and indexation income and the fees sensitive to changes in interest rates, as well as the long-term impact on the institution’s economic value of adverse movements in 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 20% 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:



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Market Risk Limit for Banking Book

	2013 MCh\$	2014 MCh\$	2015 MCh\$
Short-Term Limit			
Exposure	54,949	64,990	78,425
Rate Risk	22,502	39,274	43,914
Indexation Risk	28,666	21,683	29,662
Reduced Revenue (fees sensitive to interest rates)	3,781	4,033	4,849
Limit	97,651	130,591	127,006
Consumption%	56.3%	49.8%	61.7%
Financial Margin plus Fees (12 months)	279,003	373,118	362,875
Percentage over financial margin	35.0%	35.0%	35.0%
Short-term Limit	97,651	130,591	127,006
Consumption with respect to financial margin	19.7%	17.4%	21.6%
Long-Term Limit			
Exposure	157,786	266,394	269,568
Rate Risk	157,786	266,394	269,568
Limit	537,648	414,329	333,342
Consumption%	29.3%	64.3%	80.9%
Regulatory Capital (RC)	1,991,289	2,071,647	1,666,708
Percentage over margin	27%	20%	20%
Long-term Limit	537,648	414,329	333,342
Consumption with respect to regulatory capital	7.9%	12.9%	16.2%

FIGURE 23: 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.

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.



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(1) Internal Monitoring

(a) Limits and Warning Levels

(i) Thirty-day Liquidity Coverage Ratio

In order to safeguard the Bank's payment capacity in the event of illiquid conditions, a minimum has been established for the instrument portfolio that enables cash flows to be quickly generated either through liquidation or because they can be used as collateral for new funding sources.

The limit on the coverage ratio of liquidity is 50% of the mismatches of 30 days (consolidated currency). The composition of liquid assets as of year-end December 2015 after applying the respective price volatility haircuts and market liquidity adjustments is presented in the table below.

Liquid Assets CorpBanca Chile

Investment Portfolio Chile As of December 31, 2015	Liquid Assets in domestic currency (30 days)	Liquid Assets in foreign currency (30 days)	Total Liquid Assets
	MCh\$	MCh\$	MCh\$
Cash and cash equivalents	489,478	160,519	649,997
Central Bank and government securities	710,057	—	710,057
Bank time deposits	61,330	—	61,330
Corporate bonds	23,664	24,031	47,695
Bank bonds	23,553	11,543	35,096
Repo agreements	(29,817)	—	(29,817)
Average clearance reserves required	(217,782)	(20,230)	(238,012)
Liquid Assets	1,060,483	175,863	1,236,346

FIGURE 24: LIQUID ASSETS CORPBANCA CHILE

Liquid Assets CorpBanca Colombia

Investment Portfolio Colombia As of December 31, 2015	Liquid Assets in domestic currency (30 days)	Liquid Assets in foreign currency (30 days)	Total Liquid Assets
	MCh\$	MCh\$	MCh\$
Cash and cash equivalents	362,716	9,102	371,818
Central Bank and government securities	837,423	—	837,423
Bank time deposits	—	—	—
Corporate bonds	190,533	—	190,533
Bank bonds	—	—	—
Repo agreements	—	—	—
Average clearance reserves required	(365,960)	—	(365,960)
Liquid Assets	1,024,712	9,102	1,033,814

FIGURE 25: LIQUID ASSETS BANCO CORPBANCA COLOMBIA



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(ii) Daily Wholesale Maturities

In order to control concentration of funding sources and safeguard compliance with obligations, the Bank monitors maturities of deposits in Chilean pesos by wholesale customers. This monitoring is conducted with a daily limit of MCh\$50,000 in maturities per day.

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 2015, different strategies were implemented to diversify liabilities, including: diversifying time deposits, expanding stable funding sources such as on-line time deposits by individuals and issuing bonds.

These strategies 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:



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- Individual Crisis: the financial system losses 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) 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.

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.

The table below shows the use of internal mismatch limits as of December 31, 2015, and some consumption statistics for the year.



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	As of December 31, 2015			Statistics 2015		
	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserve [MCh\$]	Minimum [MCh\$]	Average [MCh\$]	Maximum [MCh\$]
Table of Contents						
All currencies 30 days	1,065,156	315,240	1,380,396	1,120,630	1,483,457	1,901,288
All currencies 90 days	2,130,313	62,587	2,192,900	1,697,334	2,165,066	2,723,342
Foreign currency 30 days	1,065,156	203,051	1,268,207	1,106,777	1,424,324	1,893,928

	As of December 31, 2014			As of December 31, 2013		
	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserve [MCh\$]	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserve [MCh\$]
Table of Contents						
All currencies 30 days	1,362,821	567,416	1,930,237	1,404,443	(146,681)	1,257,762
All currencies 90 days	2,725,642	(381,918)	2,343,724	2,808,886	(981,388)	1,827,498
Foreign currency 30 days	1,362,821	281,575	1,644,396	1,404,443	19,210	1,423,653

FIGURE 26: INTERNAL LIMITS AND CURRENCY MISMATCHES

Figures 27, 28 and 29 show the evolution of consumption for each limit in 2015.

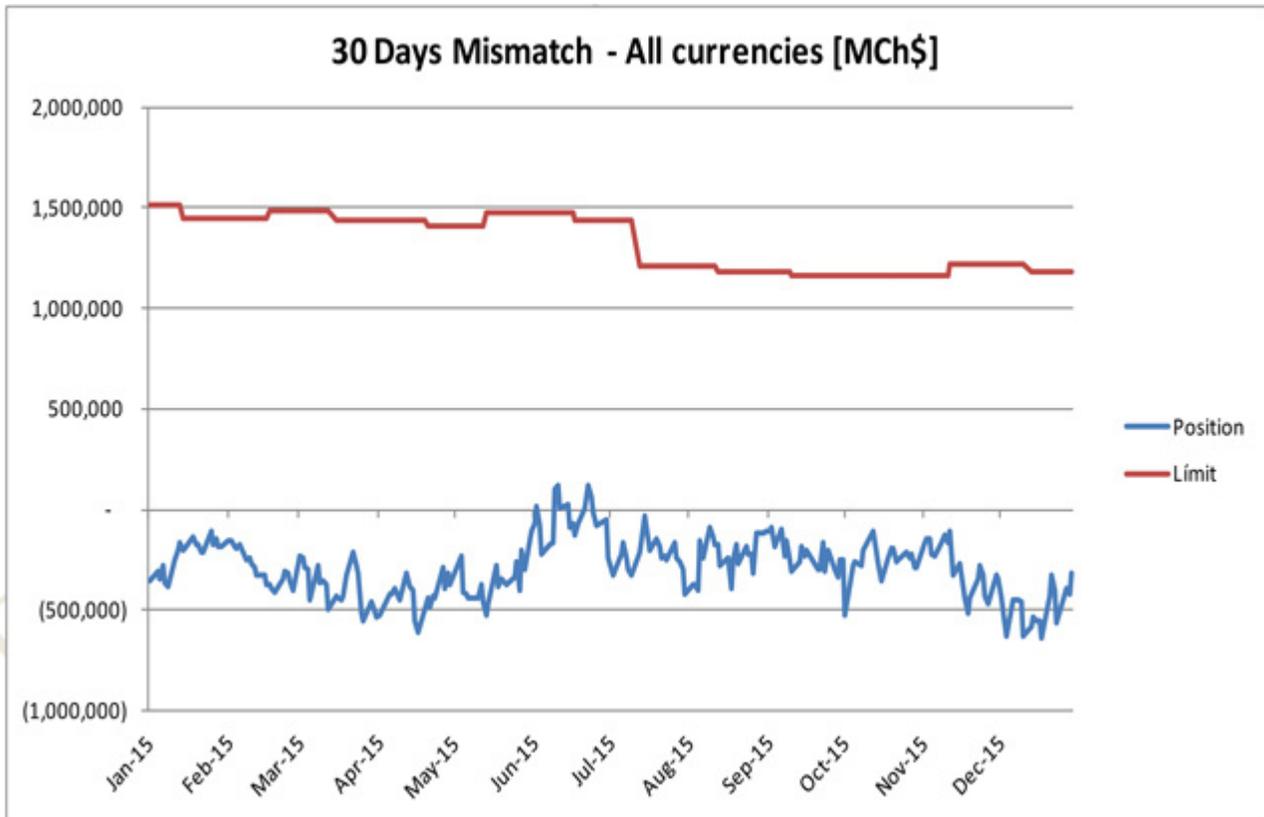


FIGURE 27: EVOLUTION OF CONSOLIDATED MISMATCH IN ALL CURRENCIES AT 30 DAYS DURING 2015



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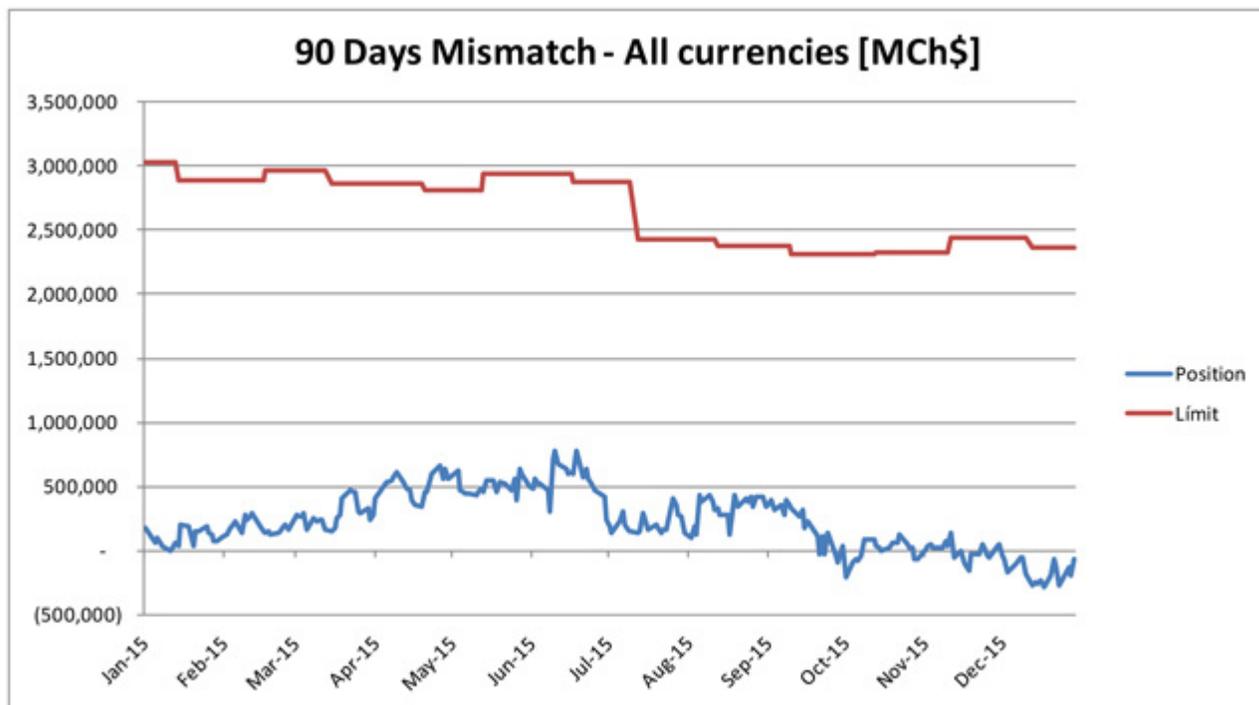


FIGURE 28: EVOLUTION OF CONSOLIDATED MISMATCH IN ALL CURRENCIES AT 90 DAYS DURING 2015



200D&X&PQK6VzNR%t

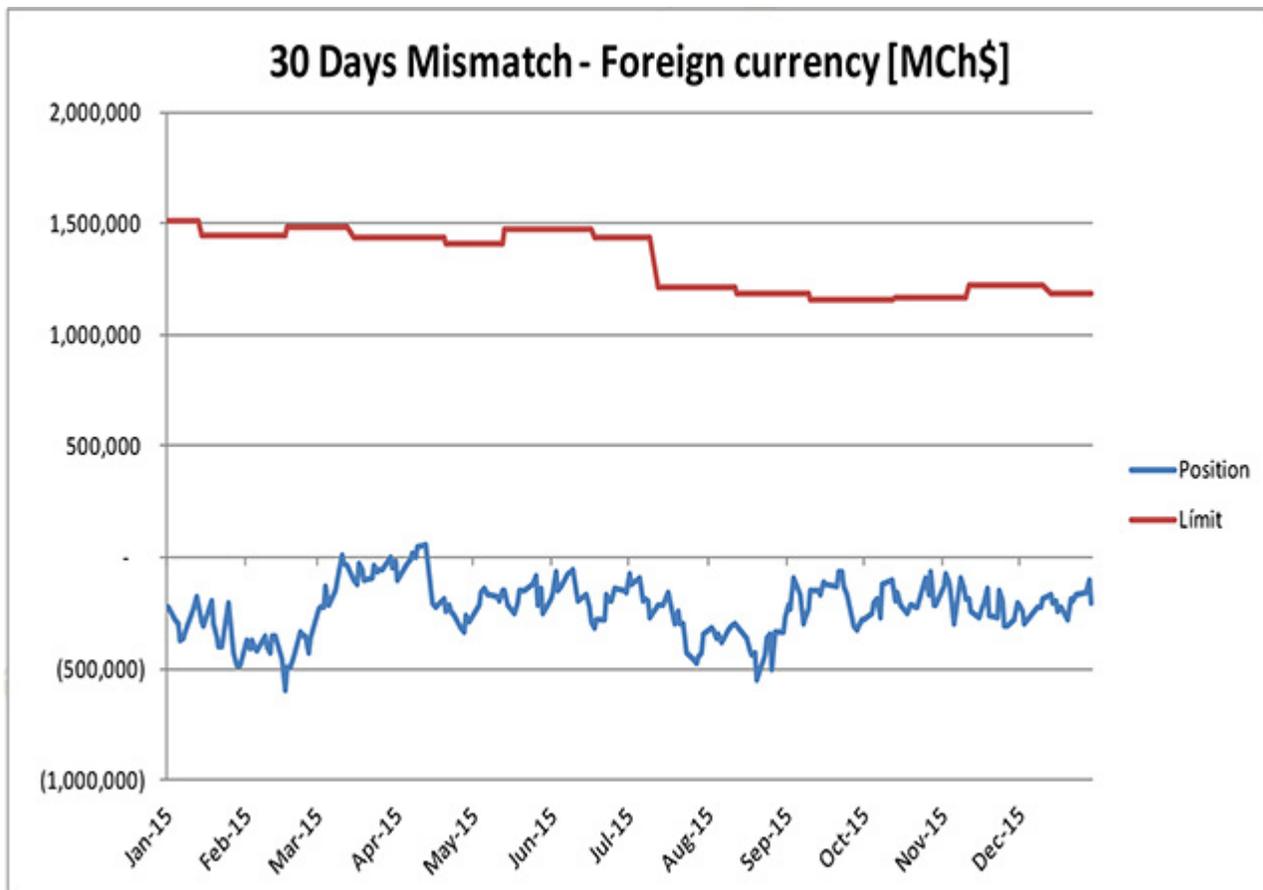


FIGURE 29: EVOLUTION OF CONSOLIDATED MISMATCH IN FOREIGN CURRENCIES AT 30 DAYS DURING 2015



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In the Colombian market the regulatory measurement known as the standard LRI model measures 7 and 30-day liquidity gaps. It allows entities to quantify the level of minimum liquid assets, in domestic and foreign currency, that they should maintain each day in order to, at a minimum, meet their payment obligations fully and on time. Entities must be capable of measuring and forecasting the cash flows of their assets, liabilities, off-balance sheet positions and derivative instruments for different time horizons in both normal scenarios and crisis scenarios where cash flows vary significantly from expectations as a result of unforeseen changes in markets, the entity or both.

The following tables show the evolution of the 7 and 30 day liquidity gaps in Colombia in 2015.

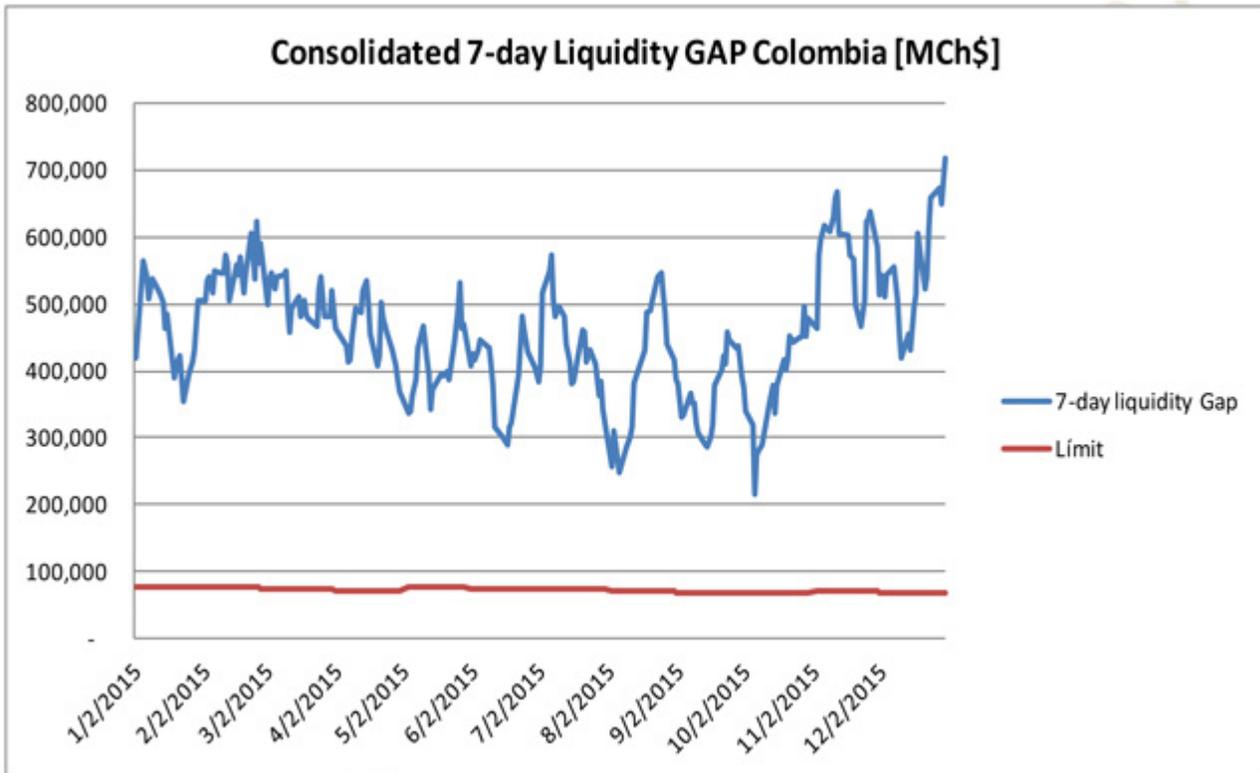


FIGURE 30: CONSOLIDATED 7-DAY LIQUIDITY GAP 2015 COLOMBIA



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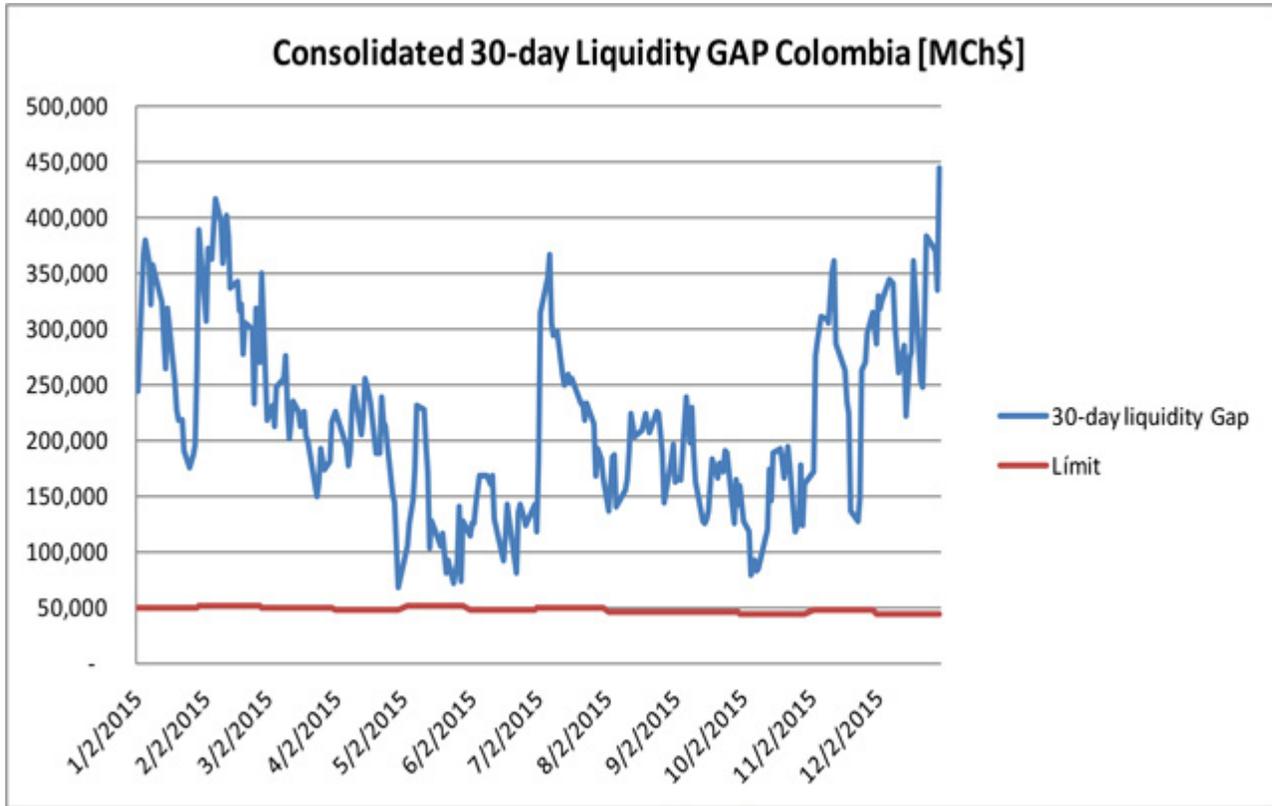


FIGURE 31: CONSOLIDATED 30 DAY LIQUIDITY GAP 2015 COLOMBIA

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.

For the December 31, 2014 and 2015, the ratio of assets and risk weighted assets is as follows:



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	Consolidated Assets		Risk-Weighted Assets	
	2014 MCh\$	2015 MCh\$	2014 MCh\$	2015 MCh\$
In-Balance Assets (net of provisions):				
Cash and deposits in banks	1,169,178	1,004,757	—	—
Cash in the process of collection	212,842	176,501	69,124	46,344
Trading portfolio financial assets	685,898	323,899	182,209	116,964
Investments under agreements to resell	78,079	24,674	78,079	12,587
Derivative financial instruments ¹	1,553,424	1,657,260	1,066,545	1,180,709
Loans and receivables from banks	814,209	451,829	194,162	143,801
Loans and receivables from customers, net	13,891,904	14,454,357	12,920,115	13,463,303
Financial investments available-for-sale	1,156,896	1,924,788	211,567	521,569
Held to maturity investments	190,677	170,191	190,677	170,191
Investments in other companies	15,842	14,648	15,842	14,648
Intangible assets ²	371,597	319,644	371,597	319,644
Property, plant and equipment, net	92,642	91,630	92,642	91,630
Current taxes	1,608	4,447	161	445
Deferred income taxes	113,501	118,127	11,350	11,813
Other assets	411,974	462,604	411,974	344,311
Off-Balance sheet assets:				
Contingent loans	1,498,897	1,713,318	899,338	1,027,991
Total risk-weighted assets	22,259,168	22,912,674	16,715,382	17,465,950

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.

	Amount		Ratio	
	2014 MCh\$	2015 MCh\$	2014	2015
Basic Capital	1,443,427 ³	1,183,723	6.37% ⁵	5.09%
Effective Equity	2,071,647 ⁴	1,666,708	12.39% ⁶	9.54%

- 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.



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6. The consolidated solvency ratio is equal to the ratio of regulatory capital to weighted assets.
- b) As of December 31, 2015, the Bank includes the following information within its management objectives, policies and processes:
- The Bank, in consolidated terms, has total equity of MCh\$1,183,723 (MCh\$1,443,427 as of December 31, 2014).
 - In terms of regulatory ratios, the Bank closed as of December 31, 2015, with a ratio of basic capital to total assets of 5.09% (6.37% as of December 31, 2014), while the Basel Index (regulatory capital to total risk-weighted assets was 9.54% (12.39% as of December 31, 2014).

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, 2014 and 2015.

		As of December 31, 2014						
Notes	Up to 1 month MCh\$	From 1 month to 3 months MCh\$	From 3 months to 1 year MCh\$	From 1 year to 3 years MCh\$	From 3 years to 6 years MCh\$	Over 6 years MCh\$	TOTAL MCh\$	
Trading portfolio financial assets	6	20,145	81,838	361,936	114,110	35,393	72,476	685,898
Investments under agreements to resell	7	70,353	5,087	2,639	—	—	—	78,079
Derivative financial instruments	8	46,213	51,120	100,152	156,525	182,722	230,067	766,799
Loans and receivables from banks (*)	9	720,066	35,834	16,309	26,241	16,030	—	814,480
Loans and receivables from customers(**)	10	1,780,145	1,851,508	2,005,376	2,077,420	2,337,087	3,767,680	13,819,216
Commercial loans		1,380,435	1,788,974	1,741,470	1,542,727	1,520,212	1,964,977	9,938,795
Mortgage loans		20,453	21,917	126,284	182,590	353,418	1,517,515	2,222,177
Consumer Loans		379,257	40,617	137,622	352,103	463,457	285,188	1,658,244
Financial investments available-for-sale	11	7,914	9,000	87,162	285,053	496,090	271,677	1,156,896
Financial investments held-to-maturity	11	49,582	8,034	118,510	5,233	948	8,370	190,677

(*) Loans and advances to banks are presented gross. The amount of provisions corresponds to MCh\$ 271.

(**) Loans are presented gross. Provisions by loan type are detailed as follows: Commercial MCh\$96,009, Mortgage MCh\$7,762 and Consumer MCh\$33,834. Excludes amounts that have already matured, which total MCh\$210,659 as of December 31, 2014.

		As of December 31, 2015						
Notes	Up to 1 month MCh\$	From 1 month to 3 months MCh\$	From 3 months to 1 year MCh\$	From 1 year to 3 years MCh\$	From 3 years to 6 years MCh\$	Over 6 years MCh\$	TOTAL MCh\$	
Trading portfolio financial assets	6	28,103	6,937	53,945	26,535	25,588	182,791	323,899
Investments under agreements to resell	7	17,237	1,994	5,443	—	—	—	24,674
Derivative financial instruments	8	57,811	64,204	139,467	199,063	259,818	288,552	1,008,915
Loans and receivables from banks (*)	9	320,330	72,495	33,757	7,114	18,373	—	452,069
Loans and receivables from customers(**)	10	1,862,215	1,932,354	2,123,190	2,231,500	2,706,744	3,547,870	14,403,873
Commercial loans		1,525,726	1,846,561	1,815,169	1,594,681	1,655,850	2,091,749	10,529,736
Mortgage loans		24,554	33,941	181,270	310,000	578,945	1,092,809	2,221,519
Consumer Loans		311,935	51,852	126,751	326,819	471,949	363,312	1,652,618
Financial investments available-for-sale	11	67,237	20,987	312,890	837,128	455,079	231,467	1,924,788
Financial investments held-to-maturity	11	64,135	3,566	84,402	12,340	—	5,748	170,191

(*) Loans and advances to banks are presented gross. The amount of provisions corresponds to MCh\$ 240.



CORPBANCA AND SUBSIDIARIES
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(**) Loans are presented gross. Provisions by loan type are detailed as follows: Commercial MCh\$138,721, Mortgage MCh\$8,832 and Consumer MCh\$26,386. Excludes amounts that have already matured, which total MCh\$224,423 as of December 31, 2015.

b) Maturity of financial liabilities

Below are the main financial liabilities grouped according to their remaining terms, including interest accrued to December 31, 2014 and 2015:

		As of December 31, 2014						
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	661,566	97	—	—	—	661,663	
Time deposits and saving accounts (*)	17	2,760,216	2,289,106	2,361,770	599,081	12,789	8,045,410	
Derivative financial instruments	8	43,992	51,390	115,826	163,062	112,699	607,683	
Borrowings from financial institutions	18	155,456	101,935	676,685	411,324	28,865	1,431,923	
Debt issued	19	123,230	3,541	110,125	628,830	1,069,830	3,079,050	

(*) Exclude term savings accounts totaling MCh\$31,556 during 2014.

		As of December 31, 2015						
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	259,907	724	—	—	—	260,631	
Time deposits and saving accounts (*)	17	3,484,648	1,721,763	2,229,474	945,200	21,513	8,464,030	
Derivative financial instruments	8	60,807	71,978	145,599	186,976	116,398	731,114	
Borrowings from financial institutions	18	181,528	248,487	701,822	324,423	13,272	1,528,585	
Debt issued	19	3,901	9,835	364,533	968,037	918,317	3,227,554	

(*) Exclude term savings accounts totaling MCh\$31,573 during 2015.



CORPBANCA AND SUBSIDIARIES
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c) Contractual Obligations

Contractual Obligations	As of December 31, 2014				
	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Time deposits and saving accounts	7,748,193	572,819	13,376	46,672	8,381,060
Deposits and other demand liabilities	2,336,350	1,835,272	—	—	4,171,622
Bank obligations	1,350,294	55,543	30,263	57,679	1,493,779
Investments under repurchase agreements	661,663	—	—	—	661,663
Issued debt Instruments	343,607	799,686	1,204,339	1,611,282	3,958,914
Other financial liabilities	9,490	677	1,120	5,520	16,807
Financial Derivative contracts (all speculative and hedging instruments)	(50,918,290)	(390,443)	(178,969)	(229,677)	(51,717,379)
Total contractual obligations	(38,468,693)	2,873,554	1,070,129	1,491,476	(33,033,534)

Contractual Obligations	As of December 31, 2015				
	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Time deposits and saving accounts	7,948,599	637,279	31,111	100,488	8,717,477
Deposits and other demand liabilities	2,529,999	1,901,621	—	—	4,431,620
Bank obligations	1,280,826	288,470	12,369	86,555	1,668,220
Investments under repurchase agreements	260,631	—	—	—	260,631
Issued debt Instruments	441,817	191,933	1,124,216	1,469,589	3,227,555
Other financial liabilities	9,597	1,077	295	3,506	14,475
Financial Derivative contracts (all speculative and hedging instruments)	(40,252)	(89,094)	(97,265)	(70,045)	(296,656)
Total contractual obligations	12,431,217	2,931,286	1,070,726	1,590,093	18,023,322



CORPBANCA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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	
	2014	2015	2014	2015	2014	2015
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
ASSETS						
Cash and due from banks	1,709,883	1,158,904	—	—	1,709,883	1,158,904
Cash in the process of collection	101,643	119,532	—	—	101,643	119,532
Trading portfolio financial assets	1,079,188	361,020	—	—	1,079,188	361,020
Investments under agreements to resell	84,189	19,887	—	—	84,189	19,887
Derivative financial instruments	749,878	938,470	—	—	749,878	938,470
Loans and receivables to customers and banks	11,134,939	9,573,784	16,014	739	11,150,953	9,574,523
Financial investments available-for-sale	862,438	1,412,390	15,966	15,388	878,404	1,427,778
Held to maturity investments	303,079	231,794	—	—	303,079	231,794
Investments other companies	9,117	6,445	—	—	9,117	6,445
Intangible assets	530,392	403,857	—	—	530,392	403,857
Property, plant and equipment, net	88,936	71,866	—	—	88,936	71,866
Current taxes	2,656	6,261	—	—	2,656	6,261
Deferred income taxes	111,035	86,622	—	—	111,035	86,622
Other assets	341,098	407,050	—	—	341,098	407,050
TOTAL ASSETS	17,108,471	14,797,882	31,980	16,127	17,140,451	14,814,009
LIABILITIES						
Current accounts and demand deposits	4,932,778	4,782,173	—	—	4,932,778	4,782,173
Cash in the process of collection	130,088	29,035	—	—	130,088	29,035
Obligations under repurchase agreements	1,078,411	338,571	—	—	1,078,411	338,571
Time deposits and saving accounts	5,401,615	4,976,382	—	—	5,401,615	4,976,382
Derivative financial instruments	576,334	625,884	—	—	576,334	625,884
Borrowings from financial institutions	2,367,897	2,154,708	—	—	2,367,897	2,154,708
Debt issued	2,090,756	1,960,621	—	—	2,090,756	1,960,621
Other financial obligations	2,264	2,267	—	—	2,264	2,267
Current taxes	—	—	—	—	—	—
Deferred income taxes	152,395	129,623	—	—	152,395	129,623
Provisions	127,412	97,953	—	—	127,412	97,953
Other Liabilities	160,618	147,822	—	—	160,618	147,822
TOTAL LIABILITIES	17,020,568	15,245,039	—	—	17,020,568	15,245,039

(*) Includes transactions denominated in foreign currencies but that are settled in pesos.



CORPBANCA AND SUBSIDIARIES
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NOTE 38 - SUBSEQUENT EVENTS

CORPBANCA

a. Fine for Exceeding Credit Margins

Pursuant to letter No. 16191, the SBIF fined the bank for an alleged infringement to the individual lending limits provided by article 84 No. 1, in relation to article 85 of the Chilean General Banking Act. The total amount was Ch\$21,765 million. In an extraordinary meeting on January 4, 2016, the bank's board of directors agreed: to communicate the letter as a material event, expressing disagreement with the alleged infringement and to instruct management to exercise each and every legal action in order to obtain the annulment of the fine.

On January 8, 2016, the bank paid the full amount of the fine as a mandatory condition precedent to exercise its appeal rights. However, no provision was made as of December 31, 2015 as management believes that it is probable that the fine will be annulled through the appeal process.

On January 18, 2016, CorpBanca brought an action before the Santiago Court of Appeals seeking the annulment of the fine. As of today, the court has not issued its ruling.

b. Board of Directors

At the Ordinary Shareholder's Meeting held on March 11, 2016 was agreed:

- Proceed to the total renovation of the Board of Corpbanca, were elected the following 9 Directors and 2 Alternates:

Directors:

- Jorge Andrés Saieh Guzmán as Chairman
- Fernando Aguad Dagach as First Vice Chairman
- Jorge Selume Zaror as Second Vice Chairman.
- Francisco Mobarec Asfura
- Ana Holuigue Barros
- Julio Barriga Silva
- Gustavo Arriagada Morales
- Hugo Verdegaal
- José Luis Mardones Santander

Alternate Directors:

- María Catalina Saieh Guzmán
- Alvaro Barriga Oliva.

- In the same shareholders' meeting Mr. Fernando Massu Taré reports that will leave his position of CEO of CoprBanca from the next March 28, 2016.
- At such meeting the dividend distribution of 51.58% of 2015 net income (Chilean Bank GAAP) in the amount of MCh\$104,082, equivalent to \$0.30580171 dividend per share, was approved.

The matters described above do not involve any adjustments to the financial statements as of December 31, 2015.



CORPBANCA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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c. Law 20,899 Simplification of Tax System and Improvements to Other Tax Provisions

On February 1, 2016, the President of Chile signed Law No. 20,899, which simplifies and includes specifications regarding the 2014 tax reform (Law No. 20,780), focusing on four specific objectives:

- Simplify and include specifications regarding the tax reform;
- Ensure intended revenue collection;
- Maintain the system’s progressive nature; and
- Maintain tools to prevent evasion and avoidance.

Among the most important aspects of this law are changes with respect to the adoption of the tax systems incorporated by Law 20,780 of 2014. The previous reform established two optional regimes taking effect in 2017: the attributed income regime and the semi-integrated regime.

Law 20,899 signed last February 1st keeps the two systems, but specifies that they shall be applied as follows:

- i. Attributed income regime: exclusively for companies with partners or owners that consist only of individuals domiciled or residing in Chile or individuals or legal entities not domiciled or residing in Chile. Under this regime, income will be taxed at the end of the commercial year and the companies’ partners can deduct 100% of the taxes paid by the company as a credit against their final taxes. Companies that use this regime will use a rate of 24% in 2016 and 25% in 2017.
- ii. Semi-integrated regime: this regime applies to corporations and companies with at least one owner or shareholder that is another company. Income is taxed when profits are distributed, but shareholders only have the right to credit 65% of the taxes paid by the company against their final taxes, with the exception of shareholders that reside in a country that has a tax treaty in effect with Chile or that has been signed before 01.01.2017, but as of that date is not in effect such as the United States, Argentina, China, South Africa and Italy. These companies shall use tax rates of 24% in 2016, 25.5% in 2017 and 27% in 2018.

Other modifications incorporated into this law are related to general anti-elusion laws and the application of value added tax (VAT) to certain transactions, mainly sales of real estate and leases with purchase options.

The matters described above do not involve any adjustments to the financial statements as of December 31, 2015.

CORPBANCA COLOMBIA

a. Profit Distribution

On January 29, 2015, shareholders of Banco CorpBanca Colombia and the other companies within the CorpBanca Colombia Group met and agreed to distribute profits as follows:

Banco CorpBanca Colombia		
	MCOPS	MChS
Profit for the period	319,241,495	72,340
Release of fiscal reserve	—	—
Total available to shareholders	<u>319,241,495</u>	<u>72,340</u>
Dividend payments	—	—
Total	<u>319,241,495</u>	<u>72,340</u>



CORPBANCA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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On February 8, 2016, Banco CorpBanca signed an agreement with TransUnion Netherlands II B.V., to sell one hundred percent (100%) of its shareholding in the corporation CIFIN S.A., which is authorized as a technical and administrative services company and accredited as a provider of financial, credit and commercial information and services.

The matters described above do not involve any adjustments to the financial statements as of December 31, 2015.

b. Bond Placement

On March 2, 2016, the Bank placed bonds on national markets totaling MCOP\$300,000, the issuance and placement was as following:

	<u>MCOP \$</u>	<u>Expiration Date</u>	<u>Reference</u>	<u>Rate</u>
BBSA 16SA24	215,000	3/2/2018	FIJA	8.99%
BBSA 168B18	85,000	9/2/2017	IBR +	2.39%
	<u>300,000</u>			

The matters described above do not involve any adjustments to the financial statements as of December 31, 2015.



CORPBANCA AND SUBSIDIARIES
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Between January 1, 2016, and March 31, 2016, the date of issuance of these consolidated financial statements, there have been no other events after the reporting period that could affect the presentation and/or results of the financial statements.

Juan Vargas Matta
Accounting Manager

Fernando Massú Tare
Chief Executive Officer

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Exhibit 1.1

BYLAWS
of
CORPBANCA
RESTATED TEXT
AS OF
SEPTEMBER 2014



CORPBANCA

SOCIEDAD ANÓNIMA (STOCK CORPORATION)

was duly incorporated as evidenced in public deed executed on August 7, 1871 before the Notary Public of Concepción, Nicolás Peña, authorized by *Decreto Supremo* (Supreme Decree) dated September 6, 1871 and amended by the following public deeds: the public deed executed on December 27, 1905, before the Notary Public Edmundo Larenas, approved by *Decreto Supremo* (Supreme Decree) enacted May 31, 1906; the public deed executed on April 29, 1910 before the Notary Public Edmundo Larenas, approved by Supreme Decree enacted September 23, 1910; the public deed executed on December 01, 1911, before the Notary Public Félix A. Larenas, approved by Supreme Decree enacted January 10, 1912; the public deed executed on November 15, 1916, before the Notary Public, Eduardo Cuevas, approved by Supreme Decree enacted December 20, 1916; the public deed executed June 22, 1920 before the Notary Public Víctor Vargas, approved by Supreme Decree enacted August 24, 1920; the public deed executed September 8, 1922 before the Notary Public Victor Vargas, ; the public deed executed November 30, 1922 before the Notary Public Victor Vargas; the public deed executed on October 7, 1936 before the Notary Public, Diego Arce, approved by Supreme Decree enacted December 30, 1936; the public deed executed on January 24, 1938 before the Notary Public Diego Arce approved by Supreme Decree enacted February 22, 1938; the public deed executed on January 20, 1940 before the Notary Public Diego Arce approved by Supreme Decree enacted April 22, 1940; the public deed executed on January 20, 1942 before the Notary Public Diego Arce approved by Supreme Decree enacted March 4, 1942; the public deed executed on December 23, 1942 before the Notary Public Diego Arce approved by Supreme Decree enacted February 16, 1943; the public deed executed on February 1, 1944 before the Notary Public Diego Arce approved by Supreme Decree enacted April 21, 1944; the public deed executed on August 3, 1944 before the Notary Public Diego Arce approved by Supreme Decree enacted April 21, 1944; the public deed executed on August 03, 1944 before the Notary Public Diego Arce approved by Supreme Decree enacted September 8, 1944; the public deed executed on August 09, 1945 before the Notary Public Fernando Salamanca approved by Supreme Decree enacted October 5, 1945; the public deed executed on July 29, 1946 before the Notary Public Fernando Salamanca approved by Supreme Decree enacted September 06, 1946; the public deed executed on December 07, 1949 before the Notary Public José Mateo Silva approved by Supreme Decree enacted February 03, 1950; the public deed executed on December 26, 1950 before the Notary Public José Mateo Silva approved by Supreme Decree enacted February 28, 1951; the public deed executed on



November 17, 1952 before the Notary Public José Mateo Silva approved by Supreme Decree enacted February 03, 1953; the public deed executed on July 22, 1953 before the Notary Public José Mateo Silva approved by Supreme Decree enacted November 11, 1953; the public deed executed on July 24, 1954 before the Notary Public José Mateo Silva approved by Supreme Decree enacted October 7, 1954; the public deed executed on October 03, 1956, before the Notary Public José Mateo Silva approved by Supreme Decree enacted December 18, 1956; the public deed executed on October 28, 1957 before the Notary Public José Mateo Silva approved by Supreme Decree enacted January 28, 1958; the public deed executed on October 28, 1957 before the Notary Public José Mateo Silva approved by Supreme Decree enacted [sic]; the public deed executed on November 12, 1958 before the Notary Public José Mateo Silva approved by Supreme Decree enacted December 12, 1958, the public deed executed on April 18, 1960 before the deputy Notary Public Ernesto González, in lieu of the regular Notary Public José Mateo Silva, and the public deed executed on May 10, 1960 before the Notary Public of Santiago, Javier Echeverría, approved by Supreme Decree enacted July 01, 1960; the public deed executed on February 12, 1963 before the Notary Public José Mateo Silva, approved by Supreme Decree enacted March 22, 1963; the public deed executed on February 02, 1965 before the Notary Public Humberto Faúndez, approved by Supreme Decree enacted on April 06, 1965; the public deed executed on January 31, 1966 before the Notary Public Humberto Faúndez, approved by Resolution passed by the *Ministerio de Hacienda* (Chilean Ministry of Finance) on April 15, 1966; the public deed executed on August 02, 1966 before the Notary Public Humberto Faúndez approved by Resolution passed by the *Ministerio de Hacienda* (Chilean Ministry of Finance) on October 05, 1966; the public deed executed on January 31, 1969 before the Notary Public Humberto Faúndez Rivera, approved by Resolution No. 278 dated April 11, 1969; the public deed executed on February 5, 1970 before the Notary Public Humberto Faúndez Rivera approved by Decree No. 212 enacted by the *Ministerio de Hacienda* (Ministry of Finance) on April 6, 1970; the public deed executed on August 04, 1970 before the Notary Public Humberto Faúndez Rivera, approved by Resolution No. 21 passed by the *Superintendencia de Bancos* (Chilean Banks' Superintendent) on October 23, 1970; the public deed executed on June 5, 1972 before the before the Notary Public Humberto Faúndez Rivera, approved by Resolution No. 21 passed by the *Superintendencia de Bancos* (Chilean Superintendent of Banks); the public deed executed on June 5, 1972, before the Notary Public Humberto Faúndez Rivera, approved by Resolution No. 23 passed by the *Superintendencia de Bancos* (Chilean Superintendent of Banks) on June 27, 1972; the public deed executed on April 23, 1975 before the Notary Public of Valdivia René Martínez M., approved by Resolution No. 14 passed by the *Superintendencia de Bancos* (Chilean



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Superintendent of Banks) on May 1975; the public deed executed on November 10, 1976 before the Notary Public Humberto Faúndez Rivera, approved by Resolution No. 116 passed by the *Superintendencia de Bancos* (Chilean Superintendent of Banks) on November 29, 1976; the public deeds executed on September 17, 1979 and on November 12, 1979 before the before the Notary Public Humberto Faúndez Rivera, approved by Resolution No. 202 passed by the *Superintendencia de Bancos* (Chilean Superintendent of Banks) on November 26, 1979; the public deed executed on August 26, 1980, before the Notary Public Humberto Faúndez Rivera, approved by Resolution No. 137 passed on September 15, 1980 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on April 16, 1982 before the Notary Public Gonzalo de la Cuadra Fabres, approved by Resolution No. 97 passed on June 15, 1982 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on December 16, 1985 before the Notary Public Rubén Galecio Gómez approved by Resolution No. 137 passed on December 23, 1985 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on April 21, 1986 before the Notary Public Rubén Galecio Gómez approved by Resolution No. 65 passed on May 14, 1986 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on October 23, 1986 before the Notary Public Eduardo Pinto Peralta approved by Resolution No. 191 passed on November 25, 1986 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on June 3, 1987 before the Notary Public Eduardo Pinto Peralta approved by Resolution No. 104 passed on June 17, 1987 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on December 12, 1989 before the Notary Public Eduardo Pinto Peralta, approved by Resolution No. 257 passed on December 13, 1989 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on May 28, 1992 at the Notarial Office of Gonzalo de la Cuadra Fabres, approved by Resolution No. 153 passed on July 06, 1992 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on August 09, 1996 at the Notarial Office of Kamel Saquel Zaror, approved by Resolution N° 151 passed on October 15, 1996 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deeds executed on February 19 and 27, both of them at the Notarial Office of Saquel Zaror, approved by Resolution No. 31 passed on March 05,



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1997 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on March 25, 1997 at the Notarial Office of Kamel Saquel Zaror approved by Resolution No. 47 passed on April 15, 1997 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on December 29, 1998 at the Notarial Office of Kamel Saquel Zaror approved by Resolution No. 9 passed on January 29, 1999 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on September 28, 2000 at the Notarial Office of José Musalem Saffie approved by Resolution No. 141 passed on October 13, 2000 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); and the public deed executed on May 29, 2001 at the Notarial Office of José Musalem Saffie approved by Resolution No. 55 passed on June 07, 2001 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on October 04, 2002 at the Notarial Office of José Musalem Saffie approved by Resolution No., 107 passed on October 15, 2002 by the by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on November 5, 2009 at the Notarial Office of Santiago of José Musalem Saffie approved by Resolution No. 276 passed on December 1, 2009 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); the public deed executed on February 1, 2011 at the Notarial Office of José Musalem Saffie, approved by Resolution No. 68 passed on February 9, 2011 by the by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); and the public deed executed on April 11, 2012 at the Notarial Office of Santiago of José Musalem Saffie, approved by Resolution No. 95 passed on April 20, 2012 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions); and the public deed executed on November 8, 2012 at the Notarial office of Santiago of Jose Musalem Saffie, approved by Resolution No. 269 passed on November 23, 2012 by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions).



BYLAWS
OF
CORPBANCA
TITLE I

**Corporate Name, Place of Business/ Registered Office,
Term of Duration and Corporate Purpose**

ARTICLE ONE: The *Sociedad Anónima* (Stock Corporation) doing business under the name of “CORPBANCA” shall be governed by these Bylaws, by the *Ley General de Bancos* (Chilean General Banking Law), by the provisions applicable to public companies provided that they are consistent with and not contrary to the legal provisions thereof and any other laws and regulations at present in force or to be enacted in the future on such matter.

ARTICLE TWO: The registered office/principal place of business of the Bank shall be established in the city of Santiago, where the Headquarters or Parent Company or Main Office shall operate, without prejudice to being entitled to open, maintain and establish branches inside or outside the country, with the prior authorization of the competent authority.

ARTICLE THREE: The term of duration of the Bank shall be perpetual.

ARTICLE FOUR: The Bank shall be engaged in the performance of those acts, the execution of such agreements and contracts, transactions and business that the *Ley General de Bancos* (Chilean General Banking Law) and any other legal provisions and rules allow the Banks to perform or execute without prejudice to expanding or restricting its scope of activities in accordance with the legal provisions to be enacted in the future, without the amendment hereof being required.



TITLE II

Capital Stock and Shares

ARTICLE FIVE: The capital stock of the Bank amounts to CLP \$781,559,178,559 divided into 340,358,194,234 common shares, all of them without face value. The capital stock shall be annually amended as a matter of law in accordance with the provisions set forth in section 10 of Law No. 18,046 upon the approval at the General Meeting of Shareholders the distribution of the equity revaluation typical of each fiscal year.

ARTICLE SIX: When a shareholder fails to timely pay all or part of the value of the shares subscribed by it, the Bank shall: a) sell on the Stock Exchange on behalf and at the risk of the defaulting shareholder, the number of shares necessary to pay any outstanding balance and the sale expenses, and the stock certificate shall reflect the remaining shares; b) cancel the total or partial subscription and the stock certificate shall reflect the number of shares actually remaining, and the remaining shares shall be sold on a Stock Exchange; and c) demand the payment by the relevant ordinary or executive proceedings on all the debtor's assets.

ARTICLE SEVEN: The Bank does not recognize or admit fractional shares. In the event that one or more shares belong to several co-owners, the co-owners shall be bound to appoint an attorney-in-fact, who shall represent all of them at the Bank.

ARTICLE EIGHT: The Company shall keep a Register Book of all shareholders with the number of shares held by each of them and only those individuals recorded therein may enjoy the shareholders' rights.

The Bank shall not make any comments on the transfer of shares and shall record all transfers without any further formalities provided they are compliant with the minimum requirements set forth by the Regulation.

ARTICLE NINE: In the case of usufruct, the shares shall be registered with the Register Book of Shareholders in the name of the bare owner and the usufructuary, and shall state the existence, terms and conditions and deadlines of the usufruct. Unless otherwise provided for by the Law or the agreement, the bare owner and the usufructuary shall act jointly at the Bank.



TITLE III

Management

ARTICLE TEN: The management of the Bank shall be exercised by the Board of Directors without prejudice to any other powers granted by the legal, statutory and regulatory to the Shareholders' Meetings.

ARTICLE ELEVEN: The Board of Directors shall consist of nine members elected by the shareholders, who may also choose two alternate directors. Directors shall hold their offices for an indefinite term and may be indefinitely reelected and renewed in its entirety at the end of each period.

At the first meeting after holding the respective General Shareholders' Meeting, the Board of Directors shall choose a Chairman, a First Vice-Chairman and a Second Vice-Chairman from among its own members, who shall also hold act as President of the Bank and shall preside over the Shareholders' Meetings. Appointments shall be made by the absolute majority of 100% of the members of the Board of Directors in a separate and secret ballot. If none of them obtains such a majority, the election shall be repeated among those who have obtained the three highest majorities, by computing the blank ballots in favor of the person who has obtained the highest number of votes. In case of a tie, all members shall vote once again and in the event of a new tie, such appointment shall be made by drawing lots. The Chairman, the First Vice-Chairman and the Second Vice-Chairman may be reelected indefinitely.

Upon the occurrence of one or more vacancies of the regular Directors, the Board of Directors shall at the first meeting held by it, appoint their substitute(s) who shall hold such offices until the next general shareholders' meeting, at which the final appointment shall be made. The Director(s) so appointed by the Board of Directors shall hold their offices only for the remainder of the term of office of the Director(s) so replaced. While the Board of Directors does not appoint the relevant substitute(s), the alternate Director shall assume as regular Director. Should the position of alternate Director be also vacant, the same procedure described above for the appointment of the relevant substitute shall be followed.

ARTICLE TWELVE: Directors may or may not be remunerated for their services and the amount of their fees shall be annually fixed by the Annual General Shareholders' Meeting.



The Annual Report to be submitted to the consideration of the General Shareholders' Meeting shall reflect the fees that the Directors shall have earned during the respective fiscal year, including those earned for the performance of any functions or jobs other than the exercise of their offices as directors or for representation and traveling expenses, royalties and, in general, any other expenditure. Such special fees shall be reflected separately and in detail in the Annual Report, assessing those that do not involve money.

ARTICLE THIRTEEN: The Board of Directors shall represent the Bank, both in and out-of-court and in order to achieve the corporate purposes, all of which shall not be necessary to prove before third parties. The Board of Directors shall be vested with all management, administration, and disposal powers that the law or these bylaws do not exclusively vest in the General Shareholders' Meetings without being necessary to grant any special power of attorney to it, even for the performance of such acts or the execution of such agreements for which the laws require to do so. The foregoing does not preclude the Bank's legal representation entrusted to the General Manager who is legally vested with the powers set out in both paragraphs of Section 7 of the Code of Civil Procedure and shall be entitled to speak at the meetings of the Board of Directors, and shall be liable along with the members of the Board of Directors for all agreements entered into to the detriment of the Bank and the shareholders, provided his dissenting opinion has not been recorded in the Minutes of the Meeting.

The Board of Directors may delegate part of its powers to the Managers, Assistant Managers or Lawyers of the Bank to one Director or committee of Directors and for particularly specified purposes, to any other individuals.

ARTICLE FOURTEEN: The meetings of the Board of Directors shall be held with the attendance of the absolute majority of the regular Directors and resolutions shall be adopted by the affirmative vote of the absolute majority of the Directors present thereat, except for those cases in which the Bylaws or the Law require a special quorum or majorities. In case of a tie, the chairman shall have a casting vote.

ARTICLE FIFTEEN: The Company may only perform acts or enter into agreements in which one or more Directors may be interested either personally or as representatives or proxies of third parties, when such transactions are known and previously approved by the Board of Directors and are consistent with fairness conditions similar to those that usually prevail on the market. The resolutions adopted by the Board of Directors shall be disclosed at the next Shareholders'



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Meeting by the chairman, and this fact is to be included in the relevant Agenda for such meeting.

Directors' Committee shall examine the track records related to the transactions referred to in Sections 44 and 89 of the *Ley de Sociedades Anónimas* (Chilean Stock Corporation Law) No. 18,046 and issue a report regarding such transactions as described in Section 50 bis of such Law.

ARTICLE SIXTEEN: The Board of Directors shall hold meetings at least once a month. The Board of Directors shall hold regular or general and extraordinary or special meetings. General meetings of the board of directors shall be held on the dates and at the times specified by the Board of Directors. Extraordinary or special meetings shall be particularly called by the Chairman, at any time, at its own initiative, or at the request of one or more of the Directors only after the Chairman has determined the need to hold such meeting, unless it has been requested by the absolute majority of Directors, in which case, the meeting shall be held without any prior determination.

Extraordinary or special meetings may only deal with those matters specifically included in the relevant Agenda.

Notices of such meeting of the Board of Directors shall be given by registered letter sent to each director's address previously registered with the Bank within five (5) days in advance to the date of the General or Extraordinary Meeting as the case may be. The 5-day term shall be counted from the date the letter is sent by the post-office.

ARTICLE SEVENTEEN: The member of the Board of Director, who, without any authorization from the latter or any good cause, fails to attend the meetings during a term of 3 months, shall cease to hold office *ipso facto*.

TITLE IV

Bank's President and Vice-president

ARTICLE EIGHTEEN: The President of the Bank, in addition to the powers and duties conferred by the special laws, regulations and statutory regulations, shall have the following:



- a) Preside over the meetings of the Board of Directors and the Annual General Shareholders' Meetings;
- b) Recording as a public deed all resolutions of the Board of Directors appointing the General Manager and the Assistant Managers, and the resolutions of the Board of Directors and of the Meetings of Shareholders when applicable, without prejudice to the fact that the Meeting of Shareholders or the Meeting of the Board of Directors appoints another individual for such a purpose; and
- c) Providing a report at the next meeting of shareholders of the opposition recorded in the minutes of the Board of Directors by any Director who had intended not to be held liable for any resolution or act performed or adopted by the Board of Directors.

ARTICLE NINETEEN: In case of absence or inability of the President of the Bank, he shall be replaced in his duties by the First Vice-president and in his absence, by the Second Vice-president.

TITLE V

General Manager

ARTICLE TWENTY: The General Manager, in addition to his powers and duties as general agent and without prejudice to the powers that the Board of Directors may grant to third parties, shall be entitled to:

- a) propose measures to the Board of Directors that tend to a better development of the corporate business ;
- b) propose the necessary measures for the proper organization and operation of the Bank;
- c) Promote, encourage and supervise the Bank's business, by giving the appropriate instructions to the Managers and Assistant Managers;
- d) Direct and administer the Bank, as well as solving and performing the corporate business, all in accordance with the policies and guidelines agreed by the Shareholders and the Board;;
- e) Organize the services and offices, the accounting and the books of the Bank, enforce the Regulations and supervise the preparation of the Balance Sheets



and the Financial Statements;

- f) Enforce the resolutions of the Board of Directors and perform the duties as Secretary of the meetings of the Board of Directors and of the Shareholders, unless another individual is specifically designated to hold such positions;
- g) Submit to the Board of Directors, at the end of each fiscal year, the General Balance Sheet of the Bank;
- h) Record as a public deed any resolutions adopted at the Meetings of the Board of Directors and the Meetings of the Shareholders, when required, as well as to execute any public and private instruments corresponding to the acts or agreements entered into which such Bodies, all of which shall be accomplished without prejudice to the power of the Board of Directors or the Shareholders' Meeting, as appropriate, to appoint any other individual. In order to evidence such agreement, it shall be sufficient to insert in the public deed a copy thereof, duly certified by the undersigned Notary Public that it is a faithful copy of the relevant agreement;
- i) Attend the meetings of the Board of Directors, in the deliberations of which he may participate, without being entitled to vote;
- j) The custody of the corporate books and records and the fact that they are kept according to law as required by the Law and any supplementary rules.

ARTICLE TWENTY-ONE: The Board of Directors may appoint one or more Managers or Assistant Managers, and their powers and duties shall be stated in powers of attorney granted to them to such effect.

ARTICLE TWENTY-TWO: The General Manager may be replaced by the Executive Officers of the Bank that the Board of Directors may determine and in the order of their election

TITLE VI

Shareholders' Meetings

ARTICLE TWENTY-THREE: The Shareholders shall hold General or Extraordinary Meetings.

General shareholders' meetings shall be held once a year, within the first quarter following the date of the Balance Sheet in order to decide on those matters corresponding to be dealt with by it, without it being necessary to specify them in



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the relevant notice of calling of such meeting.

Extraordinary Shareholders' Meetings may be held at any time, whenever the company so requires, in order to decide on any matters to be dealt with by Shareholders' Meetings according to the Law or the Bylaws, and provided always that such matters are specified in the relevant notice of calling of such meeting.

When an Extraordinary Shareholders' meeting shall decide on matters to be dealt with by a General Shareholders' Meetings, their proceedings and resolutions shall be subject, as appropriate, to the quorum required from the latter.

ARTICLE TWENTY-FOUR: The following businesses shall only be dealt with by the General Shareholders' Meetings:

- 1) Analysis of the financial condition of the Bank and the reports of the External Auditors, the approval or rejection of the Annual Report, the Balance Sheet, the Financial Statements submitted by the Directors and Liquidators;
- 2) the distribution of profits of each fiscal year and, in particular, the distribution of dividends;
- 3) The election or revocation of regular and alternate members of the Board of Directors, of the Liquidators and Supervisors/Comptrollers of the management;
- 4) In general, any other matter of corporate interest not to be typically dealt with by an Extraordinary Shareholders' Meeting.

ARTICLE TWENTY-FIVE: The following businesses shall only be dealt with by the extraordinary meeting of shareholders:

- 1) Dissolution of the company;
- 2) Transformation, merger and split-up of the company and any amendment to the corporate bylaws; 3) the issuance of bonds or debentures convertible into shares;
- 4) The sale of the assets of the company under the terms set out in No. 9 of Section 67 of Law No. 18,046 or of the 50% or more of the liabilities;
- 5) Granting any pledges or mortgages or other security interests or personal guarantees or becoming sureties to secure the fulfillment of obligations of third parties other than subsidiaries, in which case the approval of the Board of Directors shall be sufficient; and Not applicable agreement requiring shareholders to provide guarantees or sureties simple and supportive;
- 6) And any other matters that, according to the law or the bylaws, is to be submitted to it or dealt with by the Shareholders' Meetings;



The matters referred to in paragraphs 1), 2), 3) and 4) may only be dealt with at the Meeting held before a Notary Public, who must certify that the minutes are a faithful expression of what has happened and resolved at such meeting.

ARTICLE TWENTY-SIX: Meetings shall be duly held on first call, unless the Law or the Bylaws establishes greater majorities, with the presence of the absolute majority of the shares issued with voting rights, and on second call, with the number of shareholders present either personally or by proxy, irrespective of the number of shares held by each of them, and the resolutions shall be adopted by the affirmative vote of the absolute majority of shares present either personally or by proxy with voting rights, except for the cases indicated in the following article.

The notices of meetings to be held on second call may only be published only after failure of the meeting convened to be held on first call, and the new meeting shall be held no later than 45 days following the date fixed for the first meeting.

Shareholders' Meetings shall be presided over by the Chairman of the Board of Directors or his substitute, and the Secretary shall be the secretary, if any, or in his absence, the Manager.

ARTICLE TWENTY-SEVEN: The resolutions of the Extraordinary Shareholders' Meeting on the matters listed below shall be adopted by the vote of two thirds of the outstanding shares with voting rights:

- 1) The split-up of the Bank and its merger by and into another;
- 2) The dissolution of the Bank;
- 3) Any change of the principal place of business or registered office;
- 4) The capital stock decrease;
- 5) Any change of the powers granted to the Shareholders' Meetings or of the limitations on the powers of the Board of Directors;
- 6) Any decrease in the number of the members of the Board of Directors;
- 7) The sale of 50% or more of the assets of the Bank, whether or not including the liabilities thereof, as well as the development or modification of any business plan that contemplates the sale of assets in an amount that exceeds such percentage. To these effects, it is presumed those transactions carried out by one or more of the acts concerning any corporate asset during any period of 12 consecutive months shall constitute a single disposal transaction.
- 8) The distribution of corporate benefits;
- 9) The granting of real or personal guarantees, surety bonds or security interests to secure third party obligations in excess of 50% of assets, except with respect to



subsidiaries, in which case the approval of the board of directors shall be sufficient. A resolution adopted at the shareholders' meetings shall not be required to grant any simple or joint and several guarantees, surety bonds or security interests;

- 10) The acquisition of the shares issued by the Bank, subject to the conditions set out in Sections 27A, 27B, 27 C and 27 D of the *Ley sobre Sociedades Anónimas* (Chilean Stock Corporation Law) No. 18.046;
- 11) Any others contemplated in the bylaws; and
- 12) The remedy of any invalidity caused by any procedural irregularities found in the organization of the Bank or an amendment to the bylaws thereof that involves one or more of the preceding matters.

Any amendments to the bylaws involving the creation, modification or extinguishment of any privileges or preferences shall be approved by the affirmative vote of two thirds of the shares of the relevant series involved therein.

ARTICLE TWENTY- EIGHT: The Board of Directors may only be revoked in its entirety by a resolution adopted at the Annual General or Extraordinary Meeting of Shareholders, the individual or collective revocation of one or more of its members being forbidden.

ARTICLE TWENTY- NINE: All those shareholders registered in the relevant Register Book of Shareholders no later than 5 days in advance to the date of the meeting, are authorized to participate in them with voice and vote.

ARTICLE THIRTY: At Shareholders' Meetings, each shareholder shall be entitled to one vote per share held either personally or by proxy, and may accumulate his votes in a single individual or distribute them as he sees appropriate, and the individuals so elected shall be those who obtain the higher number of votes in the same and sole election, until completing the total number of positions to be filled.

ARTICLE THIRTY-ONE: Whenever a voting is required at a shareholders' meeting, unless otherwise unanimously agreed upon, the shareholders shall proceed as follows: All oral votes cast by the shareholders present shall be evidenced in a document in the order in which they appear in the attendance list. However, any attendee shall be entitled to vote by ballot signed by him, stating whether the shareholder is signing in his own name or as proxy.

However, in order that the votes may be cast expeditiously or quickly, the vote by voice or by ballot may be ordered either alternatively or indistinctly. Immediately thereafter the chairman of the meeting shall proceed to count the votes. The



foregoing shall be implemented in compliance with the provisions set forth in Section 74 of the *Reglamento de Sociedades Anónimas* (Regulation of Stock Corporations).

The foregoing provision does not prevent that the shareholders present and entitled to vote unanimously agree to omit such voting and proceed to elect by acclaim.

TITLE VII

Balance Sheet and other Financial Statements and Registers

ARTICLE THIRTY-TWO: The Company shall prepare a General Balance Sheet as of December 31 of each year.

The Board of Directors shall submit to the consideration of the General Shareholders' Meeting a duly reasoned Annual Report on the financial condition of the Company corresponding to such fiscal year, along with a the general balance sheet, profit and loss statement and the external auditors' report. All such documents shall clearly reflect the financial position of the Company at year end and the relevant profits or losses incurred during such fiscal year.

The Annual Report shall include a faithful summary of the comments and proposals made by the shareholders holding or representing 10% or more of the issued shares entitled to vote, on the progress of the company business and at such shareholders' request.

Moreover, all information sent by the Board of Directors to the shareholders in general, as a consequence of the calling of the Shareholders' Meeting, requests of powers of attorney, setting the rationale for their decisions or other similar matters, shall contain the relevant comments and proposals made by the shareholders and mentioned in the previous section.

ARTICLE THIRTY-THREE: The Bank shall publish the Balance Sheet, Profit and Loss Statement and other information required by the determined by the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendent of Banks and Financial Institutions) in a national circulation newspaper in the place where the registered office is located under the terms and conditions set forth in Section 49 No. 12 of the *Ley General de Bancos* (Chilean General Banking Law).



If the Balance Sheet and the Profit and Loss Statement were altered by the Board of Directors the amendments shall be published in the same newspaper in which such documents have been published in accordance with the provisions set forth in subsection one above, within 15 days following the date of the Shareholders' Meeting.

TITLE VIII

Dissolution and Winding up

ARTICLE THIRTY-FOUR: The Superintendent of Banks may order the winding up of the Bank should he determine that the Bank is insolvent to continue operating as such, or that the safety of its depositors or other creditors demands such winding up, or if the composition with creditors were rejected, the Superintendent shall revoke the good standing certificate of the Bank and shall declare it to be compulsory wound up, with the prior agreement of the *Banco Central de Chile*.

The Superintendent shall appoint a liquidator based on reasoned decision except the Superintendent undertakes to act as such.

The insolvency or lack of safety of depositors or creditors shall be based on records appearing in the financial statements and other information available to the Superintendent.

If the Superintendent takes over the liquidation of the Bank may delegate some or all of its powers to one or more delegates.

The liquidator shall perform his duties as such during three years and shall have such powers, duties and responsibilities stipulated by the law to liquidators *of sociedades anónimas* (stock corporations).

The term of the liquidation may be renewed for successive periods not exceeding one year, by a reasoned decision of the Superintendent, and in those cases the liquidator shall first make a publication in a national circulation newspaper on the progress of the winding up.

ARTICLE THIRTY-FIVE: Once the compulsory winding up of the Bank has been declared, any deposits in checking accounts and other demand deposits it has



received and any demand obligations it has undertaken during the ordinary course of business shall be paid out of the funds that are in cash or deposited with the *Banco Central de Chile* (Central Bank of Chile) or invested in documents representing the technical reserve, without being applicable to it the payment procedures or the limitations governing the compulsory winding up process.

The liquidator may transfer the current accounts and other demand deposits to another bank, which shall take over the operation of such accounts and the payment of deposits as legal successor thereof, up to the concurrence of the funds deposited to such effect.

ARTICLE THIRTY-SIX: Once the compulsory winding up of the bank has been resolved by the Superintendent of Banks, any execution proceedings that may be brought shall be stayed, and no attachments or precautionary measures involving obligations prior to such resolution shall not be ordered.

TITLE IX

Jurisdiction

ARTICLE THIRTY-SEVEN: Any differences, difficulties or conflicts that may arise between the shareholders in their capacities as such, or among them and the Bank or the Managers thereof, either during the effective term of the company or during the winding-up thereof, for any reason and as a consequence of the existence, validity, application, interpretation, performance, scope or nullity of the shareholders' agreement shall be settled by a mixed arbitrator, who shall render his award according to law and shall enjoy the powers of an arbitrator as regards the procedure. The arbitrator shall be appointed by the mutual agreement of the parties and, in default thereof, by the Ordinary Courts of Justice of Santiago and, in this last case, he shall be an arbitrator of law and the individual to be appointed shall have previously served as a Justice of the Supreme Court or the Court of Appeals of Santiago for a period not less than one year. The lack of agreement shall be presumed by the petition filed by any of the parties with the Courts of Justice, requesting the appointment of the arbitrator.

SINGLE PROVISIONAL ARTICLE



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The current capital stock of Bank amounts to CLP\$ 781,559,178,559 divided into 340,358,194 common shares, without face value, set forth in Article Five of these Bylaws, which has been subscribed and paid-up and shall be subscribed and paid-up as follows: a) the sum of CLP\$638,234,417,559 divided into 293,358,194,234 common shares, without face value, fully subscribed and paid-up; b) the sum of CLP\$143,324,761,000 divided into 47,000,000,000 common shares, without face value as agreed upon at the Extraordinary Meeting of Shareholders held on November 6, 2012, which shall be paid-up at the price to be determined the Board of Directors of the Bank, freely and without being subject to any minimum requirement. All cash shares shall be issued, subscribed and paid-up within a maximum period of 3 years as from November 6, 2012.

The undersigned General Manager does hereby certify that the preceding Bylaws of Corpbanca are in full force and effect on the date hereof.

In the City of Santiago, on September 30, 2014

[Illegible signature]
Fernando Massú Taré
General Manager



Exhibit 4.(a).2.(iii)(a)

AMENDMENT TO SERVICES AGREEMENT

In Santiago, on the 27th day of January, 2014, between:

(a) Corpbanca (hereinafter, the "Bank"), a banking company, Tax Id. Number 97,023,000-9, domiciled at 660 Rosario Norte St., Las Condes, represented by Fernando Massú Taré, who has the same domicile;

(b) Mrs. Pilar Dañoibeitia Estades, Id. Number 8.668.195-1, representing Corp Group Holding Inversiones Limitada (hereinafter, the "Services Provider"), and together with the Bank, the "Parties"), Tax Id. Number 96,758,830-K, both domiciled at 660 Rosario Norte St. floor 23, Las Condes;

Have agreed upon the following:

First: Precedents.

(a) By means of a private instrument dated March 27, 2012, the Parties executed a Services Agreement (the "Contract"), pursuant to which the Bank commissioned to CorpGroup the rendering of professional and technical advisory services, on the terms and conditions therein agreed.

(b) As of this date, the Contract remains in effect, by virtue of successive extensions pursuant to its provisions.

(c) As this document contemplates a transaction with a related party pursuant to Section 146 et al. of Act 18,046 and as provided for in Section 50 bis of the same Act, the terms and conditions of this amendment were approved by a Committee of Board of Directors and the Board of Directors of the Bank in their meetings dated January 24, 2014 and January 27, 2014, respectively.

Second: Amendments.

The Parties agree to the following amendments to the Contract:

(a) The second clause is modified by including the following as a new paragraph at its end:

"The services can be rendered by the "Services Provider" in its offices in Santiago de Chile or remotely, from another place in the country or abroad. To such end, the "Services Provider" may use all available technological means, such as videoconference, phone and email, among others. The "Services Provider" may also render services in the offices of the Bank, when the Parties agree it is convenient".

The third clause related to the price of the services is modified to include the following as the third and fourth paragraph after the current second paragraph:



“Beginning January 1, 2015, transportation, meals and lodging expenses of the employees of the Services Provider performing their tasks in a place other than its offices pursuant to a request of the “Bank” shall be borne by the latter. Such expenses shall be directly paid by the “Bank”, or reimbursed to the “Services Provider” if the latter paid them, within 30 days of a written request by the “Services Provider” for such payment or reimbursement, to which request the “Services Provider” shall attach receipts for such expenses. In this respect, and without limiting the generality of the foregoing, the parties agree that executives of the “Services Provider” that render the services that are the subject of this contract, may travel in a private plane, which expenses shall be directly paid by the “Bank” to the national or foreign company conducting such transportation, in an amount up to USD \$140,000 (One Hundred and Forty Thousand U.S. Dollars) for each calendar year.”

(b) The fourth clause related to the term is modified by including the following as a new second paragraph after its current first paragraph, such that the current second paragraph shall become the new third paragraph. The new second paragraph will read:

“Notwithstanding the foregoing, this contract shall have a term of 10 (ten) years beginning January 1, 2015. At the expiration of such term, the “Services Provider” and the “Bank” will each have the option to extend the contract for 5 (five) additional years. The party that decides to exercise its option to extend the contract shall communicate such decision to the other not less than 30 (thirty) days prior to the expiration of the 10 (ten) year extension, in which case the other party shall be obligated to accept such extension. In the event that Mr. Alvaro Saieh Bendeck dies before January 1, 2020, this contract will continue in full force and effect until the expiration of the fifth calendar year beginning January 1, 2020, without the possibility for further extension thereof. If he dies after January 1, 2020, this contract shall terminate immediately”.

(c) The sixth clause is replaced with the following:

“SIXTH: CONTRACTING.

The parties expressly declare that, although Corp Group Holding Inversiones Limitada has been hired to provide the services, when rendering services the opinion of Mr. Alvaro Saieh Bendeck shall prevail.”

(d) Term: each and every amendment indicated in this second clause shall be effective as of January 1, 2015.



(e) The parties hereby affirm that the current provisions of the Contract not expressly modified herein shall remain unaltered and entirely in effect.

Third: Miscellaneous.

- (a) The arbitration clause included in the Contract will also apply to this amendment.
- (b) Two identical originals of this amendment are signed, each party keeping one of them.
- (c) This amendment is subject to the condition that the merger between Corpbanca and Banco Itau Chile is effected.

[SIGNATURE]

Corpbanca

p.p.

[SIGNATURE]

Corp Group Holding Inversiones Limitada

p.p.



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Exhibit 4.(a).6

EXECUTION VERSION

U.S.\$315,000,000

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of September 23, 2015

among

CORPBANCA

as Borrower,

THE FINANCIAL INSTITUTIONS PARTY TO THIS CREDIT AGREEMENT
FROM TIME TO TIME

as Lenders,

STANDARD CHARTERED BANK

as Administrative Agent,

HSBC SECURITIES (USA) INC., STANDARD CHARTERED BANK and
WELLS FARGO SECURITIES, LLC

as Joint Bookrunners and Mandated Lead Arrangers



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EXHIBITS:

- Exhibit A - Form of Assignment and Acceptance
- Exhibit B - Form of Chilean Promissory Note/Pagaré
- Exhibit C - Form of Recognition of Debt
- Exhibit D-1 - Form of Notice of Effectiveness
- Exhibit D-2 - Form of Notice of Borrowing
- Exhibit E - Form of Compliance Certificate
- Exhibit F - Form of Interest Setting Notice
- Exhibit G - Form of Legal Opinion of Special New York Counsel to the Borrower
- Exhibit H - Form of Legal Opinion of In-House Counsel to the Borrower



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- Exhibit I - Form of Legal Opinion of Special New York Counsel to the Administrative Agent
- Exhibit J - Form of Legal Opinion of Special Chile Counsel to the Administrative Agent
- Exhibit K - Form of Master Assignment and Assumption Agreement

SCHEDULES:

- Schedule I - Lenders and Loans
- Schedule II - Notice Information



SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This Second Amended and Restated Credit Agreement, dated as of September 23, 2015 (as amended, modified or supplemented from time to time, this “Agreement”), among Corpbanca (the “Borrower”), the Lenders (as defined below), Standard Chartered Bank, as Administrative Agent (as defined below) and HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities, LLC, as joint bookrunners and mandated lead arrangers (collectively, the “Arrangers”). Capitalized terms used in this Agreement shall have the meaning set forth in Section 1.01.

PRELIMINARY STATEMENTS

WHEREAS, the Borrower, the Continuing Lenders, the Exiting Financial Institutions and the Administrative Agent are parties to an Amended and Restated Credit Agreement, dated as of July 22, 2014 (the “Existing Credit Agreement”);

WHEREAS, on or prior to the Closing Date, the Borrower shall prepay \$190,000,000 of the outstanding principal of the Existing Loans (the “Existing Loan Prepayment”);

WHEREAS, the New Lenders have agreed to extend the New Loans hereunder and the Continuing Lenders have agreed to assume, consolidate, extend and amend and restate the terms and conditions of the Continuing Loans as provided hereunder, each upon the terms and conditions hereinafter provided; and

WHEREAS, on the Closing Date, the Borrower, the Continuing Lenders and the Exiting Financial Institutions are executing and delivering the Master Assignment and Assumption Agreement pursuant to which the Exiting Financial Institutions shall assign all of their respective rights and obligations under the Existing Credit Agreement and the Existing Notes to the Continuing Lenders.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Borrower, the Lenders and the Administrative Agent agree that, subject to the fulfillment of the conditions set forth in Section 3.01, the Existing Credit Agreement, the Existing Notes and the Existing Recognition of Debt shall be amended and restated in their entireties by this Second Amended and Restated Credit Agreement, the New Notes, the New Recognition of Debt and the Existing Notes, as amended and restated hereby, respectively, and the Borrower, the Lenders and the Administrative Agent agree as otherwise provided herein.

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. Certain Defined Terms. As used herein, the terms “Agreement”, “Borrower”, “Arrangers” and “Existing Credit Agreement” shall have the meaning set forth above and the following terms shall have the following meanings (unless otherwise indicated, such meanings to be equally applicable to both the singular and plural forms of the terms defined):



“Administrative Agent” means Standard Chartered Bank in its capacity as administrative agent pursuant to Article VIII and any successor administrative agent pursuant to Section 8.07.

“Affected Lender” has the meaning set forth in Section 2.09(d).

“Affiliate” means, as to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person or any Subsidiary of such Person; provided, however, that solely for purposes of the definition of “Eligible Assignee” and Section 6.05, an Affiliate of the Borrower shall include any Person that directly or indirectly owns more than 5% of the Borrower, and any officer or director of the Borrower or such Person. The term “control” (including the terms “controlled by” or “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of a Control Percentage, by contract or otherwise.

“Alternate Rate” means, on any date of determination, a rate per annum which shall at all times be equal to the highest of:

- (a) the Prime Rate in effect on such day;
- (b) the Federal Funds Rate in effect on such day plus 0.50%; and
- (c) LIBOR for a one-month Interest Period commencing on such day plus 1.00%.

“Anti-Corruption Laws” means the Foreign Corrupt Practices Act (15 U.S.C. § 78dd-1, et seq.), the Travel Act (18 U.S.C. § 1952), the Domestic Bribery Statute (18 U.S.C. § 201), the UK Bribery Act of 2010, Chilean anti-bribery laws, and any other anti-bribery and anti-corruption laws, rules, regulations or guidelines, which are enforced by any governmental agency having jurisdiction over the Borrower or its Subsidiaries, or to which any of the Borrower and its Subsidiaries is subject.

“Anti-Terrorism Laws” means the Executive Order, the Economic Sanctions Laws and Regulations, the Bank Secrecy Act (31 U.S.C. §§ 5311 et seq.), the Money Laundering Control Act of 1986 (18 U.S.C. §§ 1956 et seq.), the PATRIOT Act and any similar law or regulation concerning or relating to anti-money laundering from time to time enacted in the United States, or any similar regulation or sanction enacted, administered or enforced by the United Nations Security Council, any institution of the European Union or any Governmental Authority, including, any laws, regulations, executive orders or sanctions relating to restrictive measures against the Islamic Republic of Iran.

“Applicable Lending Office” means, for each Lender, the “Applicable Lending Office” of such Lender (or of an Affiliate of such Lender) designated on Schedule II or such other office of such Lender (or an Affiliate of such Lender) as such Lender may from time to time specify to the Administrative Agent and the Borrower by written notice in accordance with the terms of this Agreement as the office by which its Loans are to be made and maintained.



“Applicable Margin” means, at any time with respect to any Loan, 0.75% per annum.

“Approved Electronic Communications” means each Communication that the Borrower is obligated to, or otherwise chooses to, provide to the Administrative Agent pursuant hereto or to the transactions contemplated hereby, including any financial statement, financial and other report, notice, request, certificate and other information material; provided that, solely with respect to delivery of any such Communication by the Borrower to the Administrative Agent, and without limiting or otherwise affecting the Administrative Agent’s right to effect delivery of such Communication by posting such Communication to the Approved Electronic Platform or the protections afforded hereby to the Administrative Agent in connection with any such posting, the term “Approved Electronic Communication” shall exclude (a) the Notice of Borrowing, (b) all notices of any Default and (c) any notice, demand, communication, information, document and other material required to be delivered to satisfy any of the conditions set forth in Sections 3.01 and 3.02 or any other condition to the Closing Date or the Borrowing Date.

“Approved Electronic Platform” has the meaning set forth in Section 9.03.

“Approved Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Assignment and Acceptance” means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of the attached Exhibit A.

“Availability Period” means the period from the Closing Date until the date that is fifteen (15) days after the Closing Date; provided that if such date is not a Business Day, the Availability Period shall end on the next Business Day.

“Banco Central de Chile” means the Central Bank of Chile or any successor Governmental Authority in Chile.

“BIS Capital Ratio” means, at any date of determination, the ratio (expressed as a percentage) of (a) the effective shareholders’ equity (*patrimonio efectivo*) of the Borrower as at such date to (b) its risk weighted assets (*activos ponderados por riesgo*) as at such date, in each case determined in accordance with the General Banking Law of Chile (*Ley General de Bancos*) as in effect on the date of this Agreement and calculated pursuant to methodology promulgated by the Bank of International Settlements.

“Borrowing” means the borrowing consisting of the New Loans to be made by the Lenders with Commitments pursuant to Section 2.01(b).

“Borrowing Date” means the date on which (i) the conditions set forth in Section 3.02 are satisfied or, with the prior written consent of the Administrative Agent and each Lender, waived and (ii) the New Loans are disbursed to the Borrower.



“Business Day” means a day of the year (a) on which banks are not required or authorized to close in New York City, New York, London, England or Santiago, Chile and (b) on which dealings are carried on by banks in the London interbank market.

“Change of Control” means, at any time prior to a Permitted Change of Control, the Family ceasing to either (i) beneficially own, directly or indirectly, voting securities of the Borrower (or other securities convertible into such voting securities) representing 50% or more of the combined voting power of all voting securities of the Borrower on a fully diluted basis or (ii) have the power to direct or cause the direction of the management and policies of the Borrower.

“Chile” means the Republic of Chile.

“Chilean Banking GAAP” means the accounting rules prescribed by the *Superintendencia de Bancos e Instituciones Financieras* and generally accepted accounting principles in Chile, in each case, consistently applied during a relevant fiscal period.

“Chilean Internal Revenue Service” means the *Servicios de Impuestos Internos* of Chile.

“Chilean Voluntary Bankruptcy Proceeding” means, as to the Borrower or any of its Subsidiaries, any proceeding regulated under Chapter III (*Del Procedimiento Concursal de Reorganización*) of Law No. 20,720 of Chile.

“Closing Date” means the date on which the conditions set forth in Section 3.01 are satisfied or, with the prior written consent of the Administrative Agent and each Lender, waived.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Colombia” means the Republic of Colombia.

“Commitment” means, with respect to any Lender, the amount set forth opposite such Lender’s name on Schedule I as its Commitment to make New Loans, or if such Lender has entered into any Assignment and Acceptance after the date of this Agreement but before the last day of the Availability Period, its Commitment set forth for such Lender as its Commitment in the Register maintained by the Administrative Agent pursuant to Section 9.07(b).

“Communications” means each notice, demand, communication, information, document and other material provided for hereunder or under any other Credit Document or otherwise transmitted between the parties hereto relating to this Agreement, the other Credit Documents, the Borrower or its Affiliates, or the transactions contemplated by this Agreement or the other Credit Documents, including all Approved Electronic Communications.

“Compliance Certificate” means a certificate substantially in the form of Exhibit E.

“Continuing Lenders” means each of the Lenders party to the Existing Credit Agreement that is identified on Schedule 2 to the Master Assignment and Assumption Agreement as a “Continuing Lender.”



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“Continuing Loan” means (a) on or prior to the Closing Date, the Existing Loans and (b) after the Closing Date, such loans as extended, consolidated, amended and restated by this Agreement.

“Contractual Currency” has the meaning set forth in Section 9.15.

“Control Percentage” means, with respect to any Person, the percentage of the outstanding capital stock or other ownership interests of such Person having ordinary voting power that gives the direct or indirect holder of such stock or interests the power to elect a majority of the Board of Directors or similar governing body of such Person.

“Credit Documents” means (i) this Agreement, (ii) any Instrument, (iii) the Notice of Borrowing, (iv) the Notice of Effectiveness, (v) the Master Assignment and Assumption Agreement, (vi) the Fee Letter and (vii) each other agreement, instrument, or document executed by the Borrower at any time in connection with this Agreement.

“Credit Obligations” means all principal, interest, fees, reimbursements, indemnifications and other amounts, liabilities, covenants and duties now or hereafter owed or incurred by the Borrower to the Lenders, the Administrative Agent and the Arrangers under this Agreement and the other Credit Documents and any increases, extensions, and rearrangements of those obligations under any amendments, supplements, and other modifications of the documents and agreements creating those obligations.

“Default” means (a) an Event of Default or (b) any event or condition which with notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“Derivative Obligations” means any agreement (including any master agreement and any agreement, whether or not in writing, relating to any single transaction) or other obligations in respect of any financial derivatives, including, without limitation, an interest rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap or option, bond option, interest rate option, forward foreign exchange agreement, rate cap, collar or floor agreement, currency swap agreement, cross-currency rate swap agreement, swaption, currency option or another similar agreement (including any option to enter into or any combination of any of the foregoing), and all obligations, contingent or otherwise, directly or indirectly guaranteeing any of the foregoing. For purposes of this Agreement, the amount of the obligation of any Person under any Derivative Obligation shall be the amount determined in respect thereof as of the date of determination, based on the assumption that such Derivative Obligation had terminated at such date of determination, and in making such determination, if any agreement relating to such Derivative Obligation provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so determined.

“Dollars” and “\$” means lawful money of the United States of America.

“Economic Sanctions Laws and Regulations” means the regulations administered by OFAC promulgated under the International Economic Emergency Powers Act (50 U.S.C. 1701 et al.) or the Trading With The Enemy Act (50 U.S.C. App. 5), U.S. extraterritorial sanctions



measures including the Iran Sanctions Act, as amended by the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, or sanctions enacted, administered, or enforced by the United Nations Security Council or applicable jurisdictions.

“Eligible Assignee” means (i) a Lender, (ii) an Affiliate of a Lender or an Approved Fund or (iii) any Person approved by, unless an Event of Default has occurred and is continuing, the Borrower; provided, however, that none of the following shall qualify as an Eligible Assignee: (i) the Borrower or an Affiliate of the Borrower, (ii) a natural person, (iii) a Restricted Party, or (iv) in the event that article 59 No. 1, letter (b) of the Chilean income Tax law, as amended, modified, supplemented or superseded from time to time, remains in effect and grants a reduced withholding Tax rate to Qualifying Lenders, any Person who would not, at the time of the proposed assignment, be a Qualifying Lender; for purposes of this definition, a “Qualifying Lender” means foreign or international banks, financial institutions, foreign insurance companies and pension funds that meet the requirements set forth in the aforementioned article 59 No. 1, letter (b), and any other entity that may be eligible for the reduced withholding tax rate from time to time.

“Equity” means “*patrimonio*,” as defined by the *Superintendencia de Bancos e Instituciones Financieras*.

“Events of Default” has the meaning set forth in Section 7.01.

“Excluded Taxes” has the meaning set forth in Section 2.12(a).

“Executive Order” means Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001.

“Existing Credit Agreement” has the meaning set forth in the recitals hereto.

“Existing Loans” means the principal amount outstanding under the Existing Credit Agreement of \$490,000,000.

“Existing Loan Prepayment” has the meaning set forth in the recitals hereto.

“Existing Note” means a “Note” under and as defined, in each case, (i) on or prior to the Closing Date, in the Existing Credit Agreement and (b) after the Closing Date, a promissory note of the Borrower payable to the order of any Lender with Continuing Loans hereunder, evidencing indebtedness of the Borrower to such Lender resulting from Continuing Loans owing to such Lender, as extended, consolidated, amended and restated pursuant to this Agreement.

“Existing Recognition of Debt” means the Recognition of Debt dated July 24, 2014 in connection with the Existing Credit Agreement.

“Exiting Financial Institutions” means the financial institutions identified on Schedule I as “Exiting Financial Institutions.”

“Family” means, collectively, Álvaro Saieh Bendeck and his siblings, spouse or lineal descendants, the spouses of any such lineal descendants, and trusts that are primarily for the



benefit of any of the foregoing (provided that any of the foregoing has the right to control such trust).

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code and any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance, notes or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

“FATCA Deduction” means a deduction or withholding from a payment under a Credit Document required by FATCA.

“FATCA Exempt Party” means a Party that is entitled to receive payments free from any FATCA Deduction.

“FCPA” means The United States Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95-213, §§101-104), as amended.

“Federal Funds Rate” means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a New York Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding New York Business Day as so published on the next succeeding New York Business Day, and (b) if no such rate is so published on such next succeeding New York Business Day, the Federal Funds Rate for such day shall be the average rate charged to the Administrative Agent (in its individual capacity) on such day on such transactions as determined by the Administrative Agent.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System or any of its successors.

“Fee Letter” means the Fee Letter, dated as of August 3, 2015, among the Borrower and the Arrangers and the Administrative Agent.

“Filing” has the meaning set forth in Section 4.03.

“Final Maturity Date” means the earlier of (a) April 14, 2017 or (b) the date of any acceleration of maturity pursuant to Article VII; provided that if such date is not a Business Day, the Final Maturity Date shall be the immediately preceding Business Day.

“Financial Statements” means the balance sheet and related statements of operations, changes in net assets, cash flow, and stockholders’ equity dated December 31, 2014 referred to in Section 4.05(a), copies of which have been delivered to the Administrative Agent and the Lenders.



“Governmental Authority” means any government, governmental authority, any agency, department, commission, board, authority, instrumentality, bureau, administrative or judicial body or court exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and having jurisdiction over any Lender, the Borrower or any of the Borrower’s Subsidiaries or any of their respective Properties, including, without limitation, bank regulatory or supervisory authorities, in each case whether domestic or foreign, national, federal, state, provincial, departmental, municipal or local, including, without limitation, those in Chile and the United States of America.

“Government Official” means (a) any officer or employee of, or any Person acting in an official capacity for or on behalf of, any government or any department, agency or instrumentality thereof, any public international organization or any political party or (b) any candidate for public office.

“Hedge Agreement” means any interest rate exchange agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging agreement or Derivative Obligations related to the foregoing.

“HMT” means Her Majesty’s Treasury of the United Kingdom.

“Indebtedness” means, for any Person:

(a) all liabilities of such Person for borrowed money and its redemption obligations in respect of mandatorily redeemable preferred stock;

(b) all liabilities for the deferred purchase price of any Property or services (excluding accounts payable arising in the ordinary course of business which are due in ninety (90) days or less);

(c) all liabilities created or arising under any conditional sales or other title retention agreement with respect to any Property acquired by such person (including, without limitation, liabilities under any such agreement which provides that the rights and remedies of the seller or lender thereunder in the event of default are limited to repossession or sale of such Property);

(d) all liabilities under leases which shall have been or should be, in accordance with Chilean Banking GAAP, recorded as capitalized leases in respect of which such person is liable as lessee;

(e) all Derivative Obligations;

(f) all liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for such Person’s account (whether or not representing obligations for borrowed money);

(g) all direct or indirect guaranties (including, without limitation, “*avales*”) of such Person in respect of, and all obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or otherwise assure a creditor against loss (including, without limitation, any



counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution) in respect of, any indebtedness referred to above in clause (a), (b), (c), (d), (e) or (f) of any other Person; and

(h) all indebtedness and obligations referred to above in clause (a), (b), (c), (d), (e) or (f) secured by (or for which the holder of such indebtedness or obligation has an existing right, contingent or otherwise, to be secured by) any security upon or in any Property of such Person, notwithstanding that such Person has not assumed or become liable for the payment of such indebtedness or obligation (such indebtedness shall be deemed to be in an amount equal to the fair market value of the Property to which such security relates).

“Indemnified Taxes” means all Taxes other than Excluded Taxes.

“Indemnitee” has the meaning set forth in Section 9.08.

“Instrument” means any New Note, Existing Note, New Recognition of Debt or, at all times prior to the Closing Date, any Existing Recognition of Debt.

“Intangible Assets” means, with respect to any Person and as of any date of its determination, the assets of such Person that are properly classified as “intangible assets,” or the equivalent concept in Spanish, in accordance with Chilean Banking GAAP.

“Interest Determination Date” means, with respect to any Interest Period for any Loan, the second (2nd) Business Day prior to the commencement of any such Interest Period.

“Interest Period” means, for each Loan (a) the period commencing on and including the date of such Loan and ending on (but excluding for purposes of calculating the interest payable under Section 2.06(a)) the last day of the period applicable pursuant to the provisions below and Section 2.06(c), and (b) each period commencing on and including the last day of the immediately preceding Interest Period and ending on (but excluding for purposes of calculating the interest payable under Section 2.06(a)) the last day of the period applicable pursuant to the provisions below and Section 2.06(c); provided, however, that

- (i) any Interest Period that would otherwise extend beyond the Final Maturity Date shall end on the Final Maturity Date;
- (ii) the initial Interest Period for the New Loans shall end on the last day of the Interest Period then in effect for the Continuing Loans;
- (iii) all Loans shall have the same Interest Period after the initial Interest Period for the New Loans;
- (iv) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided further that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and



(v) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month.

“Interpolated Screen Rate” means , in relation to LIBOR for the Loan, the rate (rounded to the same number of decimal places as the two Screen Rates) which results from interpolating on a linear basis between: (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of the Loan; and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of the Loan, each as of 11:00 a.m. (London time) on the Interest Determination Date for such Interest Period for deposits in U.S. Dollars.

“Legal Requirement” means any law, statute, ordinance, decree, requirement, order, judgment, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority, including, without limitation, (a) any of the foregoing by any Governmental Authority in Chile relating to minimum capital or capital adequacy requirements, bank regulatory or supervisory compliance or liquidity in respect of foreign currency or short-term liabilities and (b) Regulations T, U and X.

“Lenders” means the lenders listed on the signature pages of this Agreement and/or each Eligible Assignee that should become a party to this Agreement pursuant to Section 9.07, for so long as such Lender or other Person shall be a party to this Agreement.

“Lending Party” has the meaning set forth in Section 9.09.

“LIBOR” means, in relation to the Loan, the applicable Screen Rate; provided that if no Screen Rate is available for the relevant Interest Period, then LIBOR means the Interpolated Screen Rate; provided further, that if (i) no Screen Rate is available for U.S. Dollars or (ii) no Screen Rate is available for the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan, then LIBOR means the Reference Bank Rate. If any such rate is below zero, LIBOR will be deemed to be zero.

“Lien” means any mortgage, lien, pledge, charge, deed of trust, security interest, or encumbrance to secure or provide for the payment of any obligation of any Person, whether arising by contract, operation of law or otherwise (including, without limitation, the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement).

“Loan” means any Continuing Loan and/or New Loan.

“Loan Loss Reserves” means “*provisiones constituidas,*” as defined by the *Superintendencia de Bancos e Instituciones Financieras*.

“Loan Loss Reserves to Non-Performing Loans Ratio” means, as of any date of determination, the ratio of Loan Loss Reserves to Non-Performing Loans as of such date.



“Majority Lenders” means, at any time, Lenders holding in the aggregate more than 50% of the then aggregate of (i) unpaid principal amount of the Loans owed to the Lenders at such time and (ii) available Commitments at such time.

“Mandate Letter” means the joint mandate letter, dated August 3, 2015, among the Borrower, the Arrangers and certain Lenders party hereto.

“Market Disruption Event” has the meaning set forth in Section 2.10(b).

“Market Disruption Event Notice” means any notice delivered by a Lender to the Administrative Agent notifying the Administrative Agent that such Lender has reasonably determined that the relevant rates of interest referred to in the definition of “LIBOR” in this Section 1.01 upon the basis of which the rate of interest for any Interest Period is to be determined are not likely adequate to cover its cost of making or maintaining its Loan, or maintaining any other amount hereunder not paid when due, for such Interest Period.

“Master Assignment and Assumption Agreement” means that certain Master Assignment and Assumption Agreement dated as of the date hereof, substantially in the form of Exhibit K, among the Continuing Lenders, the Exiting Financial Institutions and the Borrower.

“Material Adverse Effect” means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance or properties of the Borrower, (b) the Borrower’s ability to perform any of its obligations under any of the Credit Documents, or (c) the legality, validity, binding effect or enforceability of any Credit Document or the rights, remedies and benefits available to any Lending Party thereunder.

“Material Agreements” means all indentures and other loan or credit agreements to which the Borrower is a party as a borrower, issuer or guarantor.

“Negotiation Period” has the meaning set forth in Section 2.10(b)(i).

“Net Worth” means, with respect to any Person and as of any date of its determination, the excess of the assets of such Person over the sum of the liabilities of such Person and any minority interests held by such Person as of such date.

“New Lender” means each Lender that holds either a Commitment or a New Loan.

“New Loan” has the meaning set forth in Section 2.01(b).

“New Note” means a promissory note of the Borrower payable to the order of any Lender with Commitments hereunder, in substantially the form of the attached Exhibit B evidencing indebtedness of the Borrower to such Lender resulting from New Loans owing to such Lender.

“New Recognition of Debt” means a Public Deed, substantially in the form of Exhibit C, with appropriate insertions as to names, date and principal amounts, duly executed by the Borrower before a Notary Public in Chile.



“New York Business Day” means a day of the year on which banks are not required or authorized to close in New York City, New York.

“Non-Performing Loans” means “*cartera con morosidad de 90 días o más*” (portfolio of loans overdue by ninety (90) or more days), as defined by the *Superintendencia de Bancos e Instituciones Financieras*.

“Non-Performing Loans to Total Loans Ratio” means, as of any date of determination, the ratio of Non-Performing Loans to Total Loans as of such date.

“Notice of Borrowing” means a written notice of borrowing in the form of the attached Exhibit D-2 signed by a Responsible Officer of the Borrower.

“Notice of Effectiveness” means a written notice of effectiveness in the form of the attached Exhibit D-1 signed by the chairman of the board, the chief executive officer or the chief financial officer of the Borrower.

“OFAC” means the Office of Foreign Assets Control of the US Department of Treasury.

“Original Financial Statements” has the meaning set forth in Section 3.01(f).

“Other Taxes” has the meaning provided in Section 2.12(c).

“Panama” means the Republic of Panama.

“Participant Register” has the meaning set forth in Section 9.07(d).

“Party” means each of the Borrower, the Lending Parties and any other Person (other than the Borrower or any Affiliate thereof) that has a right to receive any payment from the Borrower under the Credit Documents.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

“Payment Office” means the account of the Administrative Agent maintained at Standard Chartered Bank, London (Payment To: Standard Chartered Bank, New York, SWIFT: SCBLUS33, Favor: Standard Chartered Bank, London, SWIFT: SCBLGB2L, Account No.: 3582-088442-001, Reference: Corpbanca – Loans & Agency, Attention: Manager Asset Servicing), or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

“Permitted Change of Control” has the meaning provided in Section 2.07(d).

“Permitted Liens” means all of the following Liens:

(a) Liens imposed by law, such as landlord’s, materialmen’s, mechanics’, carriers’, workmen’s, and repairmen’s liens, and other similar liens arising in the ordinary course of business securing obligations which are not overdue for a period of more than thirty (30) days or



which are being actively contested in good faith and by appropriate proceedings for which adequate reserves have been established in accordance with Chilean Banking GAAP;

(b) Liens arising in the ordinary course of business out of pledges or deposits under workers compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation to secure public or statutory obligations;

(c) Liens for Taxes, assessments, or other governmental charges that are not yet delinquent, or that are being actively contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with Chilean Banking GAAP;

(d) Liens arising from judgments, decrees, awards, or attachments in circumstances not constituting an Event of Default;

(e) licenses, sublicenses, leases or subleases granted to third Persons in the ordinary course of business not interfering in any material respect with the business of the Borrower or any of its Subsidiaries;

(f) easements, rights-of-way, restrictions, minor defects or irregularities in title, encroachments and other similar charges or encumbrances, in each case not securing obligations for borrowed money and not interfering in any material respect with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(g) Liens arising in connection with Permitted Securitizations covering Property of the Borrower or any of its Subsidiaries having an aggregate fair market value not exceeding an amount equal to 2% of the total consolidated assets of the Borrower and its Subsidiaries (determined in accordance with Chilean Banking GAAP as of the last day of the fiscal quarter of the Borrower ending on or immediately prior to the date of determination);

(h) any Lien on Property of the Borrower or any of its Subsidiaries arising in connection with treasury operations (*operaciones de tesorería*) or Hedge Agreements, in each case entered into by the Borrower in the ordinary course of business;

(i) any Liens on the Borrower's proprietary bond portfolio securing Indebtedness in an aggregate outstanding principal amount not to exceed \$150,000,000 at any time;

(j) Liens (including Liens imposed by Governmental Authorities) arising in the ordinary course of the Borrower's banking business; and

(k) additional Liens incurred by the Borrower or any of its Subsidiaries so long as the value of the property subject to such Liens does not exceed in the aggregate \$10,000,000 outstanding at any time.



“Permitted Securitization” means any transaction in which the Borrower or any of its Subsidiaries sells or otherwise transfers (or charges or grants a security interest in connection with an issuance of any asset-backed securities in which the underlying assets are not transferred to a third party), without recourse to the Borrower (other than in the case of breach of representation and other limited recourse customary in securitization transactions), an interest in accounts receivable or other present or future rights to payment and, in each case, assets directly related thereto to a special purpose entity that (a) borrows against such accounts receivable, rights or assets, or (b) sells such accounts receivable, right or assets to one or more third party purchasers.

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company, or other entity, or a government or any political subdivision or agency thereof or any trustee, receiver, custodian or similar official.

“Prime Rate” means the prime commercial per annum lending rate of Standard Chartered Bank as in effect from time to time in New York City, New York for loans in Dollars, such rate to be adjusted on and as of the effective date of any change in such Prime Rate.

“Prior Financial Statements” has the meaning set forth in Section 5.11(b)(ii)(A).

“Pro Rata Share” means, at any time with respect to any Lender, the ratio (expressed as a percentage) of such Lender’s Commitment at such time to the aggregate Commitments at such time.

“Process Agent” has the meaning set forth in Section 9.14.

“Property” means, with respect to any Person, any property or assets (whether real, personal, or mixed, tangible or intangible) of such Person.

“Public Deed” means a “*Escritura Pública de Reprogramación y Reconocimiento de Deuda*” for purposes of Section 2 of Decree Law 3,475 of the Republic of Chile, which shall constitute a “*título ejecutivo*” in Chile.

“Recipient” means any Lender, any Arranger or the Administrative Agent.

“Reference Bank Rate” means the offered quotation of a reference bank selected by the Administrative Agent from among major banks in the London interbank market for Dollar deposits of amounts comparable to the outstanding principal amount of the Loan for which an interest rate is then being determined with maturities comparable to the Interest Period to be applicable to the Loan, determined as of 11:00 a.m. (London time) on the Interest Determination Date for such Interest Period.

“Register” has the meaning set forth in Section 9.07(b).

“Regulations T, U, and X” means Regulation T, U, and X of the Federal Reserve Board, as each is from time to time in effect, and all official rulings and interpretations thereunder or thereof.



“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Responsible Officer” means the chief executive officer, chairman of the board, the chief financial officer, any senior or executive vice chairman of the board, the controller, the treasurer, or any secretary of any Person.

“Restricted Affiliate” has the meaning set forth in Section 6.05.

“Restricted Party” means a Person or entity that is (i) listed on, or owned or controlled by a Person listed on, or acting on behalf of a Person listed on, any Sanctions List, (ii) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions or (iii) otherwise a target of Sanctions (“target of Sanctions” signifying a person with whom a U.S. Person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities).

“Restricted Payment” means:

(a) the declaration or payment of any dividend or distribution by the Borrower, either in cash or property, on any shares of the capital stock of any class of the Borrower (except dividends or other distributions payable solely in shares of capital stock of the Borrower);

(b) the purchase, redemption or retirement by the Borrower of any shares of its capital stock of any class or any warrants, rights or options to purchase or acquire any shares of its capital stock; or

(c) any other payment or distribution by the Borrower in respect of its capital stock.

“Sanctioned Country” means, at any time, a country or territory which is, or whose government is, the subject or target of any Sanctions broadly restricting or prohibiting dealings with such country, territory or government (currently, Cuba, Iran, Burma, North Korea, Sudan, and Syria).

“Sanctioned Person” means, at any time, any Person with whom dealings are restricted or prohibited under Sanctions, including (a) any Person listed in any Sanctions-related list of designated Persons maintained by the United States (including by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or the U.S. Department of Commerce), the United Nations Security Council, the European Union or any of its member states, Her Majesty’s Treasury, Switzerland or any other relevant authority, (b) any Person located, organized or resident in, or any Governmental Entity or governmental instrumentality of, a Sanctioned Country or (c) any Person 25% or more directly or indirectly owned by, controlled by, or acting for the benefit or on behalf of, any Person described in clauses (a) or (b) hereof.



“Sanctions” means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by the Sanctions Authorities, including, without limitation, Anti-Terrorism Laws and Economic Sanctions Laws and Regulations.

“Sanctions Authorities” means each of (i) the United States government, (ii) the United Nations Security Council, (iii) the European Union or any of its member states, (iv) the United Kingdom or Her Majesty’s Treasury, (v) Switzerland, (vi) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, OFAC, the United States Department of State, the U.S. Department of the Treasury, the U.S. Department of Commerce and HMT, or (vii) any other relevant authority.

“Sanctions List” means the “Specially Designated Nationals and Blocked Persons” list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

“Screen Rate” means the rate per annum which appears on the Reuters Screen LIBOR01 Page which displays ICE Benchmark Administration Limited (“IBA”) interest settlement rates for deposits in Dollars with maturities comparable to such Interest Period (or such other page as may replace it on that service, or such other service as may be nominated by IBA as the information vendor for the purpose of displaying IBA interest settlement rates for deposits in Dollars, in each case as reasonably determined by the Administrative Agent) as the London interbank offered rate for deposits in U.S. Dollars at approximately 11:00 a.m. (London time) on the Interest Determination Date for the Interest Period with maturities equal to such Interest Period.

“Significant Subsidiary” means any Subsidiary of the Borrower which at the time of determination either (a) had assets which, as of the date of the Borrower’s most recent consolidated balance sheet required to be delivered to the Administrative Agent pursuant to Section 5.06, constituted at least 5% of the Borrower’s total assets on a consolidated basis as of such date, or (b) had revenues for the 12-month period ending on the date of the Borrower’s most recent consolidated quarterly statement of income required to be delivered to the Administrative Agent pursuant to Section 5.06 that constituted at least 5% of the Borrower’s total revenues on a consolidated basis for such period.

“Subsidiary” means, with respect to any Person, any corporation or other entity of which more than 50% of the outstanding capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or similar governing body of such corporation or other entity (irrespective of whether at such time capital stock or other ownership interests of any other class or classes of such corporation or other entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person.

“Substitute Basis” has the meaning set forth in Section 2.10(b)(i).



“Superintendencia de Bancos e Instituciones Financieras” means the Chilean Superintendency of Banks and Financial Institutions or any successor Chilean Governmental Authority.

“Tangible Net Worth” means, with respect to any Person, as of any date of its determination, the Net Worth of such Person less the Intangible Assets of such Person as of such date.

“Taxes” means any present and future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Termination Amount” means, at any date, with respect to any Derivative Obligations, the aggregate of all settlement and other amounts (without giving effect to any set-off, counterclaim or other reduction) that in the good faith determination of the Majority Lenders would be payable if any default, event of default, termination event, illegality or other event giving rise to an early termination or liquidation of the relevant derivative transaction were to occur in respect of such Derivative Obligations on such date.

“Total Loans” means “*colocaciones*,” as defined by the *Superintendencia de Bancos e Instituciones Financieras*.

“Transaction Agreement” has the meaning set forth in Section 6.04.

“United States” and “U.S.” shall each mean the United States of America.

Section 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”.

Section 1.03. Accounting Terms. Unless otherwise indicated, all financial statements of the Borrower, all calculations for compliance with covenants in this Agreement and all calculations of any amounts to be calculated under the definitions in Section 1.01 shall be based upon the consolidated accounts of the Borrower and its Subsidiaries in accordance with Chilean Banking GAAP and in a manner consistent with the principles of consolidation applied in preparing the Financial Statements.

Section 1.04. Miscellaneous. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Agreement, unless otherwise specified.

ARTICLE II

THE LOANS

Section 2.01. The Loans.

(a) The Continuing Loans. Subject to and upon the terms and conditions set forth in this Agreement, each Continuing Lender severally and not jointly agrees to execute and deliver



on the Closing Date the Master Assignment and Assumption Agreement in order to accept and assume the Continuing Loans in the principal amount set forth on Schedule I. Upon the occurrence of the Closing Date, each Continuing Loan shall be consolidated, extended and amended and restated in full, as provided in, and subject to the terms and conditions of, this Agreement.

(b) The New Loans. Each Lender with a Commitment severally and not jointly agrees, subject to and upon the terms and conditions set forth in this Agreement, to make a term loan (collectively, the “New Loans”) to the Borrower in an aggregate amount not to exceed at any time the amount of such Lender’s Commitment set forth on Schedule I; provided that the aggregate principal amount of all outstanding Commitments shall not exceed \$15,000,000.00. The parties hereto agree that the Commitments of the Lenders shall become available on the Closing Date and shall terminate on the last day of the Availability Period.

Section 2.02. Notices; Method of Borrowing; Lender Obligations Several; Evidence of Indebtedness.

(a) Notice.

(i) The Borrower shall give the Administrative Agent irrevocable written notice of the proposed Closing Date, which notice must be received by the Administrative Agent prior to 10:00 a.m. (New York City, New York time) on the second (2nd) Business Day prior to the day the Borrower designates therein as the Closing Date (the “Notice of Effectiveness”) substantially in the form of Exhibit D-1. The Notice of Effectiveness shall specify (i) the intended Closing Date and (ii) the duration of the first Interest Period selected by the Borrower pursuant to Section 2.06(c). The Administrative Agent shall promptly notify each Continuing Lender of the applicable interest rate under Section 2.06(a).

(ii) The Borrowing shall be made pursuant to a Notice of Borrowing, given by electronic means not later than 10:00 a.m. (New York City, New York time) on the second (2nd) Business Day before the proposed date of the Borrowing, by the Borrower to the Administrative Agent. The Notice of Borrowing shall specify (i) the requested date of the Borrowing, (ii) the requested aggregate amount of the New Loans, (iii) the duration of the first Interest Period selected by the Borrower pursuant to Section 2.06(c) and (iv) the account of the Borrower to which the proceeds of the New Loans should be credited. The Administrative Agent shall promptly notify each Lender with a Commitment of the applicable interest rate under Section 2.06(a). Each Lender with a Commitment shall before 11:00 a.m. (New York City, New York time) on the date of the Borrowing make available for the account of its Applicable Lending Office to the Administrative Agent at its Payment Office, or such other location as the Administrative Agent may specify by notice to the Lenders with a Commitment, in immediately available funds, such Lender’s Pro Rata Share of the Borrowing. After the Administrative Agent’s receipt of such funds and upon fulfillment of the applicable conditions set forth in Section 3.02, the Administrative Agent will make such funds available to the Borrower at the account specified in the Notice of Borrowing.



(b) Notice Irrevocable. The Notice of Borrowing and the Notice of Effectiveness shall be irrevocable and binding on the Borrower.

(c) Administrative Agent Reliance. Unless the Administrative Agent shall have received notice from a Lender with a Commitment before the date of the relevant Borrowing that such Lender will not make available to the Administrative Agent such Lender's Pro Rata Share of such Borrowing, the Administrative Agent may assume that such Lender has made its Pro Rata Share of such Borrowing available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (a) of this Section 2.02 and the Administrative Agent, in reliance upon such assumption, may, but shall not be required to, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made its Pro Rata Share of the relevant Borrowing available to the Administrative Agent and the Administrative Agent shall have, in its discretion, made all or part of such Lender's Pro Rata Share of such Borrowing available to the Borrower, such Lender and the Borrower severally agree to immediately repay to the Administrative Agent on demand such corresponding amount, together with interest on such amount, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable on such day to the New Loans comprising the relevant Borrowing and (ii) in the case of such Lender, the Federal Funds Rate for such day. If such Lender shall repay to the Administrative Agent such corresponding amount and interest as provided above, such corresponding amount (less accrued and paid interest) so repaid shall constitute such Lender's New Loan as part of the relevant Borrowing for purposes of this Agreement even though not made on the same day as the other New Loans comprising such Borrowing.

(d) Lender Obligations Several. The failure of any Lender with a Commitment to make a New Loan to be made by it on the Borrowing Date or as part of the Borrowing shall not relieve any other Lender of its obligation, if any, to make its New Loan on the Borrowing Date. No Lender shall be responsible for the failure of any other Lender to make the New Loan to be made by such other Lender on the Borrowing Date.

(e) Instruments.

(i) Each Lender will maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender as a result of the Loans of such Lender, including the amounts of principal, interest and other amounts payable and paid to such Lender from time to time under this Agreement and any Instruments. The entries made by any Lender pursuant to the foregoing sentence, absent manifest error, shall constitute *prima facie* evidence of the existence and amounts of the Loans of such Lender and the other obligations of the Borrower to such Lender therein recorded; provided, however, that the failure of any Lender to maintain such account or accounts, or any error therein, shall not in any manner affect the obligations of the Borrower to repay or pay any Loan made by such Lender, accrued interest thereon and the other obligations of the Borrower to such Lender hereunder in accordance with the terms of this Agreement. Each Lender will advise the Borrower of the outstanding indebtedness hereunder to such Lender upon written request therefor.



(ii) Notwithstanding Section 2.02(e)(i):

(A) The Continuing Loans of each Continuing Lender to the Borrower shall also be evidenced by a New Recognition of Debt substantially in the form of Exhibit C or by an Existing Note duly amended by an *allonge* (*hoja de prolongación*), as applicable.

(B) The New Loans of each New Lender to the Borrower shall also be evidenced by a New Note of the Borrower payable to the order of such Lender in substantially the form of Exhibit B.

(C) The Borrower and the Lenders agree that the Instruments issued hereunder are issued as additional evidence of indebtedness under Chilean law, and their terms or scope shall not be construed to limit, expand, waive, amend or otherwise affect any right or obligation arising under this Agreement. For the avoidance of doubt, the amounts payable by the Borrower under this Agreement and the Instruments shall be, in any case, without duplication.

(iii) Upon the occurrence or cessation of a Market Disruption Event (as may be determined from time to time pursuant to Section 2.10), each of the Lenders, the Administrative Agent and the Borrower shall amend, promptly upon the written request of any Lender, the Administrative Agent (acting on behalf of any Lender) or the Borrower, but in any event no later than ten (10) Business Days following the date of any such request, the Instruments then held by the Lenders in order to accurately reflect any changes in the interest rate payable to the Lenders on the Loans as a result of (x) such Market Disruption Event (or cessation thereof) (as determined in accordance with Section 2.10) or (y) such change in the Applicable Margin, as the case may be.

(iv) The Borrower hereby agrees to do all things necessary under applicable Chilean laws and regulations to ensure (i) that each Instrument remains at all times a *título ejecutivo* under Chilean law and (ii) the enforceability of the Instruments against the Borrower in accordance with Chilean law.

Section 2.03. Fees. The Borrower agrees to pay, at the times required thereunder, the fees described in the Mandate Letter and the Fee Letter.

Section 2.04. Termination of the Commitments; Borrowings. Unless previously terminated in accordance with Sections 7.02 or 7.03, the Commitments of the Lenders to make New Loans shall terminate on the earlier of (a) the last day of the Availability Period and (b) the date on which the Commitments are fully utilized by the Borrower. Notwithstanding anything else contained herein, there shall be no more than one Borrowing.

Section 2.05. Repayment. The Borrower shall repay all Credit Obligations theretofore unpaid on the Final Maturity Date.



Section 2.06. Interest: Interest Periods.

(a) Loans. Subject to Section 2.06(b) and Section 2.10, the Borrower shall pay interest on the unpaid principal amount of each Loan made by each Lender from the date of such Loan until such principal amount shall be paid in full, at a rate per annum equal at all times during the Interest Period for such Loan to LIBOR for such Interest Period plus the Applicable Margin. Accrued and unpaid interest shall be payable on the last day of each Interest Period, on any repayment or prepayment (on the amount repaid or prepaid), on the Final Maturity Date and, after the Final Maturity Date, on demand.

(b) Default Rate. After the occurrence and during the continuance of an Event of Default, (x) all principal of the Loans and past due interest shall bear interest, from the date of the occurrence of the Event of Default that is continuing until the date such Event of Default is cured or waived, at a rate per annum equal to the rate of interest otherwise applicable plus 2%, and (y) all other overdue amounts payable hereunder and under any other Credit Document shall bear interest at a rate per annum equal to the rate then applicable to Loans pursuant to the immediately preceding clause. Interest that accrues under this Section 2.06(b) shall be payable on demand.

(c) Interest Periods: Event of Default.

(i) Each Interest Period for a Loan (a) shall comply with the definition of "Interest Period" in Section 1.01 and (b) shall, at the option of the Borrower, have a duration of one (1), three (3) or six (6) months.

(ii) To make an election of the duration of an Interest Period pursuant to this Section 2.06(c), the Borrower shall notify the Administrative Agent of such election by electronic mail or telephone not later than 11:00 a.m. (New York City, New York time) on the third (3rd) Business Day before the proposed effective date for such election. Each such interest election request shall be irrevocable and, if by telephone, shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written interest election requested and signed by the Borrower.

(iii) Each telephonic and written interest election request shall specify the following information in compliance with this Section 2.06(c):

(A) the effective date of the election made pursuant to such interest election request, which shall be a Business Day; and

(B) the Interest Period therefor after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period" in Section 1.01 and clause (i) above.

(iv) Promptly following receipt of an interest election request, the Administrative Agent shall advise each Lender of the details thereof.

(v) If the Borrower fails to deliver a timely interest election request with respect to the Loans in accordance with this Section 2.06(c) then, unless such Loan is



repaid as provided herein, the Borrower shall be deemed to have selected an Interest Period of three (3) months' duration.

(vi) Notwithstanding any contrary provision in this Agreement, if (i) an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Majority Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing, no outstanding Loan may have an Interest Period of more than one (1) month duration or such shorter duration as the Majority Lenders may instruct or (ii) a Market Disruption Event has occurred and is continuing and the Administrative Agent, at the request of the Majority Lenders, so notifies the Borrower, then, so long as such Market Disruption Event is continuing, no outstanding Loan may have an Interest Period of more than three (3) months duration.

Section 2.07. Prepayments.

(a) Right to Prepay. The Borrower shall have no right to prepay any principal amount of any Loan except as provided in this Section 2.07. All prepayments shall be without premium or penalty, except as provided in Section 2.08. Subject to Section 7.06, all prepayments pursuant to Section 2.07(b) shall be applied to reduce the outstanding principal amount of the Loans, *pro rata* to all Loans of all Lenders.

(b) Optional. The Borrower may elect to prepay any of the Loans, on any date and from time to time, after giving by 12:00 p.m. (New York City, New York time) at least ten (10) Business Days' prior written notice to the Administrative Agent stating the proposed date and aggregate principal amount of such prepayment. If any such notice is given, the Borrower shall prepay the Loans in whole or ratably in part in an aggregate principal amount equal to the amount specified in such notice, together with accrued interest to the date of such prepayment on the principal amount prepaid and amounts, if any, required to be paid pursuant to Section 2.08 as a result of such prepayment being made on such date; provided, however, that each partial payment shall be in an aggregate principal amount not less than \$2,000,000 and in integral multiples of \$1,000,000 in excess thereof or, in the event a lesser amount remains outstanding, such lesser amount. The Administrative Agent shall promptly notify each Lender of its receipt of such notice, and of the amount of such Lender's ratable portion of such prepayment.

(c) Illegality. If any Lender shall notify the Administrative Agent and the Borrower that the introduction of, or any change in or in the interpretation of, any law or regulation makes it unlawful, or that any central bank or other Governmental Authority asserts, or a Lender determines in good faith, that it is unlawful for such Lender or its Applicable Lending Office to perform its obligations under this Agreement to make Loans or maintain any Loans of such Lender then outstanding hereunder, (i) to the extent such Lender's Commitment has not been terminated, the right of the Borrower to request Loans for the relevant Borrowing from such Lender shall be suspended until such Lender shall notify the Administrative Agent that the circumstances causing such suspension no longer exist and (ii) the Borrower, shall, if such Lender is not prohibited by law or regulation to maintain such Loans for the duration of the Interest Period, no later than 11:00 a.m. (New York City, New York time), on the last day of the Interest Period for each outstanding Loan, or if such Lender is prohibited by law or regulation to maintain such Loans for the duration of the Interest Period, within three (3) Business Days of its



receipt of such notice, prepay all of the Loans of such Lender then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.08 as a result of such prepayment being made on such date. Each Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such designation would avoid the effect of this paragraph and would not, in the good faith judgment of such Lender, be otherwise disadvantageous to such Lender.

(d) Change of Control. Upon the occurrence of a Change of Control, the Borrower shall, within five (5) Business Days of such Change of Control, prepay all of the Loans then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.08 as a result of such prepayment being made on such date; provided that the Borrower shall not be required to prepay the Loans pursuant to this Section 2.07(d) in the event that (i) prior to such Change of Control (x) each Lender has received all documentation and other information required under applicable “know your customer” requirements of each such Lender and (y) each Lender has received such other documents, governmental approvals, agreements, licenses and other information as the Administrative Agent or any Lender may reasonably request and (ii) immediately after giving effect to such Change of Control and at all times thereafter (x) the Borrower is the surviving entity and (y) Itaú Unibanco Holding S.A. beneficially owns, directly or indirectly, voting securities of the Borrower (or other securities convertible into such voting securities) representing no less than (A) 33.58% of the combined voting power of all voting securities of the Borrower on a fully diluted basis or (B) such lesser percentage, provided that, in either case, Itaú Unibanco Holding S.A. is the controlling shareholder (*controlador*) as defined under Article 97 of the Chilean Securities Market Law (Law No. 18,045, as amended) (any Change of Control meeting the requirements of subsections (i) and (ii), a “Permitted Change of Control”).

(e) Ratable Payments; Effect of Notice; No Reborrowing. Each payment of any Loan pursuant to this Section 2.07 or any other provision of this Agreement, except for prepayments pursuant to Section 2.07(c) or other amounts payable solely to the Administrative Agent or a specific Lender pursuant to Section 2.03, 2.08, 2.09, 2.12, or 9.08, shall be made in a manner such that all Loans are paid in whole or ratably in part. All notices given pursuant to this Section 2.07 shall be irrevocable and binding upon the Borrower. Loans, once prepaid or repaid, may not be reborrowed.

Section 2.08. Breakage Costs.

(a) Funding Losses. The Borrower shall indemnify each Lender against any loss, out-of-pocket cost, or expense incurred by such Lender, and shall pay to such Lender any amount or amounts as shall be sufficient (in the opinion of such Lender) to compensate such Lender for any loss, cost or expense, as a result of any failure to fulfill on or before the date specified in the Notice of Effectiveness or the Notice of Borrowing, as applicable, the conditions set forth in Section 3.01 and 3.02, respectively, including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or redeployment of deposits or other funds acquired by such Lender to make the payments required to be made under the Master Assignment and Assumption Agreement or to fund the Loan to be made by such Lender as part



of the Borrowing when such payment or Loan, as a result of such failure, is not made on such date.

(b) Prepayment Losses. If (i) any payment of principal of any Loan is made other than on the last day of the Interest Period for such Loan as a result of any prepayment or payment pursuant to Section 2.07, the acceleration of the maturity of the Loans, or for any other reason or (ii) the Borrower fails to make a principal or interest payment with respect to any Loan on the date such payment is due and payable (including, without limitation, pursuant to a notice of prepayment pursuant to Section 2.07), the Borrower shall, within ten (10) days of any written demand sent by any Lender to the Borrower, pay to such Lender any amounts required to compensate such Lender for any additional losses, out-of-pocket costs, or expenses which it may reasonably incur as a result of such payment or nonpayment, including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain such Loan.

Section 2.09. Increased Costs and Capital Adequacy.

(a) Increased Costs. If any change in law, rule, regulation or treaty, or in its interpretation or administration, or compliance with any law or request from or requirement of any central bank or other fiscal, monetary or other Governmental Authority (including, without limitation, a request or requirement which affects the manner in which a Lender or any holding company of such Lender is required to or does maintain capital resources relating to such Lender's obligations under this Agreement and to amounts owing to it under this Agreement):

- (i) subjects a Lender to any tax, duty or other charge (other than a FATCA Deduction required to be made by the Borrower or the Administrative Agent) with respect to any Loans or its obligation to make Loans, or changes the basis on which any of the foregoing is imposed on any amounts payable to such Lender under this Agreement in respect of any Loans;
- (ii) shall impose or modify any reserve, special deposit, or similar requirement relating to any extensions of credit or other assets of, or any deposits with or other liabilities or commitments of, such Lender (including its Commitments); or
- (iii) shall impose on a Lender or on the offshore Eurodollar interbank market any other condition affecting this Agreement or any of such extensions of credit or liabilities or commitments;

and the result of any of the foregoing is to increase the cost to such Lender of making or maintaining any Loans or Commitments or to reduce any sum received or receivable by such Lender under this Agreement with respect to any Loans, then from time to time within five (5) Business Days of receipt of written demand of such Lender (with a copy of such demand to Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for the increased cost or reduction in rate of return caused by such change in law, interpretation, or administration or by compliance with such request or requirement; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section 2.09(a) for any increased costs incurred or reductions suffered more than nine (9)



months prior to the date that such Lender notifies the Borrower of the occurrence of an event described in this Section 2.09(a) giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the event giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof). For the avoidance of doubt, (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof and, in each case, any compliance by a Lender with any request or directive relating thereto shall, for purposes of this Section 2.09, be deemed to be a change in law, regardless of the date enacted, adopted or issued.

(b) Capital Adequacy. If any (i) change in law or in its interpretation or administration or (ii) compliance with any law or request from or requirement of any central bank or other fiscal, monetary or other Governmental Authority (including, without limitation, a request or requirement which affects the manner in which a Lender or any holding company of such Lender is required to or does maintain capital resources relating to such Lender's obligations under this Agreement and to amounts owing to it under this Agreement) shall have the effect of reducing the rate of return on the capital of a Lender or the holding company of any such Lender as a consequence of such Lender's obligations hereunder (taking into consideration its policies with respect to capital adequacy and such Lender's desired return on capital), then from time to time within five (5) Business Days of receipt of written demand of such Lender (with a copy to Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such reduction; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section 2.09 (b) for any reductions suffered more than nine (9) months prior to the date that such Lender notifies the Borrower of the occurrence of an event described in this Section 2.09(b) giving rise to such reductions, and of such Lender's intention to claim compensation therefor (except that, if the event giving rise to such reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(c) Mitigation. Each Lender shall promptly (but in any event within ninety (90) days after the occurrence of the event giving rise to such right to compensation) notify the Borrower and the Administrative Agent of any event of which it has knowledge that will entitle such Lender to compensation pursuant to this Section 2.09, and will use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the good faith judgment of such Lender, be otherwise disadvantageous to it. Any Lender claiming compensation under this Section 2.09 shall furnish to the Borrower and the Administrative Agent a copy of the applicable law, rule, regulation or directive and a statement setting forth the additional amount to be paid to it hereunder, which additional amount shall be conclusive in the absence of manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods.



(d) Right to Replace. The Borrower shall have the right to replace each Lender affected by a condition under Sections 2.09(a) or (b) for more than thirty (30) days from the date such Lender was affected by such condition (each such affected Lender, an “Affected Lender”) with an Eligible Assignee designated by the Borrower or by the Administrative Agent with the Borrower’s consent. Any replacement of a Lender pursuant to this paragraph shall (i) be made by the Eligible Assignee’s and the Affected Lender’s entering into an Assignment and Acceptance and by following the procedures in Section 9.07 for adding a Lender; (ii) close within ten (10) days after the Administrative Agent’s receipt of a notice of election to replace such Affected Lender from the Borrower; and (iii) only be made upon the Affected Lender’s being paid in full all principal, interest, and other amounts owed to it (including, without limitation, pursuant to Sections 2.08, 2.09(a) or (b), 2.12 or 9.08) as of the effective date of the replacement.

Section 2.10. Alternate Interest Rate. Anything herein to the contrary notwithstanding, if, on or prior to any Interest Determination Date:

(a) the Administrative Agent reasonably determines that quotations of interest rates for the relevant deposits referred to in the definition of “LIBOR” in Section 1.01 are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest on such Interest Determination Date as provided herein; or

(b) the Administrative Agent receives a Market Disruption Event Notice from the Lenders constituting the Majority Lenders (any of the events set forth in paragraphs (a) and (b) of this Section 2.10, hereinafter a “Market Disruption Event”);

then the Administrative Agent shall notify the Borrower thereof within three (3) Business Days of the occurrence of such Market Disruption Event and the following provisions shall apply:

(i) During the thirty-day period following the date of any such notice (the “Negotiation Period”), the Lenders and the Borrower will negotiate in good faith for the purpose of agreeing upon an alternative, mutually acceptable basis (the “Substitute Basis”) for determining the rate of interest to be applicable to the Loans, and any other amounts hereunder not paid when due, from time to time and if, at the expiry of the Negotiation Period, the Lenders and the Borrower have agreed upon a Substitute Basis and any required governmental approvals therefor have been obtained, the Substitute Basis shall take effect from such date (including such retroactive date) as the Lenders and the Borrower may in such circumstance agree.

(ii) If, at the expiry of the Negotiation Period, a Substitute Basis shall not have been agreed upon or any required governmental approvals therefor shall not have been obtained, and the Lenders constituting the Majority Lenders shall reasonably determine and individually notify the Administrative Agent in writing by way of an interest-setting notice, such notice to be substantially in the form of Exhibit F hereto, that LIBOR will not adequately and fairly reflect the cost to such Lender of funding and maintaining the outstanding affected Loans, and any other amounts hereunder not paid when due, for the applicable Interest Period, then, the Administrative Agent shall so notify the Borrower of the Majority Lenders’ reasonable determination and the interest payable to the Lenders



on the Loans, and such other amounts not paid when due, to which the then current Interest Period applies shall be interest at a rate per annum for such Interest Period equal to the Alternate Rate plus the Applicable Margin. The interest rate determined pursuant to clause (ii) of this Section 2.10(b) shall be binding on all of the parties hereto and shall take effect from the date the Administrative Agent so notifies the Borrower and be applied retroactively from the beginning of the then current Interest Period in respect of which the Market Disruption Event occurred.

The procedures specified in clauses (i) and (ii) above shall apply to each relevant subsequent period succeeding the first such period to which they were applied unless and until the Administrative Agent (acting at the instruction of the Majority Lenders) notifies the Borrower that it has reasonably determined that the applicable Market Disruption Event no longer exists, which notice the Administrative Agent agrees to give (acting at the instruction of the Majority Lenders), and the Lenders agree to request, promptly after the cessation of such Market Disruption Event, whereupon interest on the Loans shall again be determined in accordance with the provisions of Section 2.06, effective commencing on the first day of the next Interest Period immediately succeeding such notice. The Administrative Agent hereby agrees that the identity of any Lender delivering a Market Disruption Event Notice shall at all times be kept confidential by the Administrative Agent and shall not be disclosed to any Person.

Section 2.11. Payments and Computations.

(a) Payments. All payments of principal, interest and other amounts to be made by the Borrower under this Agreement and the other Credit Documents shall be made to the Administrative Agent for the account of the respective Lenders to which such payment is owed in Dollars, without setoff, deduction, or counterclaim.

(b) Payment Procedures. The Borrower shall make each payment under this Agreement and under the Instruments not later than 10:00 a.m. (New York City, New York time) on the day when due in Dollars to the Administrative Agent at the Payment Office (or such other location as the Administrative Agent shall designate in writing to the Borrower) in immediately available funds. The Administrative Agent will promptly thereafter cause to be distributed (i) like funds relating to the payment of principal, interest or fees ratably (other than amounts payable solely to the Administrative Agent or a specific Lender pursuant to Section 2.03, 2.07(c), 2.08, 2.09, 2.12, or 9.08) in accordance with each Lender's ratable share of such payment to the Lenders for the account of their respective Applicable Lending Offices and (ii) like funds relating to the payment of any other amount payable to any particular Lender, to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement.

(c) Computations. All computations of interest shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest is payable; provided, however, that computations of interest based on clause (a) or (b) of the definition of "Alternate Rate" shall be made by the Administrative Agent on the basis of a year of 365 days, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest is payable. Each determination by the



Administrative Agent of an interest rate shall be conclusive and binding for all purposes, absent manifest error.

(d) Non-Business Day Payments. Whenever any payment shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; provided, however, that if such extension would cause payment of interest on or principal of Loans to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Administrative Agent Reliance. Unless the Administrative Agent shall have received written notice from the Borrower prior to the date on which any payment is due to the Lenders that the Borrower will not make such payment in full, the Administrative Agent may, but shall not be required to, assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, but shall not be required to, cause to be distributed to each Lender on such date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender, together with interest, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at a rate per annum equal to six-month LIBOR based on a year with 365/366 days and the actual number of days elapsed.

Section 2.12. Taxes.

(a) No Deduction for Certain Taxes. Any and all payments by or on behalf of the Borrower to or for the account of any Recipient hereunder or under any other Credit Document shall be made free and clear of and without deduction for any and all Taxes and all liabilities with respect to such payments, excluding, in the case of each Recipient, (1) Taxes imposed on or measured by its net income (however denominated), franchise Taxes imposed on it (in lieu of net income Taxes), and branch profits Taxes, in each case, pursuant to the laws of the jurisdiction under the laws of which such Recipient is organized, or in which its principal office or Applicable Lending Office is located, (2) Taxes attributable to such Recipient's failure to comply with Section 2.12(i) and (3) any withholding Taxes imposed under FATCA (all such excluded Taxes with respect to such payments being hereinafter referred to as "Excluded Taxes"). If the Borrower or the Administrative Agent shall be required by applicable law to deduct any Taxes from or in respect of any sum payable under this Agreement or any other Credit Document to any Recipient, (i) if such Taxes are Indemnified Taxes, the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.12) such Recipient receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law and (iv) the Borrower shall furnish to the Administrative Agent written evidence of payment thereof.



(b) FATCA Deductions.

(i) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(ii) Each Party shall, promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), and in any case at least three (3) Business Days prior to making a FATCA Deduction, notify the Party to whom it is making the payment and, on or prior to the day on which it notifies that Party, shall also notify the Borrower, the Administrative Agent and the other Lenders.

(c) Other Taxes. In addition, the Borrower agrees to pay any and all present or future stamp or documentary Taxes and any other excise or property Taxes or charges or similar levies which arise from any payment made under this Agreement or any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document (hereinafter referred to as "Other Taxes").

(d) Indemnification. The Borrower agrees to indemnify each Lender, each Arranger and the Administrative Agent, no later than ten (10) days after demand therefor, for the full amount of Indemnified Taxes and Other Taxes (including, without limitation, any Indemnified Taxes or such Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 2.12) paid by such Lender, such Arranger or the Administrative Agent (as the case may be) and any liability (including penalties, interest, and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the relevant Lender shall be conclusive absent manifest error.

(e) Change in Applicable Lending Office. If the Borrower is required to pay additional amounts to or for the account of any Lender pursuant to this Section 2.12 in excess of the applicable withholding Taxes described in Section 4.19, then such Lender will agree to use reasonable efforts to change the jurisdiction of its Applicable Lending Office so as to eliminate or reduce any such additional payment which may thereafter accrue if such change, in the judgment of such Lender, is not otherwise disadvantageous to such Lender. A Lender shall not be required to make any such designation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(f) Evidence of Tax Payments. Within thirty (30) days after the date of any payment of Taxes or Other Taxes to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.



(g) Expenses of Change in Applicable Lending Office. Notwithstanding the provisions of this Article II relating to the designation by a Lender of a new applicable lending office, no Lender shall have any obligation in respect of such designation if such designation would subject such Lender to any unreimbursed cost or expense. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation.

(h) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, promptly upon demand, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.07(d) relating to the maintenance of a Participant Register, (iii) any Excluded Taxes attributable to such Lender and (iv) any FATCA related liability incurred by the Administrative Agent, in each case, that are payable or paid by the Administrative Agent in connection with this Agreement, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 2.12(h).

(i) Status of Lenders. Any Recipient that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without such withholding or at a reduced rate of such withholding. In addition, any Recipient, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or requested by the Borrower or the Administrative Agent as will enable the Borrower to determine whether or not such Recipient is subject to backup withholding or applicable information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in the Recipient's reasonable judgment such completion, execution or submission would subject such Recipient to any material unreimbursed cost or expense, would materially prejudice the legal or commercial position of such Recipient or would require the Recipient to disclose confidential or proprietary information. Each Recipient agrees that if any form or certification it previously delivered pursuant to this paragraph (i) expires or becomes obsolete or inaccurate in any respect, it shall update such form certification or promptly inform the Borrower and the Administrative Agent in writing of its legal inability to do so.



(j) FATCA Information

(i) Subject to subparagraph (c) below, each Party shall, within ten (10) Business Days of a reasonable request by another Party:

(A) confirm to that other Party whether it is:

(1) a FATCA Exempt Party; or

(2) not a FATCA Exempt Party;

(B) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;

(C) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(ii) If a Party confirms to another Party pursuant to subparagraph (i)(A) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(iii) Subparagraph (i) above shall not oblige any Lender to do anything, and subparagraph (i)(C) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(A) any law or regulation;

(B) any fiduciary duty; or

(C) any duty of confidentiality.

(iv) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with subparagraph (i)(A) or (B) above (including, for the avoidance of doubt, where paragraph (iii) above applies), then such Party shall be treated for the purposes of the Credit Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

(v) If any withholding certificate, withholding statement, document, authorization or waiver provided to the Administrative Agent by a Lender pursuant to subparagraph (i) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorization or waiver to the Administrative Agent unless it is



unlawful for the Lender to do so (in which case the Lender shall promptly notify the Administrative Agent). The Administrative Agent shall provide any such updated withholding certificate, withholding statement, document, authorization or waiver to the relevant Borrower.

(vi) The Administrative Agent may rely on any withholding certificate, withholding statement, document, authorization or waiver it receives from a Lender pursuant to subparagraph (i) or (v) above without further verification. The Administrative Agent shall not be liable for any action taken by it under or in connection with subparagraph (i) or (v) above.

(vii) Notwithstanding any contrary provision in this Agreement, if a Lender fails to supply any withholding certificate, withholding statement, document, authorization, waiver or information or any withholding certificate, withholding statement, document, authorization, waiver or information provided by a Lender to the Agent is or becomes materially inaccurate or incomplete, then such Lender shall indemnify the Agent, within ten (10) days of demand against any cost, loss, tax or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (including any related interest and penalties) in acting as Agent under the Finance Documents as a result of such failure.

Section 2.13. Sharing of Payments, Etc. If any Lender shall obtain any payment or collateral (whether voluntary, involuntary, through the exercise of any right of set-off or otherwise) on account of the Loans made by it in excess of its ratable share of payments or collateral on account of the Loans obtained by all of the Lenders, such Lender shall notify the Administrative Agent and forthwith purchase from the other Lenders such participations in the Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment or benefits of such collateral or proceeds ratably in accordance with the requirements of this Agreement with each of them; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such Lender's ratable share (according to the proportion of (a) the amount of the participation sold by such Lender to the purchasing Lender as a result of such excess payment to (b) the total amount of such excess payment) of such recovery, together with an amount equal to such Lender's ratable share (according to the proportion of (a) the amount of such Lender's required repayment to the purchasing Lender to (b) the total amount of all such required repayments to the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.13 may, to the fullest extent permitted by law, unless and until rescinded as provided above, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.



ARTICLE III

CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to Effectiveness. The effectiveness of the consolidation, extension and amendment and restatement of the Continuing Loans as provided for in this Agreement is subject to the satisfaction of the following conditions precedent (unless waived by the Lenders and the Administrative Agent at their sole discretion):

(a) The Administrative Agent shall have received the following:

- (i) this Agreement duly and validly executed by all parties hereto;
- (ii) the Master Assignment and Assumption Agreement, substantially in the form of Exhibit K, duly and validly executed by all parties thereto;
- (iii) the duly and validly executed and notarized New Recognition of Debt or *allonges (hoja de prolongación)* to the Existing Notes, as applicable, delivered in accordance with Section 2.02(e)(ii)(A);
- (iv) the Notice of Effectiveness in accordance with Section 2.02(a); and
- (v) the Existing Loan Prepayment in the time, place and manner required for such payments under the Existing Credit Agreement.

(b) The following statements shall be true on and as of the Closing Date (and the Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower dated as of the Closing Date, to the effect that):

- (i) the representations and warranties of the Borrower contained in the Credit Documents are true and correct in all material respects on and as of the Closing Date as though made on and as of such date (other than to the extent therein expressly made as of another date, in which case, such representations and warranties shall be true and correct in all material respects as of such other date);
- (ii) no Default or Event of Default has occurred and is continuing;
- (iii) no Default could reasonably be expected to result from the consummation of any of the transactions contemplated by the Credit Documents;
- (iv) since December 31, 2014, no change, event or condition has occurred that has had or could reasonably be expected to have a Material Adverse Effect;
- (v) no moratorium has been declared or agreed with respect to Indebtedness of the Borrower exceeding in the aggregate \$5,000,000;



(vi) no restriction or requirement not currently in effect has been imposed, whether by legislative enactment, decree, regulation or otherwise, which limits the availability or the transfer of foreign currencies by the Borrower;

(vii) all necessary governmental and third-party approvals, consents and/or filings in connection with the Credit Documents or the transactions contemplated hereby and thereby required to be obtained as of such date have been obtained or made, as the case may be, and remain in full force and effect; and

(viii) there is no action, suit, litigation, investigation or proceeding by or before any court, arbitrator or other Governmental Authority is pending, or to the knowledge of the Borrower threatened in writing against the Borrower or any of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect, or that purports to affect the legality, validity, binding effect or enforceability of this Agreement, any Instrument, or any other Credit Document or the consummation of any of the transactions contemplated hereby or thereby.

(c) Each of the Administrative Agent and the Lenders shall have received the following duly executed by all the parties thereto:

(i) a certificate from the chief executive officer, chairman of the board or chief financial officer of the Borrower dated as of the Closing Date stating that as of such date (a) all representations and warranties of the Borrower set forth in this Agreement are true and correct in all material respects and (B) no Default has occurred and is continuing;

(ii) copies, each certified as of the Closing Date by a Responsible Officer of the Borrower, of (A) evidence that the execution and delivery of each Credit Document has been approved by the Borrower and (B) the organizational documents of the Borrower;

(iii) a certificate of a Responsible Officer of the Borrower dated as of the Closing Date certifying as of such date the names and true signatures of officers of the Borrower authorized to sign the Credit Documents;

(iv) favorable opinions of (A) Dechert LLP, special New York legal counsel to the Borrower, substantially in the form of Exhibit G, (B) in-house counsel to the Borrower, substantially in the form of Exhibit H, (C) White & Case LLP, special New York legal counsel to the Administrative Agent, substantially in the form of Exhibit I, and (D) Philippi, Prietocarrizosa & Uría, special Chile legal counsel to the Administrative Agent, substantially in the form of Exhibit J, each dated as of the Closing Date, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders; and

(v) such other documents, governmental certificates, agreements, licenses, lien searches and information as the Administrative Agent may reasonably request.

(d) The Borrower shall have paid (i) the fees required by Section 2.03 to be paid as of the Closing Date and (ii) the costs and expenses required by Section 9.05 to be paid as of the



Closing Date. The fees, costs and expenses described in (i) and (ii) may, at the option of the Borrower, be netted from the proceeds of the Borrowing if the Closing Date occurs simultaneously with the Borrowing Date.

(e) No change, event or condition shall have occurred that, in the reasonable opinion of the Arrangers, individually or in the aggregate could reasonably be expected to materially adverse to the United States, Panama, Colombia and/or Chilean political, economic and/or social situation and/or the loan syndication, financial and/or capital markets for United States, Panama, Colombia or Chilean issues and which has impaired, or could be reasonably expected to, impair the syndication of the facility.

(f) The Administrative Agent shall have received the audited consolidated financial statements of the Borrower for the fiscal years ending 2014 and 2013, including the balance sheets and statements of operations, stockholders' equity and cash flow audited by independent public accountants of recognized international standing (the "Original Financial Statements") and, for the six-month period ending June 30, 2015, the unaudited, nonconsolidated financial statements of the Borrower, in all cases prepared in conformity with Chilean Banking GAAP.

(g) The Administrative Agent shall have received copies of all approvals, authorizations or consents of, or notices to or filings or registrations with, any Governmental Authority or any other third party, required for the Borrower, if necessary, to enter into, perform or consummate the transactions contemplated in any of the Credit Documents.

(h) The Administrative Agent shall have received evidence reasonably satisfactory to it of the irrevocable acceptance by the Process Agent of its appointment pursuant to Section 9.14.

(i) The Administrative Agent shall have received such other approvals, opinions or documents deemed necessary or desirable by any Lender as a result of circumstances occurring after the date of this Agreement, as any Lender through the Administrative Agent may reasonably request.

(j) Each Lender shall have received all documentation and other information required under the applicable "know your customer" requirements of each Lender (including, without limitation, information with respect to anti-money laundering rules and regulations and the Patriot Act) with respect to the Borrower and its Subsidiaries.

Section 3.02. Conditions Precedent to the Borrowing. The obligation of each Lender with a Commitment to make New Loans is subject to the satisfaction of the following conditions precedent (unless waived by the Lenders and the Administrative Agent at their sole discretion), no later than the date of termination of the Commitments pursuant to Section 2.04:

(a) The Closing Date shall have occurred (or shall occur concurrently with the making of the New Loans).

(b) The following statements shall be true on and as of the Borrowing Date (and the Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower dated as of the Borrowing Date, to the effect that):



(i) the representations and warranties of the Borrower contained in the Credit Documents are true and correct in all material respects on and as of the Borrowing Date as though made on and as of such date (other than to the extent therein expressly made as of another date, in which case, such representations and warranties shall be true and correct in all material respects as of such other date);

(ii) no Default or Event of Default has occurred and is continuing;

(iii) no Default could reasonably be expected to result from the consummation of any of the transactions contemplated by the Credit Documents;

(iv) since December 31, 2014, no change, event or condition has occurred that has had or could reasonably be expected to have a Material Adverse Effect;

(v) no moratorium has been declared or agreed with respect to Indebtedness of the Borrower exceeding in the aggregate \$5,000,000;

(vi) no restriction or requirement not currently in effect has been imposed, whether by legislative enactment, decree, regulation or otherwise, which limits the availability or the transfer of foreign currencies by the Borrower;

(vii) all necessary governmental and third-party approvals, consents and/or filings in connection with the Credit Documents or the transactions contemplated hereby and thereby required to be obtained as of such date have been obtained or made, as the case may be, and remain in full force and effect; and

(viii) there is no action, suit, litigation, investigation or proceeding by or before any court, arbitrator or other Governmental Authority is pending, or to the knowledge of the Borrower threatened in writing against the Borrower or any of its Subsidiaries, that could reasonably be expected to have a Material Adverse Effect, or that purports to affect the legality, validity, binding effect or enforceability of this Agreement, any Instrument, or any other Credit Document or the consummation of any of the transactions contemplated hereby or thereby.

(c) The Borrower shall have paid any stamp Taxes or similar Taxes payable in connection with the New Loans and any of the Credit Documents.

(d) The Administrative Agent shall have received the following, in form and substance satisfactory to the Administrative Agent:

(i) the Notice of Borrowing in accordance with Section 2.02(a);

(ii) for the account of each Lender, the New Notes duly executed and notarized dated the Borrowing Date, complying with the requirements of Section 2.02(e); and



(iii) such other documents, governmental certificates, agreements, licenses, lien searches and information as the Administrative Agent or any Lender may reasonably request.

Section 3.03. Satisfaction of Conditions Precedent. For purposes of determining compliance with the conditions specified in Sections 3.01 and 3.02, each Lender shall be deemed to have consented to, approved or accepted or be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless the Administrative Agent shall have received written notice from such Lender prior to the Closing Date or the Borrowing Date, respectively, specifying its objection thereto. Each of the agreements, certificates, legal opinions and other documents and papers referred to in Sections 3.01 and 3.02, unless otherwise specified, shall be (i) in the English language (other than the current *estatutos sociales*, by-laws or equivalent organizational documents of the Borrower, the resolutions of the Borrower authorizing the execution and delivery of each Credit Document, the New Notes (which shall be in English and Spanish), the New Recognition of Debt (which shall be in Spanish only) and/or the *allonges (hojas de prolongación)* to the Existing Notes, as applicable (which shall be in English and Spanish)), (ii) delivered to the Administrative Agent for the account of each of the Lenders, in sufficient counterparts or copies for each of the Lenders, and (iii) in form, scope and substance satisfactory to the Administrative Agent (in its sole discretion).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent, the Lenders and the Arrangers as follows:

Section 4.01. Corporate Existence. The Borrower is a financial institution duly organized and validly existing under the laws of Chile, and qualified to do business in each jurisdiction where its ownership or lease of property or conduct of its business requires such qualification and where a failure to be so qualified could reasonably be expected to cause a Material Adverse Effect. Each Significant Subsidiary of the Borrower is a corporation or other legal entity duly organized, validly existing, and (if applicable in its jurisdiction) in good standing under the laws of its jurisdiction of formation and qualified to do business in each jurisdiction where its ownership or lease of property or conduct of its business requires such qualification and where a failure to be so qualified could reasonably be expected to cause a Material Adverse Effect.

Section 4.02. Corporate Power. The execution, delivery, and performance by the Borrower of the Credit Documents and the consummation of the transactions contemplated hereby and thereby (a) are within the Borrower's corporate powers, (b) have been duly authorized by all necessary corporate action, (c) do not (i) conflict with the Borrower's certificate or articles, as the case may be, of incorporation (or its equivalent) or by-laws, (ii) conflict with or result in a breach of any contractual restriction binding on or affecting the Borrower, or (iii) violate any Legal Requirement applicable to the Borrower, in the case of clauses (ii) and (iii), the conflict with, breach or violation of which could reasonably be expected to cause a Material Adverse Effect and (d) will not result in or require the creation or imposition of any Lien prohibited by



this Agreement. At the time of the relevant Borrowing, such Borrowing and the use of the proceeds of such Borrowing will be within the Borrower's corporate powers, will have been duly authorized by all necessary corporate action, will not contravene (a) the Borrower's certificate of incorporation (or its equivalent) or by-laws or (b) any Legal Requirement or any contractual restriction binding on or applicable to the Borrower, the conflict or violation of which could reasonably be expected to cause a Material Adverse Effect.

Section 4.03. Authorization and Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person (each a "Filing") is required for the due execution, delivery and performance by the Borrower of the Credit Documents or the consummation of the transactions contemplated thereby, except (a) Filings necessary in connection with the conduct of the Borrower's business required to be made after any date this representation is made or deemed made, (b) such other Filings as have been obtained or made, (c) Filings required to maintain corporate and similar standing and existence required to be made after any date this representation is made or deemed made and (d) the notification to *Banco Central de Chile* referenced in Section 5.10. At the time of the relevant Borrowing, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person will be required for such Borrowing or the use of the proceeds of such Borrowing.

Section 4.04. Enforceable Obligations. Each Credit Document has been duly executed and delivered by the Borrower. Each Credit Document is the legal, valid, and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law affecting creditors' rights generally and by general principles of equity (whether considered in proceeding at law or in equity).

Section 4.05. Financial Statements.

(a) The audited consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2014, and the related consolidated statements of operations, stockholders' equity, and cash flow of the Borrower and its Subsidiaries for the fiscal year then ended, copies of which have been furnished to the Administrative Agent, fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as at such date and the results of the operations of the Borrower and its Subsidiaries for the period ended on such date, and such balance sheets and statements of operations, stockholders' equity, and cash flow were prepared in accordance with Chilean Banking GAAP.

(b) The unaudited consolidated balance sheet of the Borrower and its Subsidiaries as at June 30, 2015, and the related consolidated statements of operation, shareholders' equity and cash flow of the Borrower and its Subsidiaries for the six-month period then ended, copies of which have been furnished to the Administrative Agent, fairly present in all material respects, the financial condition of the Borrower and its Subsidiaries as at such date and the results of the operations of the Borrower and its Subsidiaries for the period ended on such date, and such balance sheets and statements of operations, stockholders' equity, and cash flow were prepared in accordance with Chilean Banking GAAP, subject to year-end audit adjustments and the absence of footnotes.



(c) Since December 31, 2014, no change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect.

Section 4.06. Ownership and Liens. The Borrower has title to, or a valid leasehold interest in, all of the Property used in its business, except to the extent that failure to have such title or leasehold interest could not reasonably be expected to have a Material Adverse Effect, including as of the date of this Agreement the Property reflected in the December 31, 2014 financial statements referred to in Section 4.05(a) (other than Property sold since such date), and none of the Property owned or leased by the Borrower is subject to any Lien except Permitted Liens.

Section 4.07. True and Complete Disclosure. No written representation, warranty, or other statement made by the Borrower (or on behalf of the Borrower) in this Agreement or any other Credit Document, when taken as a whole, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made. There is no fact known to any Responsible Officer of the Borrower on the date hereof and on the Closing Date, that has not been disclosed to the Lenders and the Administrative Agent and which could reasonably be expected to cause a Material Adverse Effect.

Section 4.08. Litigation. There is no pending, or, to the knowledge of the Borrower, threatened action or proceeding by or against the Borrower before any court, Governmental Authority or arbitrator that could reasonably be expected to cause a Material Adverse Effect, or that purports to affect the legality, validity, binding effect or enforceability of this Agreement, any Instrument, or any other Credit Document or the consummation of any of the transactions contemplated hereby or thereby.

Section 4.09. Use of Proceeds.

(a) The proceeds of the Loans shall be used by the Borrower for general corporate purposes and only to finance the non-U.S. operations of the Borrower or the Borrower's affiliates located outside the United States.

(b) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying "margin stock" (within the meaning of Regulation U). Neither the making of any Loan nor the use of the proceeds thereof will violate or be inconsistent with the provisions of Regulation T, U or X.

Section 4.10. Investment Company Act. The Borrower is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 4.11. Taxes. Each of the Borrower and its Significant Subsidiaries has filed or caused to be filed all material Tax returns required by law to be filed and has paid or caused to be paid all Taxes levied upon or in respect of any of its Properties, other than any such Taxes the validity or amount of which are being contested in good faith by the Borrower or such Significant Subsidiary by appropriate proceedings and for which the Borrower or such Significant Subsidiary shall have set aside on its books adequate reserves in accordance with Chilean Banking GAAP. The charges, accruals and reserves on the books of the Borrower and its



Significant Subsidiaries in respect of Taxes for all fiscal periods are adequate, and there is no unpaid assessment for additional Taxes for any fiscal period or any basis therefor.

Section 4.12. No Burdensome Restrictions; No Defaults.

(a) Neither the Borrower nor any of its Subsidiaries is in default under or with respect to any contract, agreement, lease or other instrument to which any such Person is a party and which could reasonably be expected to cause a Material Adverse Effect. To the knowledge of each Responsible Officer of the Borrower, neither the Borrower nor any of its Subsidiaries has received any notice of default under any contract, agreement, lease, or other instrument to which any such Person is a party which is continuing or which, if not cured, could reasonably be expected to cause a Material Adverse Effect.

(b) No Default or Event of Default has occurred and is continuing.

Section 4.13. Permits, Licenses, Etc. Each of the Borrower and its Significant Subsidiaries possesses all permits, licenses, patents, patent rights or licenses, trademarks, trademark rights, trade names rights and copyrights which are material to the conduct of its business, except where the failure to possess any of the same could not reasonably be expected to cause a Material Adverse Effect; provided, however, that the Borrower has obtained and maintains in full force and effect all necessary licenses, permits, concessions or other governmental approvals related to any aspect of its banking business. Each of the Borrower and its Significant Subsidiaries manages and operates its business in accordance with all applicable Legal Requirements the failure to comply with which could reasonably be expected to cause a Material Adverse Effect.

Section 4.14. Compliance with Laws; Material Agreements. Neither the Borrower nor any of its Significant Subsidiaries is in violation of any Legal Requirement the failure to comply with which could reasonably be expected to cause a Material Adverse Effect and is not in violation of any Legal Requirements relating to minimum capital or capital adequacy requirements, bank regulatory or supervisory compliance, liquidity in respect of foreign currency liabilities, social security, retirement funds or pensions. Neither the Borrower nor any of its Significant Subsidiaries is in violation of any provision of any Material Agreement to which it is a party, and the execution and delivery of this Agreement and the Credit Documents and the consummation of the transactions contemplated thereunder shall not result in any breach of any provisions of, or constitute a default under, any Material Agreement, except any violation, breach, or default which could not reasonably be expected to result in a Material Adverse Effect.

Section 4.15. Rank of Obligations. The claims of the Administrative Agent, the Arrangers and the Lenders against the Borrower under this Agreement and the Instruments rank at least *pari passu* in priority of payment and in all other respects with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred solely by the laws of Chile relating to bankruptcy, insolvency, liquidation, or other similar laws of general application, Taxes payable to Governmental Authorities, and wages, salaries, and other social security benefits of the employees of the Borrower.

Section 4.16. No Immunity. In any proceeding taken in Chile or the United States of America in relation to this Agreement, the Borrower will not be entitled to claim for itself or any of its assets



immunity (including, without limitation, sovereign immunity) from suit, execution, attachment or other legal process.

Section 4.17. Chilean Law Requirements. All acts, conditions, and things required by the laws of Chile in force at the date hereof to be done, fulfilled, and performed in order (a) to enable the Borrower lawfully to enter into this Agreement and to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Agreement, and (b) to ensure that the obligations expressed to be assumed by the Borrower in this Agreement are legal, valid, and binding, have been done, fulfilled, and performed. The qualification of the Administrative Agent or any Lender for admission to do business under the laws of Chile does not constitute a condition to, and the failure to so qualify does not affect the exercise by the Administrative Agent or such Lender of, any right, power, or remedy accorded it under any Credit Document.

Section 4.18. Legal Form; Formalities; Instruments; Chilean Stamp Tax.

(a) Except as noted in Section 4.18(b), this Agreement and the other Credit Documents are in proper legal form under the laws of Chile for the enforcement thereof in accordance with their respective terms in the courts of Chile. The obligations of the Borrower under this Agreement and the other Credit Documents may be enforced (by judgment and levy) in accordance with their respective terms in a proceeding at law in any competent court in Chile.

(b) It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in Chile of any Credit Document (other than the Instruments) that the same be notarized, filed, recorded or enrolled with any Governmental Authority, or that any such document be stamped with any stamp, registration or similar transaction Tax (or that any such Tax be paid), except that in order for any Credit Document to be admissible in evidence in judicial proceedings in a court in Chile, (i) such document would have to be originally executed in the Spanish language or would have to be translated into the Spanish language by an approved translator (which translation could be effected in relation to any document at any time prior to such document being so admitted in evidence) and (ii) that the applicable stamp Tax is paid and such court may require evidence of the payment of any Chilean stamp Tax that may be applicable. The Borrower is permitted under applicable law to pay any additional other amounts under Section 2.12 as will result from any such stamp, registration or similar transaction tax.

(c) Each of the Instruments shall constitute, upon the payment of any applicable Chilean stamp Tax (when applicable), a valid *titulo ejecutivo* enforceable against the Borrower in accordance with Chilean law.

Section 4.19. Chilean Tax Requirements. No withholding or other Tax is currently required under applicable law to be paid in respect of, or deducted from, any payment required to be made by the Borrower under this Agreement, the Instruments, or any other Credit Document, other than (i) payments of interest made by the Borrower from Chile to a resident of a country other than Chile that is a foreign or international banking or financial institution, which are subject to Chilean withholding Tax at an effective rate of 4.0% and (ii) other than as described in Section 4.19(i), payments of all Credit Obligations (excluding principal) made by the Borrower from Chile to a resident of a country other than Chile may be subject to Chilean withholding Tax at an effective rate of 35.0%. Further, the New Loans are subject to Chilean stamp Tax equal to 0.4%



on the principal amount thereof, which shall be paid prior to disbursement as set forth in section 3.02(c) hereof. If this representation is deemed made as of a date subsequent to the date hereof, the foregoing shall be deemed to be modified to incorporate any change in Chilean law or regulation (or official interpretation thereof) subsequent to the date hereof. The Borrower is permitted under applicable law to pay any additional amounts payable under Section 2.12 as will result in receipt by the Lenders of such amounts as would have been received by the Lenders had no such withholding been required.

Section 4.20. Chilean Insolvency and Reorganization Rules. Neither the Borrower nor any of its Significant Subsidiaries has taken any corporate action nor have any other steps been taken or legal proceedings been started, or to the best of the Borrower's knowledge and belief threatened, against the Borrower or any of its Significant Subsidiaries for its winding-up, dissolution, administration, or reorganization or for the appointment of a receiver, administrator, administrative receiver, trustee, or similar officer of it or of any or all of its assets or revenues.

Section 4.21. Anti-Terrorism Laws; Anti-Corruption Laws; Economic Sanctions Laws and Regulations.

(a) Neither the Borrower nor any of its Subsidiaries is in violation of any Sanctions.

(b) Neither the Borrower nor any of its Subsidiaries (or any director, officer, employee, or agent thereof acting on behalf of the same) (i) has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) offered, paid, given, promised to pay, authorized the payment of, or taken any action in furtherance of the payment of anything of value directly or indirectly to a Government Official or any other person to improperly influence the recipient's action or otherwise to obtain or retain business or to secure an improper business advantage; or (iii) violated or is in violation of any provision of any applicable Anti-Corruption Laws.

(c) Neither the Borrower nor any of its Subsidiaries (or any director, officer, employee, or agent thereof):

(i) is a Restricted Party; or

(ii) has received notice of, or is aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority.

(d) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws, applicable Anti-Terrorism Laws and applicable Sanctions. None of (a) the Borrower, any Subsidiary or any of their respective directors or officers, or, to the knowledge of the Borrower, any of their respective employees or Affiliates, or (b) to the knowledge of the Borrower, any agent of the Borrower, or any Subsidiary or other Affiliate that will act in any capacity in connection with or benefit from the credit facility established hereby, (i) is a Sanctioned Person, or (ii) is in violation of Anti-Terrorism Laws, Anti-Corruption Laws, or Sanctions. No Loan, use of proceeds or other transaction contemplated by this Agreement will cause a violation of Anti-Terrorism Laws, Anti-Corruption Laws or applicable Sanctions by any person participating in the transactions



contemplated by this Agreement, whether as lender, borrower, guarantor, agent, or otherwise. The Borrower represents that, except as disclosed to the Administrative Agent and the Lenders prior to the date of this Agreement, neither it nor any of its Subsidiaries, nor its parent company, or, to the knowledge of the Borrower, any other Affiliate has engaged in or intends to engage in any dealings or transactions with, or for the benefit of, any Sanctioned Person or with or in any Sanctioned Country.

Section 4.22. International Banking Facility. The Borrower, an entity located outside the United States of America, understands that it is the policy of the Board of Governors of the Federal Reserve System of the United States that extensions of credit by international banking facilities, such as the Loan hereunder, may be used only to finance the non-U.S. operations of the Borrower or the Borrower's affiliates located outside the United States.

ARTICLE V

AFFIRMATIVE COVENANTS

So long as any Loan or any amount under any Credit Document shall remain unpaid (other than contingent indemnification obligations for which no claim has been made) or any Lender shall have any Commitment hereunder, the Borrower agrees, unless the Majority Lenders shall otherwise consent in writing, to comply with the following covenants.

Section 5.01. Compliance with Laws, Material Agreements, Etc. The Borrower will comply, and cause each of its Subsidiaries to comply, with all Legal Requirements of which the failure to comply could reasonably be expected to cause a Material Adverse Effect, and with all provisions of the Credit Documents (material or not). Without limiting the generality and coverage of the foregoing, the Borrower shall comply, and shall cause each of its Subsidiaries to comply, in all material respects, with all Material Agreements except to the extent that the failure to comply could not reasonably be expected to have a Material Adverse Effect and, in all respects (material or not), with all Legal Requirements with respect to minimum capital or capital adequacy requirements, bank regulatory or supervisory compliance, liquidity in respect of foreign currency liabilities, equal employment opportunity and employee safety in all jurisdictions in which the Borrower, or any of its Subsidiaries do business; provided, however, that this Section 5.01 shall not prevent the Borrower, or any of its Subsidiaries from, in good faith and with reasonable diligence, contesting the validity or application of any such laws or regulations by appropriate legal proceedings.

Section 5.02. Maintenance of Insurance. The Borrower will maintain and cause each of its Significant Subsidiaries to maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Significant Subsidiary operates.

Section 5.03. Preservation of Corporate Existence, Etc. The Borrower will preserve and maintain, and cause each of its Significant Subsidiaries to preserve and maintain, its organizational existence, rights, franchises and privileges in the jurisdiction of its organization,



and qualify and remain qualified, and cause each such Significant Subsidiary to qualify and remain qualified to do business in each jurisdiction in which qualification is necessary in view of its business and operations or the ownership of its properties, and, in each case, where failure to qualify or preserve and maintain its rights and franchises could reasonably be expected to cause a Material Adverse Effect; provided, however, that nothing contained in this Section 5.03 shall prevent any transaction permitted by Section 6.04.

Section 5.04. Preservation of Permits, Licenses, Etc. The Borrower will preserve and maintain, and cause each of its Significant Subsidiaries to preserve and maintain, all licenses and permits issued by any Governmental Authority which are material to the conduct of its business, in each case, where the failure to possess any of the same could reasonably be expected to cause a Material Adverse Effect.

Section 5.05. Payment of Taxes, Etc. The Borrower will pay and discharge, and cause each of its Significant Subsidiaries to pay and discharge, before the same shall become delinquent and which the failure to timely pay or discharge could reasonably be expected to cause a Material Adverse Effect, (a) all Taxes (including without limitation all stamp Taxes) imposed upon it or upon its income or profits or Property that are material in amount, prior to the date on which penalties attach thereto and (b) all lawful claims that are material in amount which, if unpaid, might by law become a Lien upon its Property; provided, however, that neither the Borrower nor any such Significant Subsidiary shall be required to pay or discharge any such Tax which is being contested in good faith and by appropriate proceedings, and with respect to which adequate reserves in conformity with Chilean Banking GAAP have been provided.

Section 5.06. Reporting Requirements. The Borrower will furnish to the Administrative Agent:

(a) Defaults. As soon as possible and in any event within five (5) Business Days after the occurrence of each Default known to a Responsible Officer of the Borrower or any of its Significant Subsidiaries which is continuing on the date of such statement, a statement of an authorized financial officer of the Borrower setting forth the details of such Default and the actions which the Borrower has taken and proposes to take with respect thereto; provided that failure to deliver notice of the occurrence of a Default shall not itself result in an Event of Default hereunder if such underlying Default has been cured prior to the expiration of any applicable grace or cure period set forth herein;

(b) Semi-Annual Financials. As soon as available and not later than ninety (90) days after the end of the second quarter of each fiscal year of the Borrower, copies of the unaudited, consolidated, informal financial statements as of the six-month period then ended in Spanish filed by the Borrower with the *Superintendencia de Bancos e Instituciones Financieras*, together with a Compliance Certificate duly executed by the chairman of the board, chief executive officer, chief financial officer or the treasurer of the Borrower;

(c) Annual Financials. As soon as available and in any event not later than one hundred and twenty (120) days after the end of each fiscal year of the Borrower and its Subsidiaries, the audited, consolidated financial statements in English for the Borrower and its Subsidiaries as of the close of such year, in reasonable detail and accompanied by a report thereon by a firm of independent certified public accountants of recognized international



standing selected by the Borrower, containing an opinion to the effect that such consolidated financial statements have been prepared in accordance with Chilean Banking GAAP and present fairly in all material respects the financial conditions of the Borrower and its Subsidiaries and the result of their operations and that the examination by such accountants in connection with their report upon such financial statements has been made in accordance with generally accepted auditing standards, together with a Compliance Certificate duly executed by the chairman of the board, chief executive officer, chief financial officer, or the treasurer of the Borrower;

(d) Other Reports. Promptly and in any event within fifteen (15) days after the sending, filing or receipt thereof, as the case may be, copies of (i) all financial statements and reports sent by the Borrower or any Significant Subsidiary to shareholders generally, (ii) filings with any stock exchange or securities regulator in Chile, (iii) all debt offering statements, and (iv) the monthly reports sent to the *Superintendencia de Bancos e Instituciones Financieras*; provided, that the Borrower will be deemed to have complied with Sections 5.06(b), (c) and (d)(i), (ii) and (iv) (except with respect to Compliance Certificates) if any such reports are posted on the website of *Superintendencia de Bancos e Instituciones Financieras* (www.sbif.cl) and/or Corpbanca's website (www.corpbanca.cl); provided, further, however that the Administrative Agent shall not be required to obtain copies of such monthly reports from the websites described immediately above, nor shall the Administrative Agent be required to provide copies of such reports to the Lenders;

(e) Material Changes. Prompt written notice of any condition or event of which any Responsible Officer of the Borrower has knowledge, which condition or event has resulted or may reasonably be expected to result in (i) a Material Adverse Effect, (ii) a breach of or noncompliance with any term, condition, or covenant of any contract to which the Borrower or any of its Significant Subsidiaries is a party or by which they or their properties may be bound, which breach or noncompliance could reasonably be expected to cause a Material Adverse Effect, (iii) a Change of Control, (iv) a modification to the terms of any license or permit of the type set forth in the definition of Legal Requirement with respect to the Borrower or any of its Significant Subsidiaries, or (v) any material change in Chilean Banking GAAP or in the application thereof since the date of the most recent audited financial statements referred to in Section 5.06(c) and, if any such change has occurred, specify the effect of such change on the most recent financial statements delivered to the Administrative Agent pursuant to this Section 5.06;

(f) Disputes, Etc. Prompt written notice of any claims, litigation, proceedings, or disputes, or to the knowledge of the Borrower threatened, affecting the Borrower, or any of its Significant Subsidiaries that could reasonably be expected to cause a Material Adverse Effect;

(g) Other Information. Such other information with respect to the business or Properties, or the condition or operations, financial or otherwise, of the Borrower, or any of its Significant Subsidiaries, as any Lender through the Administrative Agent may from time to time reasonably request.

Section 5.07. Maintenance of Property. Borrower shall, and shall cause each of its Significant Subsidiaries to, (a) maintain their material owned (other than owned but leased to customers pursuant to capital leases in the ordinary course of the Borrower's banking business or any



Significant Subsidiary's business), leased, or operated property, equipment, buildings and fixtures in good condition, repair and working order (except for ordinary wear and tear), and supplied with all necessary equipment, and make all necessary repairs, renewals, replacements, betterments, and improvements thereto, (i) all as may be reasonably necessary so that the business carried on in connection therewith may be properly conducted at all times and (ii) where the failure to do so could reasonably be expected to cause a Material Adverse Effect, and (b) not knowingly or willfully permit the commission of waste or other injury, or the occurrence of pollution, contamination or any other condition in, on or about the owned or operated property involving the environment that could reasonably be expected to cause a Material Adverse Effect.

Section 5.08. Books and Records. The Borrower will keep, and will cause each Significant Subsidiary to keep, adequate and proper records and books of account in which full and correct entries will be made of its dealings, business and affairs, so that the financial statements of the Borrower may be prepared in accordance with Chilean Banking GAAP.

Section 5.09. Rank of Obligations. The Borrower will cause at all times that the claims of the Administrative Agent, the Arrangers and the Lenders against the Borrower under this Agreement will rank at least *pari passu* in priority of payment and in all other respects with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred solely by the laws of Chile relating to bankruptcy, insolvency, liquidation or other similar laws of general application, Taxes payable to Governmental Authorities, and wages, salaries and other social security benefits of the employees of the Borrower.

Section 5.10. Central Bank and CIRS Notifications. The Borrower shall notify the *Banco Central de Chile* and the Chilean Internal Revenue Service of the execution and delivery of this Agreement, the relevant Borrowing and the issuance or assignment of any Instruments, in each case as may be required by applicable Chilean Legal Requirements. Promptly after such notification, the Borrower shall provide to the Administrative Agent evidence thereof reasonably satisfactory to the Administrative Agent.

Section 5.11. Change in Basis of Preparation of Financial Statements.

(a) The Borrower shall notify the Administrative Agent of any intended change in the basis on which any financial statements required to be prepared by the Borrower and delivered to the Administrative Agent under this Agreement are prepared that could have an effect on the calculation of, or on the financial accounts directly or indirectly involved in determining compliance with, any covenant in Article VI of this Agreement or the occurrence of an Event of Default under Article VII of this Agreement. Such notification shall be made at least sixty (60) days in advance of any such change entering into effect.

(b) The Borrower shall accompany the notification required under Section 5.11(a) with:

(i) a full description of any change notified under Section 5.11(a); and

(ii) a statement containing sufficient information, in such detail and format as may be reasonably required by the Administrative Agent or any Lender, to enable the Administrative Agent and the Lenders:



- (A) to make a proper comparison between the financial position shown by the set of financial statements prepared on the changed basis and the Original Financial Statements (or if all prior changes in the basis of financial statements have been previously addressed in accordance with this Section 5.11 and audited consolidated financial statements have been delivered reflecting such changes, the most recent audited consolidated annual financial statements prepared in accordance with Chilean Banking GAAP) (the “Prior Financial Statements”); and
- (B) to test the financial covenants in Article VI as if the financial statements prepared on the changed basis would be prepared on the basis on which the Prior Financial Statements were prepared.

(c) If required by any Lender, the Borrower shall procure that, to the extent practicable under Chilean financial audit rules and customs, its auditors or another firm of independent public accountants of international standing (in each case, at the Borrower’s cost) confirm to the Administrative Agent and the Lenders the accuracy of the information provided pursuant to Section 5.11(b)(ii).

(d) The Borrower shall agree to any amendments required by any Lender, acting reasonably and in good faith, to be made to this Agreement to place the Lenders in the same position they would have been in if the change notified under paragraph (a) above had not happened, including, without limitation, (i) such amendments to Article VI and/or the definitions of any or all of the terms used therein as are necessary to give the Lenders comparable protection to that contemplated at the date of this Agreement and (ii) any other amendments to this Agreement which are necessary to ensure that the adoption by the Borrower and/or any of its Subsidiaries of such different accounting basis does not result in any material alteration in the commercial effect of the obligations of the Borrower under the Credit Documents.

Section 5.12. Anti-Terrorism Laws; Anti-Corruption Laws; Economic Sanctions Laws and Regulations.

(a) The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws, applicable Anti-Terrorism Laws and applicable Sanctions.

(b) The Borrower shall, and cause each of its Subsidiaries to, at all times institute, maintain and comply with internal procedures and controls consistent with the laws of Chile and the United States, for the purpose of preventing the Borrower from violating Anti-Corruption Laws or from being used for money laundering, the financing of terrorist activity, fraud or other corrupt or illegal purposes or practices.

(c) The Borrower will, and will cause each of its Subsidiaries to, at all times institute, maintain and comply with internal procedures and controls consistent with the laws of Chile and the United States, for the purpose of preventing the Borrower from entering into any transaction



with, or, to its knowledge, for the benefit of, any Restricted Party, and from engaging in any activity in violation of applicable Sanctions.

ARTICLE VI

NEGATIVE COVENANTS

So long as any Loan or any amount under any Credit Document shall remain unpaid (other than contingent indemnification obligations for which no claim has been made) or any Lender shall have any Commitment hereunder, the Borrower agrees, unless the Majority Lenders otherwise consent in writing, to comply with the following covenants.

Section 6.01. Limitation on Liens, Etc. The Borrower will not create, assume, incur, or suffer to exist, any Lien on any Property of the Borrower, whether now owned or hereafter acquired, or assign any right to receive income, except Permitted Liens.

Section 6.02. Restricted Payments. The Borrower shall not make any Restricted Payments (a) if an Event of Default is continuing on the date of the proposed Restricted Payment or a Default would exist immediately after giving effect to such proposed Restricted Payment or (b) if, after giving effect to such proposed Restricted Payment, the Borrower would fail to meet (x) any Chilean regulatory capital requirements or (y) any rule, guideline or directive promulgated by the Bank for International Settlements or the Basel Committee on Banking Supervision (or any successor or similar authority) pursuant to Basel III, as implemented in Chile.

Section 6.03. Agreements Restricting Liens and Distributions. The Borrower will not enter into or be party to any agreement (other than a Credit Document) which (a) except with respect to specific property encumbered to secure repayment of borrowed money related to such property, imposes restrictions greater, taken as a whole, than those under this Agreement upon the creation or assumption of any Lien upon its properties, revenues or assets, whether now owned or hereafter acquired or (b) limits Restricted Payments to or any Loan by any of the Borrower's Significant Subsidiaries to the Borrower; provided that agreements, including credit facility agreements, entered into in the ordinary course of the Borrower's banking business shall not be prohibited by this Section 6.03.

Section 6.04. Merger or Consolidation; Asset Sales. Except with respect to the transactions, mergers, consolidations or other reorganizations of the Borrower or any of its Significant Subsidiaries contemplated in, made in connection with or as a result of that certain Transaction Agreement, dated January 29, 2014 (the "Transaction Agreement"), among Inversiones Corp. Group Interhold Limitada, Inversiones Gasa Limitada, the Borrower, Itaú Unibanco Holding S.A. and Banco Itaú Chile, the Borrower will not, and will not permit any of its Significant Subsidiaries to:

- (i) merge or consolidate with or into any Person (except that (a) any Person may merge or consolidate with or into the Borrower, with the Borrower being the surviving entity and (b) any Person other than the Borrower may merge or consolidate with or into any Significant Subsidiary, with such Significant Subsidiary being the



surviving entity), or convey, transfer or lease substantially all of its assets to any Person (except that (a) any Person may make such conveyance, transfer or lease to the Borrower or (b) any Person other than the Borrower may make such conveyance, transfer or lease to any Significant Subsidiary) in a single transaction or series of transactions; or

(ii) sell, lease, transfer, or otherwise dispose of more than 20% of its Tangible Net Worth over the term of this Agreement, other than in the ordinary course of business.

; provided that, for the avoidance of doubt, nothing in this Section 6.04 shall be understood to impose any limitation on a Change of Control which does not require the Borrower to prepay the Loans pursuant to Section 2.07(d).

Section 6.05. Affiliate Transactions. Except as expressly permitted elsewhere in this Agreement or in the Transaction Agreement, the Borrower will not, and will not permit any of its Significant Subsidiaries to, make, directly or indirectly: (a) any investment in any Affiliate (other than a wholly-owned Subsidiary of the Borrower) (a "Restricted Affiliate"); (b) any transfer, sale, lease, assignment or other disposal of any assets to any Restricted Affiliate or any purchase or acquisition of assets from any Restricted Affiliate; or (c) any arrangement or other transaction directly or indirectly with or for the benefit of any Restricted Affiliate (including, without limitation, guaranties and assumptions of obligations of an Affiliate); provided that the Borrower or any of its Significant Subsidiaries may enter into any arrangement or other transaction directly or indirectly with, or for the benefit of, any Restricted Affiliate if the monetary or business consideration arising therefrom would be at least as advantageous to the Borrower or the Significant Subsidiary, as the case may be, as the monetary or business consideration which it would obtain in a comparable arm's length transaction with a Person who is not a Restricted Affiliate. For the avoidance of doubt, this Section 6.05 shall not apply to employment arrangements with, payment of compensation, expense reimbursement, indemnification or benefits to or for the benefit of any current or former employees, officers or directors of the Borrower or its Significant Subsidiaries.

Section 6.06. Use of Proceeds. The Borrower will not use the proceeds of any Loans for any purpose other than as provided in Section 4.09.

Section 6.07. Minimum BIS Capital Ratio. The Borrower will not permit its BIS Capital Ratio to be, at any time, less than the higher of (a) 8% and (b) the minimum capital adequacy requirements mandated by the *Superintendencia de Bancos e Instituciones Financieras* at such time.

Section 6.08. Maximum Non-Performing Loans to Total Loans Ratio. The Borrower will not permit its Non-Performing Loans to Total Loans Ratio, on a consolidated basis, to be, at any time, greater than the lower of (a) 3% and (b) the maximum level of such ratio permitted by the *Superintendencia de Bancos e Instituciones Financieras* at such time.

Section 6.09. Minimum Ratio of Loan Loss Reserves to Non-Performing Loans. The Borrower will not permit its Loan Loss Reserves to Non-Performing Loans Ratio, on a consolidated basis, to be less than the higher of (a) 100% or (b) the minimum level of such ratio permitted by the *Superintendencia de Bancos e Instituciones Financieras* at such time.



Section 6.10. No Change in Line of Business. The Borrower will not, and will not permit any of its Significant Subsidiaries to, engage in any business other than the respective businesses in which the Borrower and its Significant Subsidiaries are engaged on the date of this Agreement and any business related or incidental thereto.

Section 6.11. Compliance with Anti-Terrorism Laws; Anti-Corruption Laws and Economic Sanctions Laws and Regulations.

(a) Neither the Borrower nor any of its Subsidiaries (or any director, officer, employee, or agent thereof acting on behalf of the same) shall (i) use any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) offer, pay, give, promise to pay, authorize the payment of, or take any action in furtherance of the payment of anything of value directly or indirectly to a Government Official or any other person to improperly influence the recipient's action or otherwise to obtain or retain business or to secure an improper business advantage or (iii), by act or omission, violate any applicable Anti-Corruption Laws.

(b) Neither the Borrower nor any of its Subsidiaries shall permit or authorize any other Person to, directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of any Loan or other transaction(s) contemplated by this Agreement to fund any trade, business or other activities:

(i) involving or for the benefit of any Restricted Party; or

(ii) in any other manner that would reasonably be expected to result in the Borrower, any of its Subsidiaries or any Lender being in breach of any Sanctions (if and to the extent applicable to them) or becoming a Restricted Party.

(c) The Borrower will not request any Loan, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees, Affiliates and agents shall not use, directly or indirectly, the proceeds of any Loan, or lend, contribute or otherwise make available such proceeds to any Subsidiary, other Affiliate, joint venture partner or other Person, (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or Anti-Terrorism Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or involving any goods originating in or with a Sanctioned Person or Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions by any Person (including any Person participating in the transactions contemplated hereunder, whether as underwriter, advisor lender, investor or otherwise).

ARTICLE VII

DEFAULT AND REMEDIES

Section 7.01. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under any Credit Document:



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(a) Payment. The Borrower shall fail to (i) pay any principal of any Loan when due, or (ii) pay any interest on any Loan or any fee or other amount payable hereunder or under any other Credit Document within two (2) Business Days of when the same becomes due and payable;

(b) Representation and Warranties. Any representation or warranty made or deemed to be made (i) by the Borrower in this Agreement or in any other Credit Document, or (ii) by the Borrower (or any of its officers) in connection with this Agreement or any other Credit Document, shall prove to have been incorrect in any material respect when made or deemed to be made;

(c) Covenant Breaches. The Borrower shall (i) fail to perform or observe any covenant contained in Section 5.01, 5.03, 5.09 or 5.12, or Article VI, of this Agreement or (ii) fail to perform or observe any other term or covenant set forth in this Agreement or in any other Credit Document which is not covered by clause (i) above or any other provision of this Section 7.01 if such failure shall remain unremedied for thirty (30) days after the earlier of (A) written notice of such default shall have been given to the Borrower by the Administrative Agent or any Lender, or (B) a Responsible Officer of the Borrower's actual knowledge of such default;

(d) Cross-Defaults. (i) The Borrower or any of its Significant Subsidiaries shall fail to pay any principal of or premium or interest on its Indebtedness (excluding the Loans) and/or shall fail to meet any payment or collateralization obligation in respect of any Derivatives Obligations that, in one or more related or unrelated transactions is outstanding in a principal amount or in the case of Derivatives Obligations has a then-current Termination Amount, exceeding in the aggregate ten million Dollars (\$10,000,000) (or the equivalent thereof in other currencies), in each case when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness (or, in the case of Derivatives Obligations, continues for the longer of (x) a period of five (5) Business Days and (y) the expiration of any applicable grace period, if any, specified in the agreement or instrument relating to such Derivatives Obligations); or (ii) any default, event of default or other event or condition shall occur under any indenture, agreement or other instrument relating to any Indebtedness or Derivative Obligation that, in one or more related or unrelated transactions is outstanding in a principal amount, and in the case of Derivatives Obligations has a then-current Termination Amount, exceeding in the aggregate ten million Dollars (\$10,000,000) (or the equivalent in other currencies); and the effect of such event or condition is to cause, or to permit a Person to cause, any principal amount of such Indebtedness to become due and payable prior to the date on which it would otherwise become due and payable, or any Termination Amount in respect of any such Derivatives Obligations to become due and payable;

(e) Insolvency. (i) The Borrower or any of its Significant Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or (ii) any proceeding shall be instituted by or against the Borrower or any of its Significant Subsidiaries seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law



relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against the Borrower or any such Significant Subsidiary, either such proceeding shall remain undismissed for a period of forty five (45) days or any of the actions sought in such proceeding shall occur; or (iii) the Borrower or any of its Significant Subsidiaries shall take any corporate action to authorize or shall take any of the actions set forth above in this paragraph (e);

(f) Judgments. Any judgment or order for the payment of money in excess of ten million Dollars (\$10,000,000) (reduced for purposes of this paragraph for the amount in respect of such judgment or order that a reputable insurer has acknowledged as being payable under any valid and enforceable insurance policy) shall be rendered against the Borrower or any of its Significant Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of forty five (45) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(g) Material Adverse Effect. Any Material Adverse Effect shall occur;

(h) Expropriation. Any Governmental Authority or any other dominant authority asserting or exercising *de jure* or *de facto* governmental or police powers in Chile (with respect to the Borrower) or in any other jurisdiction where the Borrower's Significant Subsidiaries' have operations (with respect to any of the Borrower's Significant Subsidiaries), shall have condemned, nationalized, seized, or otherwise expropriated all or any substantial part of the property, shares of capital stock or other assets of the Borrower or any of its Significant Subsidiaries, or shall have assumed control of such property or of the business or operations of the Borrower or any of its Significant Subsidiaries, or shall have taken any action for the dissolution or disestablishment of the Borrower or any of its Significant Subsidiaries, or any action that would prevent the Borrower, any of its Significant Subsidiaries or their respective officers from carrying on a substantial part of the business of the Borrower or any of its Significant Subsidiaries, as the case may be;

(i) Denial or Declaration of Liability. The Borrower shall deny its obligations under this Agreement or any other Credit Document or its validity or enforceability shall be disputed or contested (in writing) by the Borrower;

(j) Imposition of Currency Restrictions. Any Governmental Authority shall take any action (A) canceling, suspending or deferring the obligation of the Borrower to pay any amount of principal or interest payable under this Agreement or any of the Instruments, including a general moratorium, (B) preventing the fulfillment by the Borrower of its obligations under this Agreement or any of the Instruments, (C) restricting the availability to the Borrower of foreign currencies in exchange for pesos or otherwise or (D) requiring the Borrower to participate in any facility or exercise involving the rescheduling of the Borrower's debts or the restructuring of the currency in which the Borrower may pay its obligations;

(k) Regulatory Intervention, Regulatory Licenses. The *Superintendencia de Bancos e Instituciones Financieras* or any other Governmental Authority shall intervene in the business, or



displace the management or board of directors, of the Borrower in the conduct of its business or shall revoke or fail to renew any regulatory license or permit material to the Borrower's business; or

(l) Moratorium. Any Governmental Authority of Chile declares any general payment delay, refusal to pay or acknowledge a payment obligation, repudiation or other action (whether or not formally announced), which in any such case relates to debts or any category of debts not to be paid in accordance with their terms and prevents the availability of foreign exchange by the Borrower for the purpose of performing any material obligation under this Agreement or any other Credit Document.

Section 7.02. Optional Acceleration of Maturity. If any Event of Default (other than an Event of Default pursuant to paragraph (e) of Section 7.01) shall have occurred and be continuing, then, and in any such event the Administrative Agent (a) shall at the request, or may without the consent, of the Majority Lenders, by notice to the Borrower, declare the obligation of each Lender to make Loans to be terminated, whereupon the same shall forthwith terminate, and (b) shall at the request, or may without the consent, of the Majority Lenders, by notice to the Borrower, declare the Loans, all interest thereon, and all other amounts payable under this Agreement and the Instruments to be forthwith due and payable, whereupon the Loans, all such interest, and all such other amounts shall become and be forthwith due and payable in full, without presentment, demand, protest, or further notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrower.

Section 7.03. Automatic Acceleration of Maturity. If any Event of Default pursuant to paragraph (e) of Section 7.01 shall occur, the obligation of each Lender to make Loans shall immediately and automatically be terminated and the Loans, all interest on the Loans, and all other amounts payable under this Agreement and the Instruments shall immediately and automatically become and be due and payable in full, without presentment, demand, protest or any notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrower; provided that this Section 7.03 shall not apply to a Chilean Voluntary Bankruptcy Proceeding commenced by the Borrower or any of its Subsidiaries during the period in which the *Protección Financiera Concursal* described in Article 57 of the Chilean Bankruptcy Law is in effect with respect to the Borrower or the relevant Subsidiary.

Section 7.04. Non-exclusivity of Remedies. No remedy conferred upon the Administrative Agent or a Lender is intended to be exclusive of any other remedy, and each remedy shall be cumulative of all other remedies existing by contract, at law, in equity, by statute or otherwise.

Section 7.05. Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, each Lender (and each of its Affiliates) is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, but excluding deposits that such Lender knows or, with reasonable inquiry should know, are held by the Borrower in a fiduciary capacity for the benefit of others) at any time held and other indebtedness at any time owing by such Lender (or any of its Affiliates) to or for the credit or the account of the Borrower against any and all of the



obligations of the Borrower now or hereafter existing under this Agreement and the Instrument held by such Lender irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section 7.05 are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender may have.

Section 7.06. Application of Payments. During the existence of an Event of Default, all payments and collections shall be applied to the Credit Obligations in accordance with Section 2.11 and first to any reimbursements and indemnifications due to the Lenders, then ratably to any accrued and unpaid interest and fees due to the Lenders, then ratably to the outstanding principal balance of the Loans.

ARTICLE VIII

THE ADMINISTRATIVE AGENT

Section 8.01. Appointment, Powers and Immunities. Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to act as its administrative agent under this Agreement and the other Credit Documents with such powers and discretion as are specifically delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The Administrative Agent (which term as used in this sentence and in Section 8.05 and the first sentence of Section 8.06 shall include its Affiliates and its own and its Affiliates' officers, directors, employees, and agents): (a) shall not have any duties or responsibilities except those expressly set forth in this Agreement and shall not be a trustee or fiduciary for any Lender; (b) shall not be responsible to the Lenders for any recital, statement, representation, or warranty (whether written or oral) made in or in connection with any Credit Document or any certificate or other document referred to or provided for in, or received by any of them under, any Credit Document, or for the value, validity, effectiveness, genuineness, enforceability, or sufficiency of any Credit Document, or any other document referred to or provided for therein or for any failure by the Borrower or any other Person to perform any of its obligations thereunder; (c) shall not be responsible for or have any duty to ascertain, inquire into, or verify the performance or observance of any covenants or agreements by the Borrower or the satisfaction of any condition or to inspect the property (including the books and records) of the Borrower or any of its Subsidiaries or Affiliates; (d) shall not be required to initiate or conduct any litigation or collection proceedings under any Credit Document; and (e) shall not be responsible for any action taken or omitted to be taken by it under or in connection with any Credit Document, except for its own gross negligence or willful misconduct (as determined by a court of competent jurisdiction by final and nonappealable judgment). The Administrative Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care.



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Section 8.02. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon any certification, notice, instrument, writing, or other communication (including, without limitation, any thereof by telephone or telecopy) reasonably believed by it to be genuine and correct and to have been signed, sent or made by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel (including counsel for the Borrower), independent accountants, and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Instrument as the holder thereof for all purposes of this Agreement unless and until the Administrative Agent receives and accepts an Assignment and Acceptance executed in accordance with Section 9.07. As to any matters not expressly provided for by this Agreement, the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding on all of the Lenders; provided, however, that the Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to any Credit Document or applicable law or unless it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking any such action.

Section 8.03. Defaults. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Administrative Agent has received written notice from a Lender or the Borrower specifying such Default or Event of Default and stating that such notice is a "Notice of Default". In the event that the Administrative Agent receives such a notice of the occurrence of a Default or Event of Default, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall (subject to Section 8.02) take such action with respect to such Default or Event of Default as shall reasonably be directed by the Majority Lenders, provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interest of the Lenders.

Section 8.04. Rights as Lender. In the event that the party acting as Administrative Agent is also a Lender, with respect to such party's Commitments and the Loans made by it, such party (and any successor acting as both Administrative Agent and a Lender) in its capacity as a Lender hereunder shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. Such party acting as both Administrative Agent and a Lender (and any successor acting as both Administrative Agent and a Lender) and its Affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, make investments in, provide services to, and generally engage in any kind of lending, trust, or other business with the Borrower or any of its Subsidiaries or Affiliates as if it were not acting as Administrative Agent, and such party (and any successor acting as both Administrative Agent and a Lender) and its Affiliates may accept fees and other consideration from the Borrower or any of its Subsidiaries or Affiliates for services in connection with this Agreement or otherwise without having to account for the same to the Lenders.



Section 8.05. Reimbursement. To the extent that the Borrower for any reason fails to pay any amount not reimbursed or indemnified under Section 9.08 (but without limiting the obligations of the Borrower under such Section), each Lender severally agrees to pay to the Administrative Agent such Lender's Pro Rata Share (determined at the time such indemnity is sought), of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Person to be indemnified (as determined by a court of competent jurisdiction in a final and non-appealable decision). Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share (determined at the time such indemnity is sought) of any costs or expenses payable by the Borrower under Section 9.05, to the extent that the Administrative Agent is not promptly reimbursed for such costs and expenses by the Borrower; provided, however, that upon recovery of any or all of such costs and expenses by the Administrative Agent from the Borrower, the Administrative Agent shall remit to each Lender its ratable share of such amounts so recovered. The agreements contained in this Section 8.05 shall survive payment in full of the Loans and all other amounts payable under this Agreement.

Section 8.06. Non-Reliance on Administrative Agent and Other Lenders. Each Lender agrees that it has, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Borrower and its Subsidiaries and decision to enter into this Agreement and that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under the Credit Documents. Except for notices, reports, and other documents and information expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition, or business of the Borrower or any of its Subsidiaries or Affiliates that may come into the possession of the Administrative Agent or any of its Affiliates.

Section 8.07. Resignation and Removal of Administrative Agent. The Administrative Agent may resign at any time by giving at least thirty (30) days' notice thereof to the Lenders and the Borrower. The Administrative Agent may be removed at any time upon the written request of the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Administrative Agent in consultation with the Borrower. If no successor Administrative Agent shall have been so appointed by the Majority Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation, then the retiring or removed Administrative Agent may, on behalf of the Lenders and in consultation with the Borrower, appoint a successor Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor, such successor shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges, and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents. The successor Administrative Agent shall notify the Lenders of its appointment and confirm its acceptance of all responsibilities under this Agreement. After any retiring or removed Administrative Agent's resignation or removal hereunder as



Administrative Agent, the provisions of this Article VIII shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

Section 8.08. Arrangers. The Arrangers shall not have any rights or obligations under this Agreement other than the rights set forth in Section 2.03, 2.12 and Article IX.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement, the Instruments, or any other Credit Document, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders and the Borrower, do any of the following: (a) waive any of the conditions specified in Section 3.01 or 3.02, (b) increase the Commitments of the Lenders or extend the Availability Period or the commitment termination date of the Lenders, (c) reduce the principal of, or interest on, the Loans, the rate of interest applicable to any Loan or any fees or other amounts payable hereunder or under any other Credit Document, (d) postpone any date fixed for any payment of principal of, or interest on, the Loans or any fees or other amounts payable hereunder, (e) change the number of Lenders which shall be required for the Lenders or any of them to take any action hereunder or under any other Credit Document, (f) amend Section 2.02(d), 2.04, 2.07(c) or 2.12 or this Section 9.01, (g) release the Borrower from its obligations under any Credit Document to which it is a party, except pursuant to the terms of the applicable Credit Document, (h) alter the manner in which payments or prepayments of principal, interest or other amounts hereunder shall be applied as among Lenders or (i) amend the definition of "Majority Lenders"; and provided, further, that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any other Credit Document.

Section 9.02. Notices, Etc.

(a) Except as otherwise expressly provided herein, all notices, demands, requests, consents and other communications provided for in this Agreement shall be given in writing, or by any telecommunication device capable of creating a written record (including electronic mail): if to the Borrower, at the Borrower's address at Rosario Norte 660, Las Condes, Santiago, Chile, Attention: Mauricio Santos Diaz (teletype: 562-2660-2322; telephone: 562-2660-2206); if to any Lender, at its Applicable Lending Office specified opposite its name on Schedule II; if to the Administrative Agent, at its address at Standard Chartered Bank, 5th Floor, 1 Basinghall Avenue, London EC2V 5DD, United Kingdom, Attention: Manager Asset Servicing (teletype: +44 207 885 9728); or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties hereto and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent.



(b) All notices, demands, requests, consents and other communications described in clause (a) shall be effective (i) if delivered by hand, including any overnight courier service, upon personal delivery, (ii) if delivered by mail, when received, (iii) if delivered by posting to an Approved Electronic Platform, an Internet website or a similar telecommunication device requiring that a user have prior access to such Approved Electronic Platform, website or other device (to the extent permitted by Section 9.03 to be delivered thereunder), when such notice, demand, request, consent and other communication shall have been made generally available on such Approved Electronic Platform, Internet website or similar device to the class of Person being notified (regardless of whether any such Person must accomplish, and whether or not any such Person shall have accomplished, any action prior to obtaining access to such items, including registration, disclosure of contact information, compliance with a standard user agreement or undertaking a duty of confidentiality) and such Person has been notified in respect of such posting that a communication has been posted to the Approved Electronic Platform and (iv) if delivered by electronic mail or any other telecommunications device, when transmitted to an electronic mail address (or by another means of electronic delivery) as provided in clause (a); provided that notices and communications to the Administrative Agent pursuant to Article II or Article VII) shall not be effective until received by the Administrative Agent.

(c) Notwithstanding clauses (a) and (b) (unless the Administrative Agent requests that the provisions of clause (a) and (b) be followed) and any other provision in this Agreement or any other Credit Document providing for the delivery of any Approved Electronic Communication by any other means, the Borrower shall deliver all Approved Electronic Communications to the Administrative Agent by properly transmitting such Approved Electronic Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to loansagencyuk@sc.com or such other electronic mail address (or similar means of electronic delivery) as the Administrative Agent may notify to the Borrower. Nothing in this clause (c) shall prejudice the right of the Administrative Agent or any Lender to deliver any Approved Electronic Communication to the Borrower in any manner authorized in this Agreement or to request that the Borrower effect delivery in such manner.

Section 9.03. Posting of Approved Electronic Communications.

(a) Each of the Lenders and the Borrower agrees that the Administrative Agent may, but shall not be obligated to, make the Approved Electronic Communications available to the Lenders by posting such Approved Electronic Communications on IntraLinks™ or a substantially similar electronic platform chosen by the Administrative Agent to be its electronic transmission system (the “Approved Electronic Platform”).

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Borrowing Date, a User ID/Password Authorization System) and the Approved Electronic Platform is secured through a single-user-per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution. In consideration for the convenience and other benefits afforded by such



distribution and for the other consideration provided hereunder, the receipt and sufficiency of which is hereby acknowledged, each of the Lenders and the Borrower hereby approves distribution of the Approved Electronic Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE APPROVED ELECTRONIC COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". NEITHER THE ADMINISTRATIVE AGENT NOR ANY OTHER MEMBER OF THE AGENT'S GROUP WARRANTS THE ACCURACY, ADEQUACY OR COMPLETENESS OF THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM AND EACH EXPRESSLY DISCLAIMS ANY LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE ADMINISTRATIVE AGENT OR ANY LENDER OR ANY ARRANGER IN CONNECTION WITH THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM.

(d) Each of the Lenders, the Arrangers and the Borrower agree that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Approved Electronic Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally-applicable document retention procedures and policies.

Section 9.04. No Waiver; Remedies. No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Instrument shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

Section 9.05. Costs and Expenses. The Borrower shall: (a) pay on behalf of, or reimburse the Administrative Agent and the Arrangers on demand for, all of their respective reasonable and documented costs and expenses incurred in connection with the development, negotiation, preparation and execution of the Credit Documents and any other documents prepared in connection therewith, the consummation of the transactions contemplated hereby and the syndication by the Administrative Agent and the Arrangers of the Commitments, including, without limitation, reasonable and documented fees and disbursements of special New York counsel and special Chilean counsel to the Administrative Agent and Arrangers (but excluding fees and disbursements of internal counsel), provided that the liability of the Borrower for costs under this clause (a) shall be subject to the limitations agreed to in writing with the Administrative Agent and the Arrangers in Section 7 of the Mandate Letter; (b) pay or reimburse the Administrative Agent and the Arrangers for all of their respective reasonable and documented costs and expenses in connection with any amendment, supplement or modification to the Credit Documents and any other documents prepared in connection therewith, including, without limitation, the reasonable fees and disbursements of special New York counsel and



special Chilean counsel to the Administrative Agent and Arrangers (but excluding fees and disbursements of internal counsel); and (c) pay or reimburse each Arranger, Lender and the Administrative Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under any Credit Document, and any such other documents, including, without limitation, the fees and disbursements of counsel to each Arranger, Lender and the Administrative Agent. Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 9.05 shall survive the payment in full of the Loans and all other amounts payable under this Agreement.

Section 9.06. Binding Effect. Subject to Section 3.01, this Agreement shall become effective when it shall have been executed by the Borrower and the Administrative Agent, and when the Administrative Agent shall have, as to each Lender, received a counterpart of this Agreement executed by such Lender and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent, and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign any rights or delegate any duties under this Agreement or any interest in this Agreement without the prior written consent of each Lender and any attempted assignment without such prior written consent shall be void and invalid.

Section 9.07. Lender Assignments and Participations.

(a) Assignments. Each Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Loans, its respective Instrument, and its Commitments) with at least five (5) Business Days' prior written notice to the Administrative Agent and the Borrower; provided, however, that

(i) each such assignment shall be to an Eligible Assignee; provided that if the Borrower's approval is required for such Person to be an Eligible Assignee, such approval shall not be unreasonably withheld, conditioned or delayed and shall be deemed given by the Borrower in the event that the Borrower does not object in writing to the Administrative Agent within five (5) Business Days of receiving written notice from the Administrative Agent of the potential assignment to such Person;

(ii) except in the case of an assignment to another Lender or an assignment of all of a Lender's rights and obligations under this Agreement, any such partial assignment shall be in an amount equal to at least five million Dollars (\$5,000,000) and in integral multiples of one million Dollars (\$1,000,000) in excess thereof;

(iii) each such assignment by a Lender shall be of a constant, and not varying, percentage of all of its rights and obligations under this Agreement and the Instruments (other than rights of reimbursement and indemnity arising before the effective date of such assignment) and shall be of an equal pro rata share of the assigning Lender's interest in the Loans and Commitments; and



(iv) the parties to such assignment shall execute and deliver to the Administrative Agent for its acceptance an Assignment and Acceptance in substantially the form of the attached Exhibit A. Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an Eligible Assignee, together with any Instrument subject to such assignment (if applicable) and, except in the case of an assignment by a Lender to its Affiliate, a processing fee of \$3,500 paid by the assigning Lender or the Eligible Assignee, the Administrative Agent shall, (A) accept such Assignment and Acceptance and (B) give prompt notice thereof to the Borrower.

Upon execution, delivery, and acceptance of such Assignment and Acceptance and payment of the processing fee (as applicable), the assignee thereunder shall be a party to this Agreement and, to the extent of such assignment, have the obligations, rights, and benefits of a Lender hereunder and the assigning Lender shall, to the extent of such assignment, relinquish its rights and be released from its obligations under this Agreement; provided, however, that the assigning Lender shall retain its rights to indemnification and reimbursement hereunder to which it was entitled prior to the effective date of the assignment or that otherwise relate to facts or circumstances occurring prior to the effective date of such assignment. No later than five (5) Business Days after the Borrower receives notice from the Administrative Agent that it has received an executed Assignment and Acceptance and payment of the processing fee (as applicable), the Borrower shall execute and deliver to the Administrative Agent all such other documents, instruments and agreements (other than a New Note governed by the laws of Chile), including, but not limited to, a new Recognition of Debt, and take all such other actions as may be reasonably required to effect such assignment. When a Lender assigns to an assignee only part of its rights and obligations under this Agreement and such part is in respect of a principal amount of the Loan which is evidenced by the New Recognition of Debt or in an Existing Note, duly amended by an *allonge (hoja de prolongación)*, the Borrower shall issue one or more replacement Recognitions of Debt in favor of the relevant Lender and the assignee. As appropriate, each assignee shall deliver to the Borrower and the Administrative Agent any certifications required by Section 2.12.

(b) The Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitments of, and principal amount and stated interest of the Loans owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(c) Procedures. Upon its receipt of an Assignment and Acceptance executed by the parties thereto, together with any Instrument subject to such assignment (if applicable) and payment of the processing fee (as applicable), the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit A, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the parties thereto.



(d) Participations. Each Lender may sell participations to one or more Persons in all or a portion of its rights and/or obligations under this Agreement (including all or a portion of its Commitments and its Loans); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties to this Agreement for the performance of such obligations, (iii) the participant shall be entitled to the benefit of the yield protection provisions contained in Sections 2.08, 2.09 and 2.10, the right of set-off contained in Section 7.05, and the reporting requirements contained in Section 5.06, (iv) the Borrower shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to its Loans and its Instrument and to approve any amendment, modification, or waiver of any provision of this Agreement (other than amendments, modifications, or waivers decreasing the amount of principal of or the rate at which interest is payable on such Loans or Instrument, extending any scheduled principal payment date or date fixed for the payment of interest on such Loans or Instrument, or extending its Commitments) and (v) such participant agrees to be subject to Section 9.09 as if such participant were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Commitments or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, or its other obligations under this Agreement) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Federal Reserve Bank or Central Bank. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including, without limitation, any pledge or assignment to secure obligations to a Federal Reserve Bank or central bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Confidentiality. Any Lender may furnish any information concerning the Borrower or any of its Subsidiaries in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants), subject, however, to the provisions of Section 9.09.

(g) No assignee, participant or other transferee (including a new lending office of the Lender) of the Lender's rights shall be entitled to receive any greater payment under Section 2.12 than its participating Lender would have been entitled to receive with respect to the rights transferred, unless (i) such transfer is made by reason of the provisions of Section 2.07(c) or



Section 2.09 or (ii) such entitlement to receive a greater payment results from a change in law, rule, regulation or treaty that occurs after the Participant acquired the applicable participation.

Section 9.08. Indemnity by Borrower. The Borrower agrees to indemnify, save, and hold harmless, promptly upon demand, the Administrative Agent, each Lender, each Arranger and their respective Affiliates and controlling Persons, and the respective directors, officers, employees, attorneys, agents, consultants and advisors of or to any of the foregoing (collectively the “Indemnitees”) from and against any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto; provided that no Indemnitee shall be entitled to indemnification for any loss caused by its own gross negligence or willful misconduct or as a result of a claim brought by the Borrower against such Indemnitee for breach in bad faith of such Indemnitee’s obligations hereunder or under any other Credit Document (in each case, as determined by a court of competent jurisdiction in a final and non-appealable decision).

Section 9.09. Confidentiality; K-Y-C Rules.

(a) The Administrative Agent and each Lender (each, a “Lending Party”) agrees to (i) with respect to any information furnished or made available to it by or on behalf of the Borrower or any of its Subsidiaries pursuant to this Agreement on or prior to the date hereof, keep such information confidential and (ii) with respect to any information furnished or made available to it by or on behalf of the Borrower or any of its Subsidiaries pursuant to this Agreement after the date hereof, keep confidential such information as is clearly identified at the time of delivery as confidential; provided that nothing herein shall prevent any Lending Party from disclosing such information (i) to any other Lending Party or any Affiliate of any Lending Party, or any officer, director, employee, agent, or advisor of any Lending Party or Affiliate of any Lending Party (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential), (ii) to any other Person if reasonably incidental to the administration of the credit facility provided herein (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information), (iii) as required by any law, rule, or regulation, (iv) upon the order of any court or administrative agency, (v) upon the request or demand of any regulatory agency or authority (including, without limitation, any Federal Reserve Bank or Central Bank or any self-regulatory authority), (vi) that is or becomes available to the public or that is or becomes available to any Lending Party other than as a result of a disclosure by any Lending Party prohibited by this Agreement, (vii) in connection with any litigation to which such Lending Party or any of its Affiliates may be a party, in which case, such Lending Party agrees to provide prompt written notice to the Borrower of such disclosure to the extent permitted by law,



(viii) to the extent necessary in connection with the exercise of any remedy under this Agreement or any other Credit Document, (ix) subject to provisions substantially similar to those contained in this Section, to any actual or proposed participant or assignee, (x) to professional advisers and service providers of the Lending Parties who are under a duty of confidentiality to the Lending Parties, (xi) to any rating agency, insurer or insurance broker of, or direct or indirect provider of credit protection to, any Lending Party and (xii) to any direct, indirect, actual or prospective counterparty (and its advisor) to any swap, derivative or securitization transaction related to the obligations under this Agreement.

(b) Each Lender hereby notifies the Borrower that, pursuant to the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and other applicable know-your-customer directives, laws, rules or regulations, it may be required to obtain, verify and record, in accordance therewith, information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower. The Borrower hereby agrees to provide to any Lender any of the foregoing information that such Lender is so required to obtain, verify or record.

Section 9.10. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties to this Agreement in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of counterparts hereto via telecopier shall be as effective as delivery of original counterparts.

Section 9.11. Survival of Representations, Etc. All representations and warranties contained in this Agreement or made in writing by or on behalf of the Borrower in connection herewith shall survive the execution and delivery of this Agreement and the Credit Documents, the making of the Loans and any investigation made by or on behalf of the Lenders, none of which investigations shall diminish any Lender's right to rely on such representations and warranties. All obligations of the Borrower provided for in Sections 2.08, 2.09, 2.12, 9.05, 9.08, 9.14 and 9.15 and of the Administrative Agent and the Lenders provided for in Section 9.09(a) (but only for two years after repayment in full of the Instruments in respect of Section 9.09(a)) shall survive any termination of the Commitments or this Agreement and repayment in full of the other Credit Obligations.

Section 9.12. Severability. In case one or more provisions of this Agreement or the other Credit Documents shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not be affected or impaired thereby.

Section 9.13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York.

Section 9.14. Consent to Jurisdiction; Language. THE BORROWER HEREBY IRREVOCABLY (I) SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN,



THE CITY OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OF THE INSTRUMENTS, OR ANY OTHER CREDIT DOCUMENT, (II) AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH COURT, AND (III) AGREES NOT TO BRING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT EXCEPT IN SUCH COURTS. THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH ACTION OR PROCEEDING. THE BORROWER HEREBY IRREVOCABLY APPOINTS CORPBANCA, NEW YORK BRANCH (THE "PROCESS AGENT"), WITH AN OFFICE ON THE DATE HEREOF AT 885 3RD AVENUE, 33RD FLOOR, NEW YORK, NY 10022, AS ITS AGENT TO RECEIVE ON BEHALF OF THE BORROWER AND ITS PROPERTY SERVICE OF COPIES OF THE SUMMONS AND COMPLAINT AND ANY OTHER PROCESS WHICH MAY BE SERVED BY ANY LENDER, THE ADMINISTRATIVE AGENT OR THE HOLDER OF ANY INSTRUMENT IN ANY SUCH ACTION OR PROCEEDING. THE BORROWER HEREBY AGREES THAT SERVICE OF COPIES OF THE SUMMONS AND COMPLAINT AND ANY OTHER PROCESS WHICH MAY BE SERVED IN ANY SUCH ACTION OR PROCEEDING MAY BE MADE BY MAILING OR DELIVERING A COPY OF SUCH PROCESS TO THE BORROWER AT ITS ADDRESS SPECIFIED IN SECTION 9.02 OR TO THE PROCESS AGENT AT ITS ADDRESS SET FORTH ABOVE. THE BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING HEREIN SHALL AFFECT THE RIGHTS OF ANY LENDER OR THE ADMINISTRATIVE AGENT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY LENDER OR THE ADMINISTRATIVE AGENT TO BRING ANY ACTION OR PROCEEDING AGAINST THE BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION. THE OFFICIAL LANGUAGE OF THIS AGREEMENT SHALL BE ENGLISH.

Section 9.15. Currency Indemnity.

(a) If the Administrative Agent or any Lender receives an amount in respect of the Borrower's liability under this Agreement, or if that liability is converted into a claim, proof, judgment, or order, in a currency other than the currency (the "Contractual Currency") in which the amount is expressed to be payable under this Agreement:

(i) the Borrower will indemnify the Administrative Agent or such Lender as an independent obligation against any loss or liability arising out of or as result of such conversion or the receipt of an amount in a currency other than the Contractual Currency;

(ii) if the amount received by the Administrative Agent or such Lender when converted into the Contractual Currency at a market rate in the usual course of its business, is less than the amount owed in the Contractual Currency, the Borrower will forthwith on demand pay to the Administrative Agent or such Lender an amount in the Contractual Currency equal to the deficit; if it is more, the receiving Administrative



Agent or Lender will forthwith on demand pay to the Borrower an amount in the Contractual Currency equal to the excess; and

(iii) the Borrower will pay to the Administrative Agent or such Lender concerned forthwith on demand any exchange cost and Taxes and Other Taxes payable in connection with any such conversion or the receipt of an amount in a currency other than the Contractual Currency.

(b) The Borrower waives any right it might have in any jurisdiction to pay any amount under this Agreement in a currency other than that in which it is expressed to be payable.

Section 9.16. Complete Agreement. THE RIGHTS AND OBLIGATIONS OF THE PARTIES TO THIS AGREEMENT SHALL BE DETERMINED SOLELY FROM THIS WRITTEN AGREEMENT, AND ANY PRIOR ORAL AGREEMENTS BETWEEN THE PARTIES ARE SUPERSEDED BY AND MERGED INTO THIS AGREEMENT. THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 9.17. Waiver of Jury. EACH OF THE BORROWER, THE LENDERS, THE ARRANGERS AND THE ADMINISTRATIVE AGENT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING HERETO OR THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDERS, THE ARRANGERS AND THE ADMINISTRATIVE AGENT TO ENTER INTO THIS AGREEMENT.

Section 9.18. Waiver of Immunities. To the extent permitted by applicable law, if the Borrower has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, the Borrower hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under any Credit Document. The Borrower agrees that the foregoing waiver shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States of America and is intended to be irrevocable and not subject to withdrawal for purposes of such Act.



Section 9.19. No Novation. This Second Amended and Restated Credit Agreement shall not effect a novation of any of the obligations under the Existing Credit Agreement and the Existing Notes, which obligations continue in full force and effect as set forth in the Existing Credit Agreement and the Existing Notes, as amended and restated hereby; provided that following the Closing Date, the New Recognition of Debt replaces and supersedes the Existing Recognition of Debt.

Section 9.20. Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in Section 9.08 above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

[SIGNATURES ON FOLLOWING PAGES]



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Page 1 of 1

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

CORPBANCA,
as Borrower

By: /s/ Pedro Silva Yrarrazaval

Name: Pedro Silva Yrarrazaval

Title: Gerente Division Finanzas e Internacional

By: /s/ Pablo De La Cerda Merino

Name: Pablo De La Cerda Merino

Title: Gerente Division Servicios legales

MAURICIO SANTOS DIAZ
ABOGADO

[Signature Page to Credit Agreement]



STANDARD CHARTERED BANK,
as Administrative Agent

By: /s/ Paul Thompson

Name: Paul Thompson

Title: Director, Agency UK Europe
Standard Chartered Bank

[Signature Page to Credit Agreement]



STANDARD CHARTERED BANK,
as Lender

By: /s/ Felipe Macia A2789

Name: Felipe Macia A2789

Title: Managing Director
Syndications, Americas

By: /s/ Robin Francis

Name: Robin Francis

Title: Manager-LDU Americas
Standard Chartered Bank

[Signature Page to Credit Agreement]



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STANDARD CHARTERED BANK,
as Arranger

By: /s/ Felipe Macia A2789

Name: Felipe Macia A2789

Title: Managing Director
Syndications, Americas

By: /s/ Robin Francis

Name: Robin Francis

Title: Manager-LDU Americas
Standard Chartered Bank

[Signature Page to Credit Agreement]



WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Lender

By: /s/ Kristy Ward
Name: Kristy Ward
Title: Director

[Signature Page to Credit Agreement]



WELLS FARGO SECURITIES, LLC,
as Arranger

By: /s/ Nicole Freeman
Name: Nicole Freeman
Title: Managing Director

[Signature Page to Credit Agreement]



HSBC BANK USA, NATIONAL
ASSOCIATION,
as Lender

By: /s/ Ricardo Rubio
Name: Ricardo Rubio
Title: Managing Director

[Signature Page to Credit Agreement]



HSBC SECURITIES (USA) INC.,
as Arranger

By: /s/ Nancy Del Genio
Name: Nancy Del Genio
Title: MD

[Signature Page to Credit Agreement]



BNP PARIBAS,
as Lender

By: /s/ Laurent Vanderzyppe

Name: Laurent Vanderzyppe

Title: Managing Director

By: /s/ Jennifer Liu

Name: Jennifer Liu

Title: Vice President

[Signature Page to Credit Agreement]



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CITIBANK, N.A.,
as Lender

By:  _____
 Name: Leslie M. Hirsch
 Title: Attorney-in-Fact

[Signature Page to Credit Agreement]



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Page 1 of 1

MIZUHO BANK, LTD.,
as Lender

By: /s/ David N. Costa

Name: David N. Costa

Title: Deputy General Manager

[Signature Page to Credit Agreement]



BANK OF AMERICA, N.A.,
as Lender

By: /s/ Augusto Urmeneta
Name: Augusto Urmeneta
Title: Managing Director

[Signature Page to Credit Agreement]



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NATIONAL BANK OF CANADA,
as Lender

By: 
Name: SHANDIZ GODAZGAR
Title: V.P.

By: 
Name: Michel Sekane
Title: Senior Manager

[Signature Page to Credit Agreement]



APPLE BANK FOR SAVINGS,
as Lender

By: /s/ Steven C. Bush

Name: Steven C. Bush

Title: Executive Vice President & CEO

[Signature Page to Credit Agreement]



SCHEDULE I
Lenders and Loans

a) Exiting Financial Institutions

<u>Name of Exiting Lender</u>	<u>Continuing Loan</u>	<u>Commitments on the Closing Date (\$)</u>
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$30,612,244.90	\$ 0
Mercantil Commercebank N.A.	\$15,306,122.45	\$ 0
TOTAL:	\$45,918,367.35	\$ 0

b) Commitments

<u>Name of Lender</u>	<u>Commitments (\$)</u>
HSBC Bank USA, National Association	\$ 5,000,000.00
Standard Chartered Bank	\$ 5,000,000.00
Wells Fargo Bank, National Association	\$ 5,000,000.00
TOTAL	\$15,000,000.00

c) Continuing Loans

<u>Name of Lender</u>	<u>Continuing Loans to be held by such Lender after giving effect to the assignments contemplated to be made under the Master Assignment and Assumption Agreement (\$)</u>
Apple Bank for Savings	\$ 20,000,000.00
Bank of America, N.A.	\$ 35,000,000.00
BNP Paribas	\$ 35,000,000.00
Citibank, N.A.	\$ 35,000,000.00
HSBC Bank USA, National Association	\$ 35,000,000.00
Mizuho Bank, Ltd.	\$ 35,000,000.00
National Bank of Canada	\$ 35,000,000.00
Standard Chartered Bank	\$ 35,000,000.00
Wells Fargo Bank, National Association	\$ 35,000,000.00
TOTAL	\$ 300,000,000.00



SCHEDULE II

Notice Information

<u>Lender</u>	<u>Applicable Lending Office</u>
APPLE BANK FOR SAVINGS	Address: 122 East 42nd Street, 9th Floor, New York, NY 10168 Attention: Jonathan Byron Telephone: +1 212 224 6428 Telecopy: +1 212 224 6596 Email: jbyron@apple-bank.com
BANK OF AMERICA, N.A.	Address: One Bryant Park, NY 18th, floor ZC 10036 Attention: Marcel Rodriguez / Matthew Haddon Telephone: +1 646 743 0043 or +1 646-743 1137 Telecopy: +1 646 855 5955 Email: marcel.rodriguez@baml.com; matthew.haddon@baml.com
BNP PARIBAS	Address: 787 Seventh Avenue, New York, NY 10019 Attention: Donna La Spina Telephone: +1 212 841 2710 Telecopy: +1 212 841 3830 Email: donna.laspina@us.bnpparibas.com
CITIBANK N.A.	Address: 110 Thompson Blvd, Nassau N 1576, Bahamas Attention: Leslie Munroe Telephone: +1 242 302 8651 Telecopy: +1 242 302 8655 Email: leslie.e.munroe@citi.com
HSBC BANK USA, NATIONAL ASSOCIATION	Address: 452 Fifth Avenue, New York, NY 10018, USA Attention: Margarita Rodriguez Telephone: +1 212 525 4160 Email: margarita.c.rodriguez@us.hsbc.com



Lender

Applicable Lending Office

MIZUHO BANK, LTD.

Address: 1251 Avenue of the Americas, 31st Floor,
New York, NY 10020
Attention: Martha Civiletti / Alexander MacKnight
Telephone: +1 212 282 3631 / +1 212 282 4449
Telecopy: +1 212 282 4385 / +1 212 282 4385
Email: martha.civiletti@mizuhocbus.com /
alexander.macknight@mizuhocbus.com

NATIONAL BANK OF CANADA

Address: 600, rue de la Gauchetière West, 5th Floor,
Montréal, Québec H3B4L3
Attention: Gustavo Szejnberg
Telephone: +1 514 394 4055
Telecopy: +1 514 394 8966
Email: gustavoleone.szejnberg@bnc.ca

STANDARD CHARTERED BANK

Address: Two Gateway Center, 13th Floor, Newark, NJ
07102, USA
Attention: Yolanda Rodriguez
Telephone: +1 201 706 5332
Telecopy: +1 201 706 6721
Email: yolanda.rodriguez@sc.com

WELLS FARGO BANK,
NATIONAL ASSOCIATION

Address: 301 South College St., Mailcode: D1053-091,
Charlotte, NC 28288, USA
Attention: Lori Hartman
Telephone: +1 704 715 4267
Telecopy: +1 704 383 8577



EXHIBIT A

FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the Second Amended and Restated Credit Agreement, dated as of September 23, 2015 (the "Credit Agreement") among Corpbanca (the "Borrower"), the Lenders, the Arrangers, and Standard Chartered Bank, as Administrative Agent. Unless otherwise defined herein, capitalized terms herein are used as defined in the Credit Agreement.

The "Assignor" and the "Assignee" referred to on Schedule 1 agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, without recourse and without representation or warranty except as expressly set forth herein, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement and the other Credit Documents as of the date hereof equal to the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement and the other Credit Documents. After giving effect to such sale and assignment, the Assignee's Loans and the amount of the Loans owing to the Assignee will be as set forth on Schedule 1.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Documents or any other instrument or document furnished pursuant thereto; and (iv) if applicable, attaches the Note or Notes held by the Assignor in which interest(s) are assigned pursuant hereto, and requests that the Administrative Agent arrange for the exchange by the Borrower of such Note or Notes for a Recognition of Debt for the benefit of the Assignee evidencing Loans in amounts equal to the Loans(s) assumed by the Assignee pursuant hereto and to the Assignor in amounts equal to the Loans(s) retained by the Assignor, if any, as specified on Schedule 1.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.05 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; and (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of acceptance hereof by the Administrative Agent, unless otherwise specified on Schedule 1.



5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance and subject to Section 9.11 of the Credit Agreement, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement and the Instruments in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and facility fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Instruments, for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by any telecommunication device capable of creating a written record (including electronic mail) shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

[Signature Pages Follow]



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IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

[NAME OF ASSIGNOR], as Assignor

By: _____
Name: _____
Title: _____

[NAME OF ASSIGNEE], as Assignee

By: _____
Name: _____
Title: _____

Applicable Lending Office:

Accepted
this ____ day of _____, ____

STANDARD CHARTERED BANK,
as Administrative Agent

By: _____
Name: _____
Title: _____

[Approved
this ____ day of _____, ____

CORPBANCA

By: _____
Name: _____
Title: _____¹

¹ Required if the Assignee is an Eligible Assignee solely by reason of the first clause (iii) of the definition of Eligible Assignee.



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SCHEDULE 1
to
ASSIGNMENT AND ACCEPTANCE

Assignor:

Assignee:

Loans

Continuing Loans
New Loans

	<u>Principal amount assigned</u>	<u>Percentage assigned of Loans</u>
	\$	%
	\$	%

Effective Date (if other than date of acceptance by Administrative Agent): _____, ____²

² This date should be no earlier than five Business Days after delivery of this Assignment and Acceptance to the Administrative Agent.



EXHIBIT B

FORM OF CHILEAN PROMISSORY NOTE/ PAGARÉ

US\$[•]

Issue Date/Fecha de Emisión: [•], 2015 / [•] de [•] de 2015

Place of Issuance/Lugar de Emisión: Santiago, Chile.

FOR VALUE RECEIVED, **CORPBANCA**, a financial institution organized and existing under the laws of the Republic of Chile (the “**Borrower**”), HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of [•] (the “**Lender**”), the principal sum of [•] dollars (US\$[•]) payable on April 14, 2017 (the “**Maturity Date**”).

POR VALOR RECIBIDO, **CORPBANCA**, una institución financiera debidamente constituida y existente en conformidad a las leyes de la República de Chile (el “**Suscriptor**”) DEBE Y PROMETE INCONDICIONALMENTE PAGAR a la orden de [•] (el “**Banco**”), la cantidad de capital de [•] dólares de los Estados Unidos de América (US\$[•]) el día 14 de abril de 2017 (la “**Fecha de Vencimiento**”).

The Borrower hereby unconditionally promises to pay interest on the unpaid principal amount of this note (“**Note**”) from the date hereof until such principal amount is paid in full, at an interest rate per annum equal to the sum of the LIBOR (as defined below) plus Applicable Margin (as defined below) applicable to each Interest Period (as defined below). Such interest shall be payable on the last day of each Interest Period, as defined below.

El Suscriptor se obliga incondicionalmente a pagar intereses sobre el saldo insoluto de capital de este pagaré (“**Pagaré**”), a contar de esta fecha y hasta la fecha de su pago íntegro y efectivo, a una tasa de interés anual igual a la suma de LIBOR, según se define más adelante, más el Margen Aplicable, según se define más adelante, para dicho Período de Interés, según se define más adelante. Dichos intereses serán pagaderos en el último día de cada Período de Intereses, según se define más adelante.

The Borrower, also, unconditionally promises to pay on demand default interest on any principal of or interest on this Note not paid when due, for each day until paid at a rate per annum equal to the sum of 2.00% plus the Applicable Margin plus LIBOR applicable at the date such payment was due. Default interest shall be payable on demand upon written notice of the holder hereof and shall accrue from the date such amount was due until the same is paid in full.

Asimismo, el Suscriptor se obliga incondicionalmente a pagar intereses moratorios al mero requerimiento sobre cualquier suma impaga a la fecha de su respectivo vencimiento conforme a este Pagaré, sea por concepto de capital o intereses, por cada día hasta que se pague dicha suma, a una tasa anual igual a la suma de 2,00 puntos porcentuales más el Margen Aplicable más LIBOR aplicable en la fecha en que dicho pago se hizo exigible. Los intereses moratorios serán pagaderos al mero requerimiento escrito del tenedor de este Pagaré y se devengarán desde la fecha de la mora o simple retardo hasta la fecha en que la suma adeudada se pague íntegramente.

All computations of interest shall be made on the basis of a year of 360 days, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest is payable

Se calcularán todos los intereses pagaderos en virtud de este instrumento sobre la base de un año de 360 días y se pagarán por el número de días efectivamente transcurridos, incluyendo el primer día pero excluyendo el último, durante el Período de Interés respectivo por el cual deba pagarse intereses.



SECTION 1. Definitions

“**Administrative Agent**” means Standard Chartered Bank.

“**Applicable Margin**” means 0.75% per annum.

“**Business Day**” means a day of the year (a) on which banks are not required or authorized to close in New York City, New York, London, England or Santiago, Chile and (b) on which dealings are carried on by banks in the London interbank market.

“**Dollars**” and “**US\$**” means lawful money of the United States of America

“**Interest Period**” means the period that begins on this date and end [•] and, thereafter, each subsequent Interest Period shall begin on the last day of the immediately preceding Interest Period and end [•] months thereafter; provided, however that: (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period; and (iii) no Interest Period shall extend beyond the Maturity Date.

“**LIBOR**” shall mean, with respect to each Interest Period, the rate per annum which appears on the Reuters Screen LIBOR01 Page which displays ICE Benchmark Administration Limited (“IBA”) interest settlement rates for deposits in Dollars with maturities comparable to such Interest Period (or such other page as may replace it on that service, or such other service as may be nominated by IBA as the

SECCION 1. Definiciones

“**Agente**” significa Standard Chartered Bank.

“**Margen Aplicable**” significa 0,75% anual.

“**Día Hábil**” significa cualquier día del año en que (i) los bancos no están obligados o autorizados para cerrar en la Ciudad de Nueva York, Estados Unidos de América, Londres, Inglaterra o en Santiago, Chile y (ii) se hacen transacciones en el mercado interbancario de Londres.

“**Dólares**” y “**US\$**” significa la moneda de curso legal de los Estados Unidos de América.

“**Período de Interés**” significa el período que comienza en esta fecha y termina el [•], y, de ahí en adelante, cada uno de los siguientes Períodos de Interés comenzará el último día del Período de Interés inmediatamente precedente y terminará [•] meses después; en el entendido, sin embargo, que: (i) si cualquier Período de Interés que de otro modo haya de terminar en un día que no sea un Día Hábil, dicho Período de Interés se extenderá al Día Hábil inmediatamente siguiente, a menos que terminara en otro mes calendario, caso en el cual dicho Período de Interés terminará en el Día Hábil inmediatamente anterior, (ii) cualquier Período de Interés que comience el último Día Hábil de un mes calendario (o en un día del mes respecto del cual no exista un día numérico equivalente en el último mes calendario de dicho Período de Interés) terminará el último Día Hábil del último mes calendario de dicho Período de Interés y (iii) ningún Período de Interés se extenderá más allá de la Fecha de Vencimiento.

“**LIBOR**” significa, para cualquier Período de Interés, la tasa que aparezca en la página *Reuters Screen LIBOR01* que publica tasas de interés de la ICE Benchmark Administration Limited (“IBA”) para depósitos en Dólares con periodos similares a dicho Período de Interés (o aquella otra página que la reemplace en dicho servicio, o aquel otro servicio que pueda ser designado por IBA como proveedor de



information vendor for the purpose of displaying IBA interest settlement rates for deposits in Dollars, in each case as reasonably determined by the Administrative Agent), as the London interbank offered rate for deposits in Dollars at approximately 11:00 A.M. (London time) on the second (2) Business Day prior to the commencement of any such Interest Period (the "Screen Rate"), provided that, if the Screen Rate is not available for the relevant Interest Period, then LIBOR shall mean the rate (rounded to the same number of decimal places as the two Screen Rates) which results from interpolating on a linear basis between: (a) the Screen Rate applicable for the longest period for which that rate is available which is less than the Interest Period of this Note; and (b) the Screen Rate for the shortest period for which that rate is available which exceeds the Interest Period of this Note, each as of 11:00 a.m. (London time) on the second (2) Business Day prior to the commencement of such Interest Period for deposits in Dollars (the "Interpolated Rate"); provided further that if no Screen Rate is available for Dollars or no Screen Rate is available for the Interest Period and it is not possible to calculate the Interpolated Rate, then LIBOR shall be the offered quotation of a reference bank selected by the Administrative Agent from among major banks in the London interbank market for Dollar deposits of amounts comparable to the outstanding principal amount hereof, with maturities comparable to the respective Interest Period, determined as of 11:00 A.M. (London time) on the second (2) Business Day prior to the commencement of such Interest Period. If any such rate is below zero, LIBOR will be deemed to be zero.

SECTION 2. General Provisions as to Payments

The Borrower shall make each payment of principal of, and interest on, this Note, not later than 10:00 am (New York time) on the date when due and shall be made in Dollars in same day funds, free and clear of rights of set-off, counterclaim or other defence, to the Administrative Agent to the order of the Lender according to the instructions as follows:

Standard Chartered Bank, as Administrative Agent, SWIFT: SCBLUS33. Favor: Standard Chartered Bank, London, SWIFT: SCBLGB2L. Account No.: 3582-088442-001, reference: Corpbanca – Loans & Agency. Attention: Manager

información para efectos de publicar tasas de interés IBA para depósitos en Dólares, en cada caso según lo determine razonablemente el Agente Administrativo), como la tasa ofrecida para depósitos en Dólares en el mercado interbancario de Londres a aproximadamente las 11 :00 a.m. (hora Londres) en el segundo Día Hábil anterior al comienzo de dicho Período de Interés (la "Tasa de Pantalla"); en el entendido que si la Tasa de Pantalla no está disponible para el respectivo Período de Interés, la tasa LIBOR será la tasa (redondeada al mismo número de decimales que las dos Tasas de Pantalla) que resulte de interpolar en base lineal (a) la Tasa de Pantalla aplicable para el período más largo disponible que sea más breve que el Período de Interés de este pagaré; y (b) la Tasa de Pantalla aplicable para el periodo más corto disponible que sea más extenso que el Período de Interés de este pagaré, cada una a las 11:00 a.m. hora de Londres, en el segundo (2) Día Hábil anterior al comienzo de dicho Período de Interés para depósitos en Dólares (la "Tasa Interpolada"); en el entendido que si la Tasa de Pantalla no está disponible para Depósitos en Dólares o si la Tasa de Pantalla no está disponible para el respectivo Período de Interés y no es posible calcular la Tasa Interpolada, la tasa LIBOR será la cotización ofrecida por un banco de referencia seleccionado por el Agente de entre los bancos líderes del mercado interbancario de Londres para depósitos en Dólares de montos similares a los adeudados bajo este instrumento con periodos similares al respectivo Período de Interés, determinada a las 11:00 A.M. (hora de Londres) en el segundo (2) Día Hábil anterior al comienzo de dicho Período de Interés. Si cualquier de dichas tasas es inferior a cero, la tasa LIBOR se considerará igual a cero.

SECCION 2. Reglas Generales Relativas a los Pagos

El Suscriptor efectuará cada uno de los pagos de capital e intereses de este Pagaré a más tardar a las 10:00 am (hora de la ciudad de New York) del día del vencimiento correspondiente, y cada pago deberá hacerse en Dólares, con fondos disponibles el mismo día, y libres y netos de cualesquiera derechos de compensación, contra demanda u otra defensa, en las oficinas del Agente, a la orden del Banco de acuerdo a las siguientes instrucciones:

Standard Chartered Bank, as Administrative Agent, SWIFT: SCBLUS33. Favor: Standard Chartered Bank, London, SWIFT: SCBLGB2L. Account No.:



Asset Servicing.

Should the Borrower fail to pay principal of this Note when due, or should the Borrower fail to pay any interest on this Note within two (2) Business Days following the date when due, the holder hereof may declare the total principal amount outstanding under this Note and all accrued interest thereon to be forthwith due and payable, whereupon this Note shall become and be forthwith due and payable for all purposes.

Whenever any payment shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or other amounts, as the case may be; provided, however, that if such extension would cause payment of interest on or principal of this Note to be made in the next following calendar month, such payment shall be made on the next preceding Business Day

If the Lender receives an amount in respect of the Borrower's liability under this Note, or if that liability is converted into a claim, proof, judgment, or order, in a currency other than Dollars: (i) the Borrower will indemnify the Lender as an independent obligation against any loss or liability arising out of or as result of such conversion or the receipt of an amount in a currency other than Dollars; (ii) if the amount received by the Lender when converted into Dollars at a market rate in the usual course of its business, is less than the amount owed in Dollars, the Borrower will forthwith on demand pay to the Lender an amount in Dollars equal to the deficit; if it is more, the receiving Lender will forthwith on demand pay to the Borrower an amount in Dollars equal to the excess; and (iii) the Borrower will pay to the Lender concerned forthwith on demand any exchange cost and any other taxes payable in connection with any such conversion or the receipt of an amount in a currency other than Dollars. The Borrower waives any right it might have in any jurisdiction to pay any amount under this Note in a currency other than Dollars.

3582-088442-001, reference: Corpbanca – Loans & Agency. Attention: Manager Asset Servicing.

En el caso de que el Suscriptor no pague el capital de este Pagaré a cualquiera de sus vencimientos, o en el caso de que cualquiera intereses de este Pagaré no fueren pagados por el Suscriptor dentro de los dos (2) Días Hábiles siguientes a la fecha en que éstos hayan debido pagarse, el portador de este Pagaré tendrá derecho a declarar inmediata e íntegramente exigible el saldo total de la deuda de capital e intereses debidos en virtud de este Pagaré, el que se considerará de plazo vencido y exigible para todos los efectos a que haya lugar.

Si de conformidad con el presente Pagaré un pago deba efectuarse en un día que no fuere un Día Hábil, la fecha de dicho vencimiento se extenderá al Día Hábil inmediatamente siguiente y, se calcularán los pagos de intereses u otros montos incluyendo dicha extensión; en el entendido, sin embargo, que si como resultado de dicha extensión dicho pago de intereses o capital de este Pagaré se hará en otro mes calendario, en cuyo caso dicho pago se hará el Día Hábil inmediatamente anterior.

Si el Banco recibe una cantidad al respecto de la obligación del Suscriptor bajo este Pagaré, o si la obligación del Suscriptor es convertida a un reclamo o sentencia expresada en una moneda distinta del Dólar: (i) el Suscriptor pagará el Banco, como una obligación independiente, por cualquier pérdida derivada de o relacionada con dicha conversión o la recuperación de una cantidad expresada en una moneda distinta del Dólar; (ii) si la cantidad recibida por el Banco, cuando ésta sea convertida a Dólares en la tasa del mercado en el curso usual del negocio del Banco, sea menor de la cantidad total de Dólares a ser pagada, el Suscriptor se obliga a pagar al mero al Banco la cantidad en Dólares igual al deficiencia; si sea mayor, el Banco se obliga a pagar al mero al Suscriptor la cantidad en Dólares igual al exceso; y (iii) el Suscriptor se obliga a pagar al mero requerimiento al Banco cualquier costo adicional o impuesto que sea pagable al respecto de la conversión o la recuperación de una cantidad expresada en una moneda distinta del Dólar. El Suscriptor renuncia todo derecho en cualquier jurisdicción para pagar cualquier cantidad bajo este Pagaré en una moneda distinta del Dólar.



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SECTION 3. Governing Law

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE REPUBLIC OF CHILE.

SECTION 4. Governing Language

This Note is executed in both the English and Spanish language, both of which shall bind the Borrower, but both of which shall constitute one and the same instrument; provided, however, that in the case of doubt as to the proper interpretation or construction of this Note, the English text shall prevail, except that if any action or proceeding in respect of this Note is brought in the Republic of Chile or any political subdivision thereof, the Spanish text shall prevail.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed by its duly authorized representatives.

WITHOUT PROTEST.

NO PRESENTMENT NEEDED FOR PAYMENT.

SECCION 3. Ley Aplicable

ESTE PAGARE SE REGIRA Y SERA INTERPRETADO DE ACUERDO CON LAS LEYES DE LA REPUBLICA DE CHILE.

SECCION 4. Idioma Prevalente

Este Pagaré se suscribe en los idiomas inglés y castellano, idiomas ambos que obligan al Suscriptor, pero los cuales constituyen un único e idéntico instrumento; en el entendido, sin embargo, que en caso de duda sobre la adecuada interpretación o inteligencia de este Pagaré, prevalecerá el texto en inglés, excepto en el supuesto de que cualquier acción o procedimiento respecto de este Pagaré se interponga en la República de Chile o cualquier subdivisión de la misma, en cuyo caso prevalecerá el texto en castellano.

EN FE DE LO CUAL, el Suscriptor ha hecho que este Pagaré sea suscrito por sus representantes debidamente autorizados.

SIN PROTESTO

NO SE REQUIERE LA PRESENTACION PARA EL PAGO

p.p. CORPBANCA

By/Por: _____

Name/Nombre: [•]

Title/Cargo: [•]/[•]



EXHIBIT C
FORM OF RECOGNITION OF DEBT

REGISTRY NO.

RESCHEDULING, EXTENSION
AND
DECLARATION AND ACKNOWLEDGEMENT OF DEBT
CORPBANCA TO
STANDARD CHARTERED BANK AND OTHERS

IN SANTIAGO, CHILE, as of [●], 2015, before me [NOTARY PUBLIC] appears: Mr./Mrs./Ms. [complete name], [nationality], [marital status], [profession or occupation], national identity card No. [●], and Mr./Mrs./Ms. [complete name], [nationality], [marital status], [profession or occupation], national identity card No. [●], both on behalf of **CORPBANCA**, as it will be evidenced below, a banking corporation duly incorporated and existing under the laws of the Republic of Chile, Tax ID No. 97,023,000-9, hereinafter referred to as the “**Debtor**”, all the above domiciled for these purposes in [●]. The appearing parties, all of legal age and evidencing their identities with the aforementioned national identity cards, declare:

FIRST.- Background. On July 9, 2010, by means of a private instrument granted in English and titled “**Credit Agreement**” subject to the laws of the State of New York, United States of America, hereinafter the “**Original Credit Contract**”, a syndicate of creditors granted certain loans to the Debtor for an amount of \$167,500,000 US dollars, hereinafter, “**Dollars**”. The Debtor’s obligation to repay the principal amount was evidenced by promissory notes that the Debtor issued in favor of each creditor, in the same date in which the relevant loans were granted, hereinafter, the “**Original Promissory Notes**”. It is expressed herein that such notes were subject to the stamp tax set forth in the Decree-Law No. 3,465 of 1980, hereinafter the “**Stamp Tax**”, which has been paid by means of form 24 dated August 24, 2010. This debt recognition shall not be subject to Stamp Tax.

SECOND.- First Assignment and Credit Agreement Restructuring. /One/ By means of a private instrument executed in English named “**Master Assignment and Assumption Agreement**”, dated July 24, 2012, and governed by the laws of New York, United States of America, hereinafter the “**First Assignment Contract**”, some of the creditors assigned all or part of their rights and obligations under the Original Credit Contract and the loans under such contract in the proportions indicated in the First Assignment Contract. **/Two/** Likewise, on July 24, 2012, by means of a private instrument executed in English named “**Amended and Restated Credit Agreement**”, and governed by the laws of New York, United States of America, hereinafter the “**First Amended Credit Contract**”, the Debtor and the new creditors agreed upon the following: /i/ extend and modify the outstanding balance under the Original Credit Agreement, which amounts to \$83,750,000 US Dollars, hereinafter the “**Tranche A Loans**”; /ii/ grant new loans to the Debtor through its New York Branch for \$83,750,000 US Dollars, hereinafter the “**Tranche B Loans**”; and /iii/ grant new loans to the Debtor for an initial amount of \$6,944,444.44 US Dollars, which amount was subsequently increased by \$25,000,000 US



Dollars through the subscription of a private instrument executed in English named "**Accession Agreement**", dated July 24, 2012, such loans together in an aggregate amount of \$31,444,444.44 US Dollars, hereinafter the "**Tranche C Loans**". The obligation of the Debtor to pay the capital under the Tranche C Loans was additionally documented in promissory notes that the Debtor executed to the order of each of the respective creditors, on the same date on which the referred Tranche C Loans were granted, hereinafter the "**Promissory Notes**". It is acknowledged that such Promissory Notes were subject to Stamp Tax, which was paid by means of form 24 dated July 27, 2012. Likewise, the obligation of the Debtor to pay the capital of the Tranche A Loans was additionally documented in a debt recognition executed by the Debtor in favor of the respective creditors, hereinafter the "**First Debt Acknowledgement**", dated July 26, 2012 in the Notary Public Office of Mrs. Maria Gloria Acharan Toledo, under registry No. 44,131. It is acknowledged that the Original Promissory Notes were registered at the end of the First Debt Acknowledgement under registry No. 10,184.

THIRD.- Second Assignment and Credit Agreement Restructuring. /One/ By means of a private instrument executed in English named "**Master Assignment, Assumption and Waiver Agreement**", dated July 24, 2012, and governed by the laws of New York, United States of America, hereinafter the "**Second Assignment Contract**", some of the creditors assigned all or part of their rights and obligations under the First Amended Credit Contract and the loans under such contract in the proportions indicated in the Second Assignment Contract. **/Two/** Likewise, by means of a private instrument executed in English named "**Amended and Restated Credit Agreement**", executed on July 22, 2014, and governed by the laws of New York, United States of America, hereinafter the "**Second Amended Credit Contract**", the Debtor and the new creditors agreed, among other items, to consolidate and extend the outstanding balance under the Tranche A Loans and the Tranche C Loans, hereinafter the "**Consolidated Loans**", which amounts to \$115,694,444.44 US Dollars, and amend their terms and conditions. **/Three/** As a consequence of such amendments, payment of the capital under the Consolidated Loans would be fully paid on October [22], 2015. Likewise, the Debtor became obligated to pay interest on the Consolidated Loans on the dates and as set forth in the Second Amended Credit Contract. The Debtor's obligation to pay the capital under the Second Amended Credit Contract was additionally documented in a debt recognition executed by the Debtor in favor of the respective creditors, dated July 24, 2014 in the Notary Public Office of Mrs. Maria Gloria Acharan Toledo, under registry No. 40,984, hereinafter the "**Debt Acknowledgement**". It is acknowledged that the Promissory Notes were registered at the end of the Debt Acknowledgement under registry No. 6,401.

FOURTH.- Third Assignment and Credit Agreement Restructuring. /One/ By means of a private instrument executed in English named "**Master Assignment and Assumption Agreement**", dated [●] [●], 2015, and governed by the laws of New York, United States of America, hereinafter the "**Third Assignment Contract**", some of the creditors assigned all or part of their rights and obligations under the Second Amended Credit Contract and the loans under such contract in the proportions indicated in the Third Assignment Contract. As a consequence of such assignments, the creditors are now [●] and [●], jointly, the "**Creditors**". **/Two/** By means of a private instrument executed in English named "**Second Amended and Restated Credit Agreement**", executed on [●] [●], 2015, and governed by the laws of New York, United States of America, hereinafter the "**Third Amended Credit Contract**", the Debtor,



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Standard Chartered Bank acting as creditor and administrative agent, hereinafter the “**Administrative Agent**”, and the Creditors agreed, among other items, to extend the outstanding balance under existing loans, which amount to \$[●] US Dollars, hereinafter the “**Loans**”, and amend their terms and conditions. /**Three**/ As a consequence of such amendments, payment of the capital under the Loans must be fully paid on April 14, 2017, hereinafter the “**Maturity Date**”. Likewise, the Debtor became obligated to pay interests on the Loans on the dates and as set forth in the Third Amended Credit Contract. Among other items, the Third Amended Credit Contract sets forth the interest rates of each of the Loans, the interest payment dates, interest payment in arrears and their interest rates. It also sets forth binding prepayments under the circumstances and on the dates indicated in the Third Amended Credit Contract; the payment of commissions, taxes, expenses, fees, judicial costs, damages and other expenses, affirmative and negative covenants and Events of Default, as such term is defined in the Third Amended Credit Contract, which, if an Event of Default occurs, it will entitle Creditors to declare the outstanding balance as due and payable, in which case, all obligations under the Third Amended Credit Contract will become immediately payable. /**Four**/ **Authorization from Chilean Central Bank.** It is acknowledged that the Debtor will inform the Chilean Central Bank, in accordance with the regulations in effect, of the new terms and financial conditions of the Loans according to the Third Amended Credit Contract, being part of the Original Credit Contract file referred to in the above-mentioned sections.

FIFTH.- Extension of Maturity. Pursuant to Section 2 of Decree Law No. 3,475 of 1980 and to make effective in Chile the amendment and extension of the Third Amended Credit Contract, the Debtor hereby acknowledges the extension of maturity of the Loans until the Maturity Date, being the Debtor obligated to pay on such date the entire outstanding capital as of this date.

SIXTH.- Debt Acknowledgement. Likewise, in compliance with the amendments agreed upon in the Third Amended Credit Contract, pursuant to the extension, assignments and other above-mentioned amendments and with the objective to facilitate collection of the Loans, the Debtor acknowledges and recognizes that it owes to each of its Creditors, the following amounts as capital of the Loans: /**One**/ to [●], the amount of \$[●]; /**Two**/ to [●], the amount of \$[●]; /**Three**/ to [●], the amount of \$[●]; /**Four**/ to [●], the amount of \$[●]; /**Five**/ to [●], the amount of \$[●]; /**Six**/ to [●], the amount of \$[●]; and /**Seven**/ to [●], the amount of \$[●]. The Debtor is obligated to pay the capital under the Loans, which amounts to \$[●] US Dollars, on the Maturity Date. On the Maturity Date, the Debtor must pay the capital and interest, as well as any other recognized amount pursuant to this instrument. The amounts that the Debtor has recognized that it owes to the Creditors pursuant to this section will accrue interest on the outstanding capital, from this date and up to its entire and effective payment, at an annual rate equal to LIBOR, as defined below, plus the Applicable Margin, as defined below, for such Interest Period, as defined below. Such interest shall be payable on the last day of the Interest Period, as defined below. Likewise, the Debtor is unconditionally obligated to pay default interest on any unpaid sum as of the date of its respective maturity pursuant to this instrument, whether for capital or interest, for each day of delay until the day of its effective payment, at an annual rate equal to the sum of the Applicable Margin plus 2% plus LIBOR applicable on the date on which such payment was due and payable. The default interest shall be payable upon the sole written request of the Creditors and shall accrue from the date of arrears or simple delay until the date on which the sum is paid in its entirety. All interest payable pursuant to this instrument will be calculated on the basis of a



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360-day year and will be paid over the number of days effectively lapsed, including the first day but excluding the last, during the respective Interest Period for which interest shall be payable. The Debtor is obligated to pay the above-mentioned sums and such payment shall be made in US Dollars, with funds available as of that date, free and net of any compensation rights, counterclaims or other defenses, to the order of Creditors. All payments pursuant to this instrument shall be made to the Administrative Agent, to the order of Creditors, at the latest at 10:00 am New York time on the day of the respective maturity, in the offices of the Administrative Agent, pursuant to the following instructions: [●], or pursuant to some other instruction that the Administrative Agent or the Creditors deliver to the Debtor in writing.

SEVENTH.- Definitions. /One/ **“Applicable Margin”** means 0.75% per annum. /Two/ **“Business Day”** means any day on which /i/ banks are not required or authorized to close in New York City, United States of America, London, United Kingdom, or Santiago, Chile, and /ii/ dealings are carried on by banks in the London interbank market. /Three/ **“Interest Period”** means the period commencing on this date and ending on [●], and from that date, each subsequent Interest Period shall commence on the last day of the immediately preceding Interest Period and shall end [●] months later; however being it understood that: /i/ whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided further that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the Business Day immediately preceding such day, /ii/ any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month, and /iii/ such Interest Period will not be extended beyond the Maturity Date. /Four/ **“LIBOR”** means, for any Interest Period, the rate shown in the website Reuters Screen LIBOR zero one that publishes interest rates of the ICE Benchmark Administration Limited (**“IBA”**) for deposits in US Dollars with comparable maturities similar to the applicable Interest Periods (or such other website replacing such service, or such other service that may be designated by IBA as an information provider for purposes of publishing IBA interest rates for deposits in US Dollars, in each case as reasonably determined by the Administrative Agent), as the rate offered for deposits in US Dollars in the London interbank market at approximately 11:00 am London time on the second Business Day before the beginning of such Interest Period, hereinafter the **“Screen Rate”**; it being understood that if such page is not available or such rate is not quoted for the relevant Interest Period, the LIBOR rate shall be the rate (rounded to the same number of decimals as the Screen Rates) resulting from extrapolating on a linear basis /i/ the Screen Rate applicable for the longest available period that is shorter than the Interest Period of this note; and /ii/ the Screen Rate applicable for the shortest available period that is longer than such Interest Period, for deposits in US Dollars, each at 11:00 am London time, on the second Business Day before the beginning of such Interest Period for deposits in US Dollars, hereinafter the **“Interpolated Rate”**; it being understood that if the Screen Rate is not available for Deposits in Dollars or if the Screen Rate is not available for the respective Interest Period and it is not possible to calculate the Interpolated Rate, the LIBOR rate will be the quote offered for a recognized bank selected by the Administrative Agent from among the leading banks of the London interbank market for deposits in US Dollars of similar amounts to those outstanding



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under this instrument with similar periods as the respective Interest Periods determined at 11:00 am London time on the second Business Day before the beginning of such Interest Period. If any of the above-referenced rates is lower than zero, the LIBOR rate will be considered equal to zero.

EIGHTH.- Payment obligation termination. The Loans' payment obligation shall only be terminated by their payment in US Dollars. If Creditors receive an amount owed by Debtor under this instrument, or if the Debtor's obligation is subject of a claim or is included in a judgment made in a currency other than US Dollars: /i/ Debtor shall compensate the Creditors, as an independent obligation, for any loss incurred, derived from or related to such conversion or due to the collection of a sum in a currency other than US Dollars; /ii/ if the amount collected by Creditors is lower, when converted to US Dollars at market rate in the ordinary course of business, to the total amount of US Dollars owed, Debtor shall pay to the Creditors upon their sole request, an amount in US Dollars equal to the difference; if it is higher, Creditors shall pay Debtor, upon its sole request, an amount in US Dollars equal to the excess; and /iii/ the Debtor is obligated to pay to the Creditors, upon their sole request, any reasonable additional cost or other reasonable owed sum of money that corresponds to its payment pursuant to the conversion or collection of any amount in a currency other than US Dollars. The Debtor waives all rights in any jurisdiction to pay any amount under this instrument in a currency other than US Dollars.

NINTH.- Successors and Assigns. The provisions of this instrument shall benefit the Creditors, its successors and assigns, and those who legally or voluntarily subrogate their rights pursuant to the Third Amended Credit Contract. Such successors and assigns, and those who legally or voluntarily subrogate such rights, shall have the same rights and benefits against the Debtor that this deed grants the Creditors, considering them as Creditors for all purposes.

TENTH.- Domicile, Applicable Law and Jurisdiction. For all legal purposes of this agreement, the Debtor shall be domiciled in the commune and city of Santiago, Chile. Likewise, for the benefit of the Creditors, the Debtor submits to the jurisdiction of the courts of the commune and city of Santiago, Chile, regarding any action or proceeding arising from or related to this agreement. This agreement is subject to Chilean law. These provisions do not affect the determination of jurisdiction made by the Creditors to bring any action or proceeding against the Debtor by virtue of the Third Amended Credit Contract or any document related thereto.

ELEVENTH.- No Amendment. No Novation. The agreement herein shall not constitute novation of the obligations under the Third Amended Credit Contract and it does not affect whatsoever the Creditors' rights and legal actions under such agreement. Furthermore, the parties hereto agree that this agreement shall not be construed as an amendment to the terms and conditions agreed upon by the Debtor and the Creditors in the Third Amended Credit Contract, which are evidenced in the documents indicated above. Notwithstanding the foregoing, this deed replaces all previous debt acknowledgements by the Debtor in connection with the Loans, specifically the First Debt Acknowledgement and the Debt Acknowledgement.

TWELFTH.- Summary Action. The Debtor, duly represented, herein expressly declares and acknowledges that this instrument constitutes a Summary Action Title (*Titulo Ejecutivo*) pursuant to Chilean law.



POWERS OF ATTORNEY. The power of attorney of [●] and [●] to represent Corpbanca are evidenced in [●]. The aforementioned power of attorney is not included herein as it is known by the appearing party and by the Notary Public. Having read and approved the following instrument, the appearing party signs hereto. This deed is registered in the Public Instruments Repertory Book of this Notary, with this same date. Copies are granted. I ATTEST.

pp. **CORPBANCA**
[Complete Name]

pp. **CORPBANCA**
[Complete Name]



EXHIBIT D-1

FORM OF NOTICE OF EFFECTIVENESS

[•], 2015

Standard Chartered Bank, as Administrative Agent
under the Credit Agreement referred to below
[ADDRESS]

Attention: []

Ladies and Gentlemen:

The undersigned, Corpbanca (the "Borrower"), refers to the Second Amended and Restated Credit Agreement, dated as of September 23, 2015 (as the same may be amended or modified from time to time, the "Credit Agreement") among the Borrower, the Lenders, the Arrangers, and Standard Chartered Bank, as Administrative Agent. Unless otherwise defined herein, capitalized terms herein are used as defined in the Credit Agreement. The undersigned hereby gives you irrevocable notice pursuant to Section 2.02(a) (i) of the Credit Agreement that that (i) the Closing Date shall occur on [•], 2015 and (ii) the initial Interest Period shall have a duration of [one/three/six] months.

Very truly yours,

CORPBANCA

By: _____

Name: _____

Title: _____



EXHIBIT D-2

FORM OF NOTICE OF BORROWING

[], 2015

Standard Chartered Bank, as Administrative Agent under the Credit Agreement referred to below [ADDRESS]

Attention: []

Ladies and Gentlemen:

The undersigned, Corpbanca (the "Borrower"), refers to the Second Amended and Restated Credit Agreement, dated as of September 23, 2015 (as the same may be amended or modified from time to time, the "Credit Agreement") among the Borrower, the Lenders, the Arrangers, and Standard Chartered Bank, as Administrative Agent. Unless otherwise defined herein, capitalized terms herein are used as defined in the Credit Agreement. The undersigned hereby gives you irrevocable notice pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests the Borrowing, and in connection with that request sets forth below the information relating to the Borrowing (the "Proposed Borrowing") as required by Section 2.02(a)(ii) of the Credit Agreement:

(a) The Business Day of the Proposed Borrowing is , 2015.

(b) The aggregate amount of the New Loans requested as part of the Proposed Borrowing is \$; provided that the fees, costs and expenses described in Section 3.01(d) of the Credit Agreement will be netted from the proceeds of the Borrowing.

(c) The proceeds of the New Loans under the Proposed Borrowing are requested to be disbursed to the Borrower's account number located at .

(d) Acknowledges and agrees that all payments in respect of the New Loans referred to herein shall be made to the following account:

[]
[ABA No.]
[Account Name:]
[Account Number:]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(a) the representations and warranties contained in Article IV of the Credit Agreement (other than representations and warranties that are expressly made as of a specific date other than the date hereof or the date of the Proposed Borrowing) are correct in all material respects, before and immediately after giving effect to the Proposed Borrowing, as though made on the date of the Proposed Borrowing; and



(b) no Default or Event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom.

Very truly yours,

CORPBANCA

By: _____
Name: _____
Title: _____



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EXHIBIT E

FORM OF COMPLIANCE CERTIFICATE

This certificate, dated as of [•], is prepared pursuant to Section 5.06 [(b) or (c)] of the Second Amended and Restated Credit Agreement, dated as of [•], 2015 (as the same may be amended or modified from time to time, the “Credit Agreement”) among Corpbanca (the “Borrower”), the Lenders, the Arrangers, and Standard Chartered Bank, as Administrative Agent. Unless otherwise defined herein, capitalized terms herein are used as defined in the Credit Agreement.

The Borrower hereby certifies (a) that no Default or Event of Default has occurred or is continuing, except as described below, (b) that all of the representations and warranties contained in Article IV of the Credit Agreement (other than any representations and warranties that are expressly made as of another specific date) are true and correct in all material respects as if made on this date, and (c) that the Borrower is in compliance with all the covenants contained in Article VI of the Credit Agreement, including without limitation (i) the negative pledge contained in Section 6.01 of the Credit Agreement; (ii) the limitations on Restricted Payments contained in Section 6.02 of the Credit Agreement; (iii) the BIS Capital Ratio contained in Section 6.07 of the Credit Agreement; (iv) the Non-Performing Loans to Total Loans Ratio contained in Section 6.08 of the Credit Agreement; and (v) the Loan Loss Reserve to Non-Performing Loans Ratio contained in Section 6.09 of the Credit Agreement.

Executed this day of [], 20[].

CORPBANCA

By: _____
Name: _____
Title: _____



EXHIBIT F

FORM OF INTEREST SETTING NOTICE

INTEREST SETTING NOTICE

TO: Standard Chartered Bank, as Administrative Agent (the “Administrative Agent”)

FROM: [Lender] (the “Lender”)

RE: Interest Setting Notice pursuant to Section 2.10 of the Second Amended and Restated Credit Agreement, dated as of [•], 2015 (the “Credit Agreement”), among Corpbanca, the Lenders party thereto from time to time, the Administrative Agent, and the Arrangers.

DATE: _____

Pursuant to the Credit Agreement, the Lender hereby requests that the Alternate Rate (as such term is defined in the Credit Agreement) should apply for the next Interest Period.

[Lender]

(Authorized Officer)



EXHIBIT G

FORM OF LEGAL OPINION OF SPECIAL NEW YORK COUNSEL
TO THE BORROWER

[•], 2015

Standard Chartered Bank, as
Administrative Agent
and the Lenders from time to time party to
the Credit Agreement

Re: Corpbanca

Gentlemen and Ladies:

We have acted as special New York counsel to Corpbanca, a Chilean financial institution (“**Company**”), in connection with the Second Amended and Restated Credit Agreement, dated as of September [•], 2015 (the “**Credit Agreement**”), among the Company, the lenders from time to time party thereto (the “**Lenders**”), Standard Chartered Bank, as administrative agent (in such capacity, the “**Administrative Agent**”), HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities, LLC, as Joint Bookrunners and Mandated Lead Arrangers. This opinion is delivered to you pursuant to Section 3.01(c)(iv) of the Credit Agreement. Please be advised that we act as counsel to the Company only on select matters and do not act as general counsel to the Company or its Affiliates. Capitalized terms used in this opinion letter and not otherwise defined herein shall have the meanings specified in the Credit Agreement.

We have examined originals (or copies of executed originals) of the Credit Agreement, the Master Assignment and Assumption Agreement, dated as of [the date hereof] (the “**Master Assignment and Assumption Agreement**”), by and among the Company, each of the assignors and assignees party thereto, the Continuing Lenders as defined in the Master Assignment and Assumption Agreement and the Administrative Agent and each of the Notes dated as of the date hereof delivered under the Credit Agreement (the “**Notes**”, and together with the Credit Agreement and the Master Assignment and Assumption Agreement, the “**Transaction Documents**”), as well as the certificate of an officer of the Company, dated the date hereof.

In making such examination and rendering the opinions set forth below, we have assumed the genuineness of all signatures the legal capacity and competence of all individuals, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed, photocopied or electronic copies of such documents.

In rendering the opinions set forth below, we have also assumed that (a) each of the parties to the Transaction Documents has duly and validly executed and delivered the Transaction Documents; (b) each of the parties to the Transaction Documents is validly existing and in good standing under the laws of the jurisdiction of its organization or formation; (c) each of the parties



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to the Transaction Documents has the requisite power and authority and has taken the action necessary to authorize the execution and delivery of the Transaction Documents and to consummate the transactions contemplated thereby; (d) the Transaction Documents constitute the valid and binding obligations of each party thereto (other than the Company as it relates to New York law to the extent set forth herein), enforceable against such party in accordance with their respective terms; and (e) all authorizations, approvals or consents of (including, without limitation, all foreign exchange control approvals), and all filings or registrations with, any governmental or regulatory authority or agency of the Republic of Chile (including, without limitation, the central bank of the Republic of Chile) required for the making and performance by the Company of the Transaction Documents have been obtained or made and are in effect (provided that no such assumption is made with regard to authorizations approvals, consents, filings or registrations to the extent set forth in opinion paragraph 3 below). We assume that (i) there has been no mutual mistake of fact, or misunderstanding or fraud, duress or undue influence in connection with the negotiation, delivery and execution of the Transaction Documents and (ii) there are and have been no agreements or understandings among the parties, written or oral, and there is and has been no usage of trade or course of prior dealing among the parties that would, in either case, vary, supplement, or qualify the terms of the Transaction Documents.

Our opinions set forth herein are based on our consideration of only those statutes, rules, regulations and judicial decisions which, in our experience, are normally applicable to transactions of the type contemplated by the Transaction Documents.

With respect to certain factual matters material to our opinions, we have relied upon representations and warranties of the Company in the Transaction Documents, and certificates or comparable documents of officers of the Company, public officials and other authorized persons and we have made no independent inquiry into the accuracy of such representations or certificates.

Based upon the foregoing and subject to the assumptions and qualifications set forth above and hereinafter, we are of the opinion that:

1. The Transaction Documents constitute the valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms.
2. The execution and delivery by the Company of the Transaction Documents and consummation by the Company of the transactions contemplated by the Transaction Documents do not violate any law, statute, rule or regulation under the federal laws of the United States (assuming that the proceeds of the Loan are used solely for the purposes set forth in the Credit Agreement) or the State of New York applicable to the Company.
3. No order, consent, approval or filing, recording or registration with or exemption by any New York or federal Governmental Authority is required to authorize or is required in connection with (i) the execution and delivery of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated by the Transaction Documents or (ii) the validity, binding effect or enforceability against the Company of the Transaction Documents.
4. None of the Company or its Subsidiaries are registered or required to be registered as an "investment company" or a company "controlled" by an "investment company" pursuant to Section 8 of the Investment Company Act of 1940, as amended.
5. Under the laws of the State of New York relating to submission to personal jurisdiction, the Company has, pursuant to Section 9.14 of the Credit Agreement, validly submitted to the personal jurisdiction of the courts referenced therein, in any suit or proceeding arising out of or relating to the Transaction Documents or the transactions contemplated thereby.



The foregoing opinions are subject to the following qualifications:

(a) The opinions expressed herein are limited by principles of equity (regardless of whether considered in a proceeding in equity or at law) that may limit the availability of certain rights and remedies and do not reflect the effect of bankruptcy (including preferences), insolvency, fraudulent conveyance, receivership, reorganization, moratorium and other laws or decisions relating to or affecting debtors' obligations or creditors' rights generally (including, but not limited to, foreign laws or governmental action affecting the rights of creditors generally) and, as to rights of indemnification and contribution, by principles of public policy and statutes of limitation. The opinions expressed above also do not reflect the effect of laws and equitable doctrines (including requirements that the parties to agreements act reasonably and in good faith and in a commercially reasonable manner, and give reasonable notice prior to exercising rights and remedies) or the effect of the exercise of discretion of the court before which any proceeding may be brought, which may limit the availability of any particular remedy, and except that we express no opinion as to the rights of any of the parties to the Transaction Documents to accelerate the due date of any payment due thereunder or to exercise other remedies available to them on the happening of a non-material breach of any such document or agreement.

(b) Without limiting the generality of the foregoing, we express no opinion with respect to: (1) the availability of specific performance or other equitable remedies for noncompliance with any of the provisions contained in the Transaction Documents; (2) the enforceability of provisions contained in the Transaction Documents relating to the effect of laws not currently in effect which may be enacted in the future; (3) the enforceability of provisions in the Transaction Documents purporting to waive the effect of applicable laws to the extent such waivers are prohibited by such applicable laws; (4) the effectiveness of any power-of-attorney given under the Transaction Documents that is intended to bind successors and assigns that have not granted such powers by a power-of-attorney specifically executed by them; (5) provisions related to waivers of remedies (or the delay or omission of enforcement thereof), disclaimers, liability limitations or limitations on the obligations of the Lenders in circumstances in which a failure of condition or default by any party is not material; (6) the indemnification and contribution provisions of the Transaction Documents if and to the extent that such provisions contravene public policy or might require indemnification or payments with respect to any litigation against a party to the Transaction Documents determined adversely to the other party(ies) to such litigation, or any loss, cost or expense arising out of an indemnified party's bad faith, gross negligence or willful misconduct or any violation by an indemnified party of statutory duties, general principles of equity or public policy; (7) any self-help provisions, (8) provisions in the Transaction Documents that purport to establish evidentiary standards; (9) provisions in the Transaction Documents that provide that certain rights or obligations are absolute or unconditional; (10) the right of any Lender to set off against funds held in any account maintained with such Lender by the Company and which account is designated, or contains funds that such Lender is aware have been set aside, for special purposes, such as payroll, trust and escrow accounts, or which funds are subject to special agreement between such Lender and the Company expressly precluding or limiting rights to set off funds; (11) provisions that provide for the enforceability of the remaining terms and provisions of the Transaction Documents in circumstances in which certain other terms and provisions of the Transaction Documents are illegal or unenforceable; (12) provisions that restrict access to or waive legal or equitable remedies or access to courts; (13) provisions that affect or confer jurisdiction (other than on the courts of New York); (14) provisions that permit any Lender to act in its sole discretion or to be exculpated from liability for its actions to the extent not permitted by law; (15) any provision of the Transaction Documents that may be construed as a forfeiture or penalty; (16) any provision of the Transaction Documents that purports to provide that the terms thereof may not be varied or waived except in writing or that the express terms thereof supersede any inconsistent course of



performance and/or usage of the trade; (17) the effect of the laws of any jurisdiction (other than New York and U.S. Federal laws) in which the Administrative Agent or any Lender is located that limits the interest, fees or other charges it may impose for the Loan or use of money or other credit; (18) Section 9.15 of the Credit Agreement; (19) Section 9.18 of the Credit Agreement to the extent it relates to immunity acquired after the date hereof; (20) any provisions of the Transaction Documents to the effect that certain determinations made by one party shall have conclusive or binding effect; or (21) the enforceability of any so-called "savings clauses" or other similar provisions of the Transaction Documents.

(c) No opinion is rendered as to any federal, state or local laws, rules, or regulations relating to (1) antitrust or unfair competition; (2) securities or "blue sky" laws (except as set forth in paragraph 4 above); (3) environmental matters; (4) tax matters; (5) laws, rules and regulations under the Employment Retirement Income Security Act of 1974, as amended; (6) counties, cities, townships, municipalities or other special local non-state governmental authorities; (7) insurance, banking or financial institutions, or (8) anti-terrorism. In addition, no opinion is rendered herein as to applicability to or effect on any of the matters covered herein of the laws or regulations that apply specifically to the type of business conducted by the Company or any of its Subsidiaries or the regulatory status of any party to the Transaction Documents.

(d) In connection with our opinion set forth in paragraph (5) above, we assume that any such suit or proceeding will be properly brought in a court having jurisdiction over the subject matter, and we are expressing no opinion with respect to the subject matter jurisdiction of any such court. Also, we are expressing no opinion as to whether or under what circumstances such a court might decline to accept jurisdiction over such action on the ground that New York is an inconvenient forum. Furthermore, we express no opinion with respect to the provisions of Section 9.14 of the Credit Agreement insofar as it relates to (i) the subject matter jurisdiction of any United States Federal court to adjudicate any controversy, (ii) the jurisdiction of any courts other than the courts of the State of New York and United States federal courts, (iii) the conclusiveness or enforceability of foreign judgments, (iv) the waiver of inconvenient forum with respect to proceedings in the United States District Court for the Southern District of New York or (v) the waiver of a party's right to a jury trial.

(e) Our opinion as to the enforceability of the choice of New York law as the governing law is subject to the qualification that (i) a court outside New York may decline to enforce the choice of law provisions in the Transaction Documents on the grounds of comity or (ii) any court may decline to enforce the choice of law provisions in the Transaction Documents because United States constitutional requirements are not satisfied.

We express no opinion as to the laws of any jurisdiction other than those of the United States of America and the State of New York. Without limiting the foregoing, we do not hold ourselves out as experts on, or purport to advise on, the laws of the Republic of Chile.

This opinion speaks only as of the date hereof. We have no obligation to advise the addressees (or any third party) of any changes in the law or facts that may occur after the date of this opinion.

Our opinions expressed herein are solely for your benefit and the benefit of your permitted assigns and participants under the Credit Agreement. This opinion may not be relied upon in any manner by any other person and may not be disclosed, quoted, assigned or circulated or furnished or filed with a governmental agency or otherwise referred to without our express written consent other than to such participants and assigns (it being understood that this opinion also may be furnished to, but not relied upon by, prospective Lenders under the Credit Agreement); provided, however, that copies of this opinion may be furnished or disclosed to, but



may not be relied on by, (i) your auditors and bank examiners in connection with their audit and examination functions and (ii) any other Person to the extent required by law or court order.

Very truly yours,

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EXHIBIT H

**FORM OF LEGAL OPINION OF IN-HOUSE COUNSEL
TO THE BORROWER**

Santiago (Chile), September [•], 2015

To Standard Chartered Bank, as the Administrative Agent
and to each of the Lenders parties to the Agreement
Referred to below

Ladies and Gentlemen:

I have acted as in-house counsel to Corpbanca (the "**Borrower**") in connection with: (a) the Second Amended and Restated Credit Agreement, dated as of September [•], 2015 (as amended, modified or supplemented from time to time, the "**Agreement**"), among the Borrower, the banks listed therein as lenders (the "**Lenders**"), Standard Chartered Bank, as Administrative Agent, and HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities, LLC, as Joint Bookrunners and Mandated Lead Arrangers (collectively, the "**Arrangers**"); and (b) the Instruments (as defined in the Agreement) to be executed by the Borrower to the order of the Lenders pursuant to the Agreement (together, the "**Credit Documents**"). All capitalized terms used herein and not otherwise defined are used herein as defined in the Agreement.

In rendering this opinion, I have examined each of the following documents:

- (1) the *Escritura de Constitución* and *Estatutos* of the Borrower;
- (2) the Agreement;
- (3) the form of the Note attached to the Agreement as Exhibit B;
- (4) the form of the Recognition of Debt attached to the Agreement as Exhibit C;
- (5) Public deed dated [•], granted before the notary public of Santiago, [•], containing the power of attorney and required authorizations for [•] and [•] to enter and execute the Agreement; and

In addition, I have examined and relied on originals or copies of all such corporate records of the Borrower and such other instruments and certificates of public officials, officers and representatives of the Borrower, and I have made such investigations of law as I have deemed appropriate as a basis for the opinions expressed herein.

In rendering the opinions expressed herein, I have assumed and have not independently verified (i) that the signatures on all the documents that I have examined are genuine; and (ii) that all documents submitted to us as originals are authentic and the conformity to the originals of all documents submitted to us as copies.

The opinions expressed in this letter are limited to questions arising pursuant to the laws of Chile and I do not express any opinion on any question arising under the laws of any other jurisdiction.



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Now, based upon the foregoing, but subject to the qualifications expressed below, I am of the opinion that:

1. The Borrower is a banking stock corporation (*sociedad anónima bancaria*) duly organized and validly existing under the laws of Chile and has the requisite power, authority and governmental approvals, licenses, authorizations or consents to own, lease and operate its properties and to carry on its business as presently conducted.
2. Each Credit Document has been duly executed and delivered by the Borrower.
3. The execution, delivery and performance by the Borrower of the Credit Documents and the transactions contemplated thereby (a) are within the Borrower's corporate powers, (b) have been duly authorized by all necessary corporate action, (c) do not contravene the Borrower's constitutive documents or organizational documents, (d) do not violate the laws of Chile applicable to the Borrower and (e) will not require the creation or imposition of any Lien prohibited by the Agreement.
4. Each Credit Document is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with their terms. The Credit Documents do not contain any provisions which are contrary to Chilean laws regulations or public policy, as presently construed by Chilean Courts.
5. The *Escritura pública de reconocimiento de deuda* (Recognition of Debt) and the *Pagaré* (Promissory Note), both under Exhibit C and Exhibit B of the Agreement, respectively, once executed and upon (a) the payment of any applicable Chilean stamp tax (when applicable) and (b) the applicable authorization by a Chilean Notary Public, will constitute (i) legal, valid and binding obligations under the laws of Chile, which is their governing law, and (ii) *títulos ejecutivos* (executive instruments) in Chile for the payment of the Loans documented thereby and will entitle the holder thereof to *acción ejecutiva* (summary proceedings) for the enforcement thereof. Notwithstanding the commencement of such *acción ejecutiva* (summary proceedings) in Chile on any such Instrument, the holder of such Instrument would be entitled concurrently to bring an ordinary action in Chile on the other Credit Documents for collection of other sums (without duplication of any amounts subject to the *acción ejecutiva*) owed to such holder under the Credit Documents.
6. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required to be obtained or made for the due execution, delivery and performance by the Borrower of the Credit Documents or the consummation of the transactions contemplated thereby, except for the filing with the Banco Central de Chile of the terms and conditions of the Agreement pursuant to Section A.1 of Chapter XIII of the Compendium of Foreign Exchange Regulations of the Banco Central de Chile, which must be made no later than the date of the Initial Borrowing. However, a breach by the Borrower of this filing requirement does not affect the ability of the Borrower to comply with its payment obligations under any Credit Document or the rights of the Lenders under any Credit Document.
7. All acts, conditions, and things required by the laws of Chile in force at the date hereof to be done, fulfilled, and performed in order (a) to enable the Borrower lawfully to enter into the Credit Documents and to exercise its rights under and perform and comply with



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the obligations expressed to be assumed by it in the Credit Documents, and (b) to ensure that the obligations expressed to be assumed by the Borrower in the Credit Documents are legal, valid, and binding, have been done, fulfilled, and performed.

8. The choice of New York law to govern the Credit Agreement is, under the laws of Chile, a valid, effective and irrevocable choice of law.
9. There is no tax, levy, impost, deduction, charge or withholding imposed by Chile or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of the Credit Documents or any other document to be furnished thereunder; (ii) on any payment to be made by the Borrower, except that (x) a stamp tax will be payable in respect of the principal amount of "New Loans" at a rate of 0.4% on the principal amount thereof until 2015 and 0.8% thereafter (the "**Stamp Tax**"), and (y) payments of interest made by the Borrower from Chile will be subject to Chilean withholding tax at an effective rate of 4.0% if paid to the Administrative Agent or to any of the Lenders or Arrangers that is a foreign or international banking or financial institution, or to a 35% withholding tax to the extent paid to any other person or entity domiciled or resident abroad, while other payments under the Credit Documents (excluding principal) made by the Borrower from Chile may be subject to Chilean withholding tax at an effective rate of up to 35%. The Borrower is permitted under applicable law to pay any additional amounts payable under Section 2.09 and 2.12 of the Agreement and such provisions are valid and binding under the laws of Chile.
10. Except for the payment of the Stamp Tax applicable to the "New Loans", the Credit Documents are in proper legal form under the laws of Chile for the enforcement thereof in accordance with their respective terms in the courts of Chile and the obligations of the Borrower under the Credit Documents may be enforced (by judgment and levy) in accordance with their respective terms and the following paragraph in a proceeding at law in any competent court in Chile.
11. In order to ensure the legality, validity, enforceability or admissibility into evidence in Chile of any Credit Document, it is not necessary for such document to be filed or recorded with any court or authority in Chile nor that any tax (other than the Stamp Tax respect the "New Loans") be paid on or in respect of such document; provided, however that, for the enforceability or admissibility into evidence of the Agreement, such document would have to be translated into the Spanish language by an official translator of the Chilean Ministry of Foreign Affairs or appointed by the court unless executed in Spanish by all the parties thereto. This procedure could be carried out in relation to any Credit Document issued or executed in a language other than Spanish at any time prior to such document being so admitted into evidence in a proceeding held by Chilean courts.
12. The claims of the Administrative Agent, the Arrangers and the Lenders against the Borrower under the Credit Documents rank at least *pari passu* in priority of payment and in all other respects with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred solely by the laws of Chile relating to bankruptcy, insolvency, liquidation, or other similar laws of general application.
13. The qualification of the Administrative Agent, any Lender or any Arranger for admission to do business under the laws of Chile does not constitute a condition to, and the failure to so qualify does not affect the exercise by the Administrative Agent or such Lender of, any right, power or remedy accorded to it under any Credit Document.



14. The Borrower is subject to civil and commercial laws with respect to its obligations under the Agreement and the Instruments and the execution, delivery and performance by it of its obligations under such documents constitute private and commercial acts (*jure gestionis* acts) rather than public or governmental acts (*jure imperii* acts). Neither the Borrower nor any of its properties has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of Chile.
15. No litigation, arbitration, suit, investigation or administrative proceeding is currently pending or threatened against or affecting the Borrower or any of its assets before any court, arbitrator or governmental agency that purports to, or may affect the legality, validity or enforceability of any of the Credit Documents or, if determined adversely to the Borrower, could individually or in the aggregate reasonably be likely to result in a Material Adverse Effect.
16. The (i) submission by the Borrower to the non-exclusive jurisdiction of the courts of the State of New York in the Borough of Manhattan, City of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof, (ii) appointment of the agent for service of process and the designation of the method of service of process in the Agreement, and (iii) waiver of any objection to the laying of venue of certain actions, suits or proceedings, are, in each case, valid and effective under the laws of Chile, and are irrevocably binding on the Borrower.
17. The courts of Chile will recognize as valid, and will enforce any final and conclusive civil judgment for a monetary claim obtained in a state or federal court sitting in the Borough of Manhattan, the City of New York, against the Borrower by the Administrative Agent, any Lender or any Arranger under the Agreement without any retrial or re-examination of the merits of the original action under the following circumstances:
 - (a) subject to subclause (c) below, if there is a treaty between Chile and the United States with respect to the enforcement of foreign judgments. Currently, there is no such treaty;
 - (b) subject to subclause (c) below, if there is no treaty, but either (i) the judgment is enforced as a result of reciprocity in the enforcement of judgments by State of New York or Federal courts of the United States sitting in the Borough of Manhattan (i.e., the relevant New York court would enforce a judgment of a Chilean court under comparable circumstances) or (ii) it cannot be proved that there is no reciprocity in the enforcement of judgments by such New York courts; provided, however, that such judgment will only be enforced if it has not been rendered by default within the meaning of Chilean law; provided, further, that (i) I am of the opinion that the judgment would not be considered to have been rendered by default if personal service of process is made upon an agent of the Borrower assuming that such manner of service is valid under the laws of the State of New York, unless the Borrower is able to prove that due to other reasons it was prevented from making use of its legal means of defense, and (ii) under Chilean law, the service of process by means of mailing copies to the Borrower may be deemed not effective to cause proper service of process and, consequently, any judgment rendered in a legal proceeding in which process was



served by means of mailing copies to the Borrower may be then effectively contested by the Borrower in Chile; and

- (c) such judgment is not contrary to the public policy of Chile or Chilean jurisdiction, and does not affect in any way any property located in Chile, which are, as a matter of Chilean law, subject exclusively to the jurisdiction of Chilean courts.

Pursuant to the rules described above, the Administrative Agent, any Lender or any Arranger would be entitled to enforce such judgment in Chile in accordance with the procedure contemplated for the enforcement of final and conclusive foreign judgments in the Chilean Civil Procedure Code (“*exequatur*”).

With respect to public policy and the enforcement of the obligations of the Borrower, and foreign judgments with respect thereto, and subject to the foregoing paragraph, I am of the opinion that, generally, any provision purporting to authorize conclusive determinations by any person whether for interest, indemnities, costs or otherwise may not be enforceable if they are based upon a determination which is so arbitrary and unreasonable as to be contrary to basic and fundamental principles of Chilean law or public policy. Also, disclaimers of liability will only be enforceable if there is no gross negligence or willful misconduct on the part of the party making such disclaimer.

Finally, I express no opinion as to the enforceability in Chile of a judgment rendered outside Chile against the Borrower, obtained in any court other than any New York court.

- 18. Neither the Lenders, the Administrative Agent, or the Arrangers will be deemed to be residents, domiciled, or carrying on business in Chile by reason only of the execution, delivery, performance and/or enforcement of any Credit Document.

The foregoing opinions are subject to the following additional qualifications:

- (A) The opinions expressed in this opinion letter are subject to the effect of (i) applicable bankruptcy, liquidation, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting creditors’ rights generally, and (ii) general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).
- (B) The opinions expressed in this letter are limited to questions arising under the laws of Chile, and I do not purport to express an opinion on any question arising under the laws of any other jurisdiction.
- (C) This opinion is effective only as of the date hereof. I expressly disclaim any responsibility to advise you of any development or circumstance of any kind including any change of law or fact that may occur after the date of this letter even though such development, circumstance or change may affect the legal analysis, a legal conclusion or any other matter set forth in or relating to this letter. Accordingly, if you intend to rely on this letter at any time after the date hereof you should seek the advice of counsel as to the proper application thereof at such time.



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CORBANCA
FORM 20-F

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Page 1 of 1

(D) I am furnishing this opinion to you solely for your benefit and this opinion may not be used, circulated, quoted or otherwise referred to, or relied upon by, any person or entity other than the addressees hereof and your permitted successors and assigns, or for any other purpose, without my prior written consent in each instance, except that you may disclose this opinion to: (i) any regulatory authority having jurisdiction over you, if required by any law or regulation; (ii) your legal advisors, auditors, supervisors or regulators; or (iii) a prospective new lender or sub-participant to the Agreement.

Sincerely yours,

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EXHIBIT I

**FORM OF LEGAL OPINION OF SPECIAL NEW YORK COUNSEL
TO THE ADMINISTRATIVE AGENT**

[•], 2015

Standard Chartered Bank, as Administrative Agent
and to each of the Lenders party to the Credit Agreement

Ladies and Gentlemen:

We have acted as special New York counsel to Standard Chartered Bank, in its capacity as administrative agent (the “Administrative Agent”), in connection with that certain Second Amended and Restated Credit Agreement, dated as of [•], 2015 (the “Credit Agreement”), among Corpbanca, as borrower (the “Borrower”), the lenders party thereto, HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities, LLC, as joint bookrunners and mandated lead managers and the Administrative Agent. This opinion letter is delivered to each of you pursuant to Section 3.01(c)(iv)(C) of the Credit Agreement. All capitalized terms used herein and not otherwise defined are used herein as defined in the Credit Agreement.

In connection with our opinion expressed below, we have examined originals or copies certified to our satisfaction of the documents listed on Annex I hereto and such other documents, certificates and other statements of government officials and corporate officers of the Borrower as we deemed necessary for the purposes of the opinion set forth herein. The documents listed on Annex I hereto are referred to herein as the “Opinion Documents.”

We have relied, to the extent we deem such reliance proper, upon certificates of public officials and, as to any facts material to our opinion, upon certificates of officers of the Borrower and the representations of the Borrower in the Opinion Documents. In rendering such opinion, we have assumed without independent investigation or verification of any kind the genuineness of all signatures, the legal capacity of all natural persons signing the Opinion Documents, the authenticity of all documents submitted to us as originals, the conformity to authentic original documents of all documents submitted to us as copies, the truthfulness, completeness and correctness of all factual representations and statements contained in the Opinion Documents, the accuracy and completeness of all public records examined by us and the accuracy of English translations of all documents originally in other languages. We have also, without independent investigation or verification of any kind, made the assumptions set forth in Annex II hereto.



[•], 2015

Based upon the foregoing assumptions and the assumptions set forth in Annex II hereto, and subject to the qualifications set forth herein and in Annex III hereto, having considered such questions of law as we have deemed necessary as a basis for the opinion expressed below, we are of the opinion that each of the Opinion Documents constitutes the valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

The opinion expressed above is limited to questions arising under the federal law of the United States and the law of the State of New York. We do not express any opinion as to the laws of any other jurisdiction. The opinion expressed above is limited to the matters stated herein, and no opinion is implied or may be inferred beyond the one expressly stated herein.

The opinion expressed above is as of the date hereof only, and we express no opinion as to, and assume no responsibility for, the effect of any fact or circumstance occurring, or of which we learn, subsequent to the date of this opinion letter, including, without limitation, legislative and other changes in the law or changes in circumstances affecting any party. We assume no responsibility to update this opinion letter for, or to advise you of, any such facts or circumstances of which we become aware, regardless of whether or not they affect the opinion expressed herein.

This opinion letter is provided to you in connection with the transactions contemplated by the Opinion Documents and may not be relied upon by you for any other purpose. This opinion letter may not be relied upon by, or furnished or disclosed to, any other Person for any purpose, or filed with any governmental agency without, in each instance, our prior written consent; provided, however, that copies of this opinion letter may be furnished to, but may not be relied upon by, (i) your or an assignee's auditors and bank examiners in connection with their audit and examination functions and (ii) any Person to whom disclosure is required to be made by law or court order. Our consent to disclosure to the Persons referred to in the foregoing proviso is given on the basis that (x) such disclosure is made solely to enable such Persons to be informed that an opinion has been given and to be made aware of its terms but not for the purpose of reliance by them on this opinion letter, (y) we do not assume any duty or liability to such Persons and (z) such Persons shall not further disclose this opinion letter except as permitted by the foregoing proviso. No Person may assign its rights or claims, if any, under this opinion letter without our prior written consent.

This opinion letter shall be understood and interpreted in accordance with the customary practice of lawyers in New York who regularly give, and lawyers who on behalf of their clients regularly advise opinion recipients regarding, opinions in transactions of the type contemplated by the Opinion Documents.

Very truly yours,

FH: LBZ



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[•], 2015

ANNEX I

Opinion Documents

- (a) the Credit Agreement; and
- (b) the Master Assignment and Assumption Agreement.



[•], 2015

ANNEX II

Additional Assumptions

Our foregoing opinion in this opinion letter is made in reliance on the following assumptions (as to which we made no independent investigation) in addition to any assumptions made elsewhere in this opinion letter:

(a) Each of the parties to the Opinion Documents is duly organized and validly existing and in good standing under the laws of its jurisdiction of incorporation or formation and has the full power and authority to execute, deliver and perform its obligations under the Opinion Documents.

(b) Each of the Opinion Documents has been duly authorized, executed and delivered by all of the parties thereto, and each party to the Opinion Documents has satisfied all other legal requirements that are applicable to it to the extent necessary to make the Opinion Documents enforceable against it.

(c) Each of the Opinion Documents constitutes the valid, binding and enforceable obligation of all of the parties thereto under all applicable laws; provided, however, that this assumption is not made in respect of the Borrower as to any such matters which are expressly addressed by our opinion in this opinion letter.

(d) The execution, delivery and performance of the Opinion Documents by each party thereto do not (i) contravene such party's articles or certificate of incorporation, by-laws or similar organizational documents, (ii) contravene any laws or governmental rules or regulations that may be applicable to such party or its assets, (iii) contravene any judicial or administrative judgment, injunction, order or decree that is binding upon such party or its assets, or (iv) violate, or require the consent not obtained under, any contract, indenture, lease, or other agreement or instrument applicable to or binding upon such party or its assets; provided, however, that the assumption set forth in clause (ii) of this paragraph (d) is not made in respect of the Borrower regarding the federal laws of the United States or the laws of the State of New York which in our experience are normally applicable to general business entities in respect of transactions of the type contemplated by the Opinion Documents.

(e) All authorizations, approvals or consents of, and all filings or registrations with, any governmental or regulatory authority or agency required under the laws of any jurisdiction for the execution, delivery and performance of the Opinion Documents have been obtained or made and are in full force and effect.

(f) There are no agreements or other arrangements that modify or supersede any of the terms of the Opinion Documents.



[•], 2015

ANNEX III

Additional Qualifications

Our foregoing opinion in this opinion letter is subject to the following qualifications in addition to any qualifications set forth elsewhere in this opinion letter:

(a) Insofar as our foregoing opinion relates to the enforceability of any provision of the Opinion Documents, such opinion is subject to (i) applicable bankruptcy, insolvency, receivership, conservatorship, liquidation, reorganization, moratorium, fraudulent transfer and other laws affecting the enforcement of creditors' rights generally, (ii) the application of general principles of equity (whether applied by a court in equity or at law), including, without limitation, (x) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (y) concepts of materiality, reasonableness, good faith and fair dealing in the performance and enforcement of contracts and (iii) any judicial administrative or other action giving effect to the actions of foreign governmental authorities or to foreign laws.

(b) Our opinion herein is also subject to the effect of applicable law that may limit the enforceability of, or render ineffective, certain provisions contained in the Opinion Documents, although the inclusion of such provisions does not (subject to the other qualifications set forth herein) make the remedies afforded by the Opinion Documents (taken as a whole) inadequate for the practical realization of the principal benefits intended to be afforded thereby.

(c) We express no opinion as to (i) the legal or regulatory status or the nature of the business of any party to the Opinion Documents or the transactions contemplated thereby; or (ii) the validity, binding effect or enforceability of any provision of the Opinion Documents relating to indemnification, contribution, exculpation or limitation of liability that is violative of or rendered unenforceable by public policy or any law, rule or regulation (including, without limitation, any federal or state securities law, rule or regulation).

(d) We express no opinion as to (i) any provision of the Opinion Documents that appoints or purports to appoint attorneys-in-fact or other representatives or confers powers of attorney or grants similar authorizations or powers or that provides that a determination by any party will be conclusive and binding on any other parties, (ii) any provision of the Opinion Documents stating that the partial invalidity of one or more provisions of the Opinion Documents shall not invalidate the remaining provisions thereof or that provides for the severance of any invalid, illegal or unenforceable term of the Opinion Documents from the other terms of the Opinion Documents, (iii) any provision of the Opinion Documents that constitutes or has the effect of a waiver (expressly or by implication) of illegality or of rights, duties or defenses, or of provisions of law, which cannot as a matter of law or public policy be waived, (iv) any requirement in the Opinion Documents that the provisions thereof may only be waived or amended in writing, (v) any rights of setoff provided in the Opinion Documents, (vi) any provision of the Opinion Documents that purports to establish, waive or modify evidentiary standards (or may be



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[•], 2015

construed to do so), (vii) any provision of the Opinion Documents which constitutes an agreement of the parties to agree at a future time, (viii) any arbitration provisions or any waiver of jury trial, (ix) any restrictions in the Opinion Documents on the transfer by the Borrower of its rights under the Opinion Documents, (x) any provision of the Opinion Documents that provides that the assertion or employment of any right or remedy shall not prevent the concurrent assertion or employment of any other right or remedy, or that each and every remedy shall be cumulative and in addition to every other remedy or that any delay or omission or exercise any right or remedy shall not impair any other right or remedy or constitute a waiver thereof, (xi) any provision of the Opinion Documents that refers to, incorporates or is based upon the law of any jurisdiction other than New York State or the United States, (xii) any document that is incorporated or referred to in the Opinion Documents and (xiii) any non-English terms or phrases or any provision that incorporates or uses such terms or phrases.

(e) We express no opinion as to (i) the subject matter jurisdiction of any United States federal court, or (ii) whether a United States federal court will give effect to (x) the waiver of any objection to the laying of venue and of any claim of forum non conveniens or (y) the forum selection provisions contained in the Credit Agreement, and we note that the designation in the Credit Agreement of any New York State or Federal Court sitting in the borough of Manhattan, the city of New York and any appellate court or body thereto as the venue for actions or proceedings under the Credit Agreement is subject to the power of such courts to transfer such actions and proceedings pursuant to 28 U.S.C. §1404(a) or to dismiss such actions and proceedings on the ground that such federal court is an inconvenient forum for such actions or proceedings.

(f) Insofar as our opinion concerns the provisions of the Opinion Documents specifying the law of the State of New York as the law governing the Opinion Documents or providing for the submission to the jurisdiction of the courts of the State of New York, such opinion is made in reliance on Sections 5-1401 and 5-1402 of the New York General Obligations Law and Section 327(b) of the New York Civil Practice Law and Rules and is subject to the provisions of Subdivision 2 of Section 1-105 of the New York Uniform Commercial Code and to the qualification that such provisions regarding choice of law may not be enforced by courts of jurisdictions other than the courts of the State of New York. You should note that the application of New York law pursuant to Section 5-1401 of the New York General Obligations Law to a transaction having no nexus, or minimal nexus, with the State of New York may be subject to constitutional limitations.

(g) We call to your attention that effective enforcement of a claim denominated in foreign currency may be limited by requirements that the claim (or a judgment in respect of such claim) be converted into U.S. dollars at a rate of exchange prevailing on a specified date. We express no opinion as to (i) whether a federal or state court would award a judgment in a currency other than U.S. dollars or (ii) the enforceability of any provision of the Opinion Documents which requires the Borrower to indemnify any Person against a loss in obtaining the currency due to such Person pursuant to a court judgment denominated in another currency.



[•], 2015

(h) We express no opinion as to any provisions of the Opinion Documents providing for forfeitures or the recovery of, or securing, amounts deemed to constitute penalties, or for or in the nature of liquidated damages, acceleration of future amounts due (other than principal) without appropriate discount to present value, late charges, prepayment charges and make-whole premiums, default interest, and other economic remedies to the extent such provisions are deemed to constitute penalties.

(i) We note that New York law requires good faith and fair dealing in the performance and enforcement of contracts.

(j) We express no opinion as to the effect on the opinion set forth herein of (i) any failure by any party to the Opinion Documents to comply with laws and regulations pertaining to banks, trustees or other financial institutions or affiliates thereof, if applicable, or other laws or regulations applicable to any party to the Opinion Documents by reason of such party's status or the nature of its business or assets, or (ii) the failure of any party to the Opinion Documents to be authorized to conduct business in any jurisdiction.

(k) We express no opinion as to the effect of any judicial, administrative or other action giving effect to the actions of foreign courts or other foreign governmental authorities or to foreign laws.

(l) Insofar as our opinion herein concerns any waiver of sovereign immunity, such opinion is subject to the limitation of the Foreign Sovereign Immunities Act of 1976, as amended (the "FSIA"). Without limiting the generality of the foregoing, we express no opinion as to the effect of a waiver of sovereign immunity by an entity which at the time of such waiver is not a sovereign state or an agency or instrumentality of a sovereign state (as such terms are defined in the FSIA).

(m) We express no opinion as to, or as to the effect on the opinion contained in this opinion letter of: (i) federal or state securities laws or regulations, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Public Utility Holding Company Act of 2005, as amended, and the Investment Company Act of 1940, as amended; (ii) the margin regulations of the Board of Governors of the Federal Reserve System; (iii) federal or state antitrust or unfair competition laws or regulations, including the Hart-Scott-Rodino Antitrust Improvements Act of 1986, as amended; (iv) federal or state banking or insurance laws; (v) federal or state environmental laws or regulations; (vi) federal or state tax laws or regulations; (vii) federal or state public utility laws or regulations and other laws regulating the generation or transmission of energy, power or gas; (viii) the Commodity Exchange Act and regulations thereunder; (ix) labor, pension or employee benefit laws or regulations, including, without limitation, the Employee Retirement Income Security Act of 1974, as amended, and regulations promulgated thereunder; (x) federal patent, copyright or trademark, state trademark, or other federal or state intellectual property laws or regulations; (xi) federal or state health and safety laws or regulations; (xii) racketeering laws and regulations; (xiii) criminal and civil forfeiture laws and regulations; (xiv) land use and zoning laws and regulations; (xv) federal or state laws, regulations or policies relating to national or local emergencies; (xvi) statutes, ordinances, administrative decisions, rules or regulations of counties, towns, municipalities or special political subdivisions (whether



[•], 2015

created or enabled through legislative action at the federal, state or regional level); (xvii) federal or state usury laws (other than New York usury laws); (xviii) the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, et seq., as amended, and regulations issued thereunder; (xix) the Exon-Florio Amendment to the Defense Production Act of 1952; (xx) the USA PATRIOT Act (Title III of Public L. 107-56), as amended, and other regulations issued thereunder or other anti-money laundering laws or regulations; (xxi) (w) the Trading with the Enemy Act of 1917, 50 U.S.C.A. app. §1 et seq., of the United States, as amended, (x) the International Emergency Economic Powers Act, 50 U.S.C.A. §1701 et seq., of the United States, as amended, (y) the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, as amended, and any other laws prohibiting, restricting, or imposing sanctions on Persons engaging in, certain types of activities involving countries specified therein, and any regulation and United States Executive Order relating thereto, or (z) all United States Executive Orders (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or support Terrorism), rules, regulations (including those from the Office of Foreign Assets Control of the U.S. Department of the Treasury), and other official acts promulgated under any of the foregoing; (xxii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and any regulations promulgated thereunder; (xxiii) any other laws to the extent not customarily applicable to general business entities with respect to transactions of the type contemplated by the Opinion Documents; and (xxiv) judicial decisions to the extent that they deal with any of the foregoing.



EXHIBIT J

**FORM OF LEGAL OPINION OF SPECIAL CHILE COUNSEL
TO THE ADMINISTRATIVE AGENT**

Santiago, September [], 2015

To Standard Chartered Bank, as the Administrative Agent
and to each of the Lenders parties to the Agreement
Referred to below

Ladies and Gentlemen:

We have acted as your special Chilean counsel in connection with: (a) the Credit Agreement, dated as of [], 2015 (as amended, modified or supplemented from time to time, the "**Agreement**") among Corpbanca (the "**Borrower**"), the banks listed therein as lenders (the "**Lenders**"), Standard Chartered Bank, as Administrative Agent, HSBC Securities (USA) Inc, Standard Chartered Bank and Wells Fargo Securities, LLC, as Joint Bookrunners and Mandated Lead Arrangers (collectively, the "**Arrangers**"); (b) the New Notes (as defined in the Agreement) to be executed by the Borrower to the order of the Lenders pursuant to the Agreement, (c) the Recognition of Debt (as defined in the Agreement) to be executed by the Borrower to the order of the Lenders pursuant to the Agreement [and (d) the Existing Notes (as defined in the Agreement)] (together, the "**Credit Documents**").

All capitalized terms used herein and not otherwise defined are used herein as defined in the Agreement.

In rendering this opinion, we have examined each of the following documents:

- (1) the *Escritura de Constitución* and *Estatutos* of the Borrower;
- (2) the Agreement;
- (3) the form of the note attached to the Agreement as Exhibit B;
- (4) the form of the Recognition of Debt attached to the Agreement as Exhibit C;
- (5) [the form of allonge (*hoja de prolongación*) attached to the Agreement as Exhibit [];] and
- (6) public deed dated July 24, 2014, granted before the notary public of Santiago Mrs.



Paula Andrea Irene Otarola, containing powers of attorney to the General Manager of the Borrower for the execution of the Agreement.

In addition, we have examined and relied on originals or copies of all such corporate records of the Borrower and such other instruments and certificates of public officials, officers and representatives of the Borrower, and we have made such investigations of law as we have deemed appropriate as a basis for the opinions expressed herein.

In rendering the opinions expressed herein, we have assumed and have not independently verified (i) that the signatures on all the documents that we have examined are genuine; (ii) that all documents submitted to us as originals are authentic and the conformity to the originals of all documents submitted to us as copies; (iii) that each Credit Document has been duly authorized, executed and delivered by each party other than the Borrower, and that each such party (other than the Borrower) has full power, authority and legal right to enter into each such documents and to perform its obligations thereunder and (iv) that the Agreement has been duly executed and delivered pursuant to the laws of the State of New York and is a valid and binding agreement of each party, enforceable against each such party in accordance with its terms under the laws of the State of New York.

The opinions expressed in this letter are limited to questions arising pursuant to the laws of Chile and we do not express any opinion on any question arising under the laws of any other jurisdiction.

Now, based upon the foregoing, but subject to the qualifications expressed below, we are of the opinion that:

1. The Borrower is a banking stock corporation (*sociedad anónima bancaria*) duly organized and validly existing under the laws of Chile and has the requisite power, authority and governmental approvals, licenses, authorizations or consents to own, lease and operate its properties and to carry on its business as presently conducted.
2. The Borrower has full corporate power and authority to enter into, deliver and perform its obligations under the Credit Documents and to consummate each of the transactions contemplated thereby, and has taken all necessary corporate action to authorize the execution, delivery and performance by it of the Credit Documents.
3. The execution, delivery and performance by the Borrower of the Credit Documents and the transactions contemplated thereby (a) are within the Borrower's corporate powers, (b) have been duly authorized by all necessary corporate action, (c) do not contravene the Borrower's constitutive documents or organizational documents, (d) do not violate the laws of Chile applicable to the Borrower and (e) will not require the creation or imposition of any Lien prohibited by the Agreement.
4. The Credit Documents are the legal, valid and binding agreement of the Borrower, enforceable in accordance with their terms. Such documents contain no provisions which are contrary to Chilean laws regulations or public policy, as presently construed by Chilean Courts. The Instruments, when executed, will constitute (i) legal, valid and



binding *pagarés* (promissory notes) or *reconocimiento de deuda* (recognition of debt), as the case may be, under the laws of Chile, which is their governing law and, (ii) *títulos ejecutivos* (executive instruments) in Chile (upon payment of the stamp taxes in the case of the New Notes) for the payment of the Loans documented thereby and will entitle the holder of the New Notes or the creditors under the recognition of debt, to an *acción ejecutiva* (summary proceedings) for the enforcement thereof, as long as such Instruments are executed before a Notary Public. Notwithstanding the commencement of such *acción ejecutiva* (summary proceedings) in Chile on any such Instruments, the holder or the creditors of such Instruments, as the case may be, would be entitled concurrently to bring an ordinary action in Chile on the other Credit Documents for collection of other sums (without duplication of any amounts subject to the *acción ejecutiva*) owed to such holder or creditor, as the case may be, under the Credit Documents.

5. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority in Chile is required to be obtained or made for the due execution, delivery and performance by the Borrower of any Credit Documents, except for, in respect of the Loans, the notification to the *Banco Central de Chile* of any Loan made under the Agreement pursuant to Section A.1 of the Chapter XIII of the Compendium of Foreign Exchange Regulations of the *Banco Central de Chile*, which must be made no later than the date of the Borrowing, and of the amendments under the Agreement, which must be made within the first ten days of the month subsequent to the month of execution of the Agreement. However, a breach by the Borrower of this reporting requirement does not affect the ability of the Borrower to comply with its payment obligations under the Credit Documents or the rights of the Lenders under the Credit Documents; and the reporting to the Chilean Internal Revenue Service (*Servicio de Impuestos Internos*) (x) of the taxes withheld for the purpose of withholding taxes on all interest, and (y) of any relevant payment of fees and commissions made pursuant to the Credit Documents to non-domiciled or non-resident individuals or entities on the dates determined by the *Servicio de Impuestos Internos* for each fiscal year.
6. All acts, conditions, and things required by the laws of Chile in force at the date hereof to be done, fulfilled, and performed in order (a) to enable the Borrower lawfully to enter into the Credit Documents and to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Credit Documents, and (b) to ensure that the obligations expressed to be assumed by the Borrower in the Credit Documents are legal, valid, and binding, have been done, fulfilled, and performed.
7. The choice of New York law to govern the Credit Agreement is, under the laws of Chile, a valid, effective and irrevocable choice of law.
8. In any action or proceeding arising out of or relating to the Agreement in any court in Chile, such court should recognize and give effect to the governing law provision of such document, which provides that the Agreement shall be governed by the laws of the State of New York.



9. There is no tax, levy, impost, deduction, charge or withholding imposed by Chile or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of the Credit Documents or any other document to be furnished thereunder; (ii) on any payment to be made by the Borrower, except that (x) a stamp tax will be payable in respect of the principal amount of any New Loan, at a rate of 0.4% on the principal amount thereof (the “**Stamp Tax**”), and (y) payments of interest made by the Borrower from Chile will be subject to Chilean withholding tax at an effective rate of 4.0% if paid to the Administrative Agent or to any of the Lenders and Arrangers that is a foreign or international banking or financial institution, or to a 35% withholding tax to the extent paid to any other person or entity domiciled or resident abroad, while other payments under the Credit Documents (excluding principal) made by the Borrower from Chile may be subject to Chilean withholding tax at an effective rate of up to 35 %. The gross-up provisions contained in the Agreement are valid and binding under the laws of Chile.
10. Except for the payment of the Stamp Tax with respect to the New Notes, the Credit Documents are in proper legal form under the laws of Chile for the enforcement thereof in accordance with their respective terms in the courts of Chile and the obligations of the Borrower under the Credit Documents may be enforced (by judgment and levy) in accordance with their respective terms in a proceeding at law in any competent court in Chile; provided that such Credit Documents are originally in the Spanish language or have been translated into the Spanish language by an approved translator (which translation would be effected at any time prior to such document being so admitted into evidence).
11. The obligations of the Borrower under the Credit Documents may be enforced (by judgment and levy) in accordance with their respective terms in a proceeding at law in any competent court in Chile. In order to ensure the legality, validity, enforceability or admissibility into evidence in Chile of any Credit Documents, it is not necessary for such document to be filed or recorded with any court or authority in Chile nor that any tax (other than the Stamp Tax) be paid on or in respect of such document; provided, however, that for the enforceability or admissibility into evidence of the Agreement, such document would have to be translated into the Spanish language by an approved translator (which translation could be effected at any time prior to such document being so admitted into evidence).
12. The claims of the Administrative Agent, the Arrangers and the Lenders against the Borrower under each of the Credit Documents rank at least *pari passu* in priority of payment and in all other respects with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred solely by the laws of Chile relating to bankruptcy, insolvency, liquidation, or other similar laws of general application.
13. It is not necessary under the laws of Chile (a) in order to enable the Lenders, the Administrative Agent and the Arrangers to enforce any Credit Documents or to exercise its respective rights or remedies under such document or (b) by reason only of the execution,



delivery or performance of the Agreement, that the Lenders, the Administrative Agent and the Arrangers be licensed, qualified or entitled to carry on business in Chile.

14. The Borrower is subject to civil and commercial laws with respect to its obligations under the Credit Documents and the execution, delivery and performance by it of its obligations under such documents constitute private and commercial acts (jure gestionis acts) rather than public or governmental acts (jure imperii acts). Neither the Borrower nor any of its properties has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of Chile.
15. Under the laws of Chile, (a) the submission to the jurisdiction of the State of New York or Federal courts of the United States sitting in the Borough of Manhattan and any appellate court from any thereof, and (b) the waiver of any objection to the laying of venue of certain actions, suits or proceedings, are in each case, valid and binding on the Borrower.
16. A final and conclusive judgment for the payment of money rendered by a competent State of New York or Federal court of the United States sitting in the Borough of Manhattan should be recognized in the courts of Chile and such courts should enforce such judgment without any retrial or re-examination of the merits of the original action under the following circumstances:
 - (a) subject to subclause (c) below, if there is a treaty between Chile and the United States with respect to the enforcement of foreign judgments. Currently, there is no such treaty;
 - (b) subject to subclause (c) below, if there is no treaty, but either (i) the judgment is enforced as a result of reciprocity in the enforcement of judgments by State of New York or Federal courts of the United States sitting in the Borough of Manhattan (i.e., the relevant New York court would enforce a judgment of a Chilean court under comparable circumstances) or (ii) it cannot be proved that there is no reciprocity in the enforcement of judgments by such New York courts; provided, however, that such judgment will only be enforced if it has not been rendered by default within the meaning of Chilean law. We are of the opinion that the judgment would not be considered to have been rendered by default if personal service of process is made upon an agent of the Borrower assuming that such manner of service is valid under the applicable law, unless the Borrower is able to prove that due to other reasons it was prevented from assuming its defense. Under Chilean law, the service of process by means of mailing copies to the Borrower may be deemed not effective to cause proper service of process and, consequently, any judgment rendered in a legal proceeding in which process was served by means of mailing copies to the Borrower may be then effectively contested by the Borrower in Chile; and,
 - (c) such judgment is not contrary to the public policy of Chile or Chilean jurisdiction, and does not affect in any way any property located in Chile, which are, as a matter of Chilean law, subject exclusively to the jurisdiction of Chilean courts.



Pursuant to the rules described above, the courts in Chile should enforce a final and conclusive judgment for the payment of money rendered by a competent State of New York or Federal court of the United States sitting in the Borough of Manhattan, in accordance with the procedure contemplated for the enforcement of final and conclusive foreign judgments in the Chilean Civil Procedure Code (“*exequator*”).

With respect to public policy and the enforcement of the obligations of the Borrower, and foreign judgments with respect thereto, and subject to the foregoing paragraph, we are of the opinion that, generally, any provision purporting to authorize conclusive determinations by any person whether for interest, indemnities, costs or otherwise may not be enforceable if they are based upon a determination which is so arbitrary and unreasonable as to be contrary to basic and fundamental principles of Chilean law or public policy. Also, disclaimers of liability will only be enforceable if there is no gross negligence or willful misconduct on the part of the party making such disclaimer.

Finally, we express no opinion as to the enforceability in Chile of a judgment rendered outside Chile against the Borrower, obtained in any court other than any State of New York or Federal court of the United States sitting in the Borough of Manhattan.

17. The Lenders, the Administrative Agent and the Arrangers will not be deemed resident, domiciled, or carrying on business in Chile by reason only of the execution, delivery, performance or enforcement of the Agreement.

The foregoing opinions are subject to the following additional qualifications:

- (A) The opinions expressed in this opinion letter are subject to the effect of (i) applicable bankruptcy, liquidation, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting creditors’ rights generally, and (ii) general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).
- (B) The opinions expressed in this letter are limited to questions arising under the laws of Chile, and we do not purport to express an opinion on any question arising under the laws of any other jurisdiction.
- (C) This opinion is effective only as of the date hereof. We expressly disclaim any responsibility to advise you of any development or circumstance of any kind including any change of law or fact that may occur after the date of this letter even though such development, circumstance or change may affect the legal analysis, a legal conclusion or any other matter set forth in or relating to this letter. Accordingly, if you intend to rely on this letter at any time after the date hereof you should seek the advice of counsel as to the proper application thereof at such time.



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(D) We are furnishing this opinion to you solely for your benefit and this opinion may not be used, circulated, quoted or otherwise referred to, or relied upon by, any person or entity other than the addressees hereof and your permitted successors and assigns, or for any other purpose, without our prior written consent in each instance, except that you may disclose this opinion to: (i) any regulatory authority having jurisdiction over you, if required by any law or regulation; (ii) your legal advisors, auditors, supervisors or regulators; or (iii) a prospective new lender or sub-participant to the Agreement.

Sincerely yours,

Philippi, Yrarrázaval, Pulido & Brunner Ltda.

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EXHIBIT K

FORM OF MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT

Dated as of [•], 2015

Reference is made to the Amended and Restated Credit Agreement, dated as of July 22, 2014 (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Corpbanca (the “Borrower”), the banks, financial institutions and other institutional lenders parties thereto (the “Lenders”), HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities, LLC, as Global Coordinators, and Standard Chartered Bank, as administrative agent (in such capacity, the “Administrative Agent”) for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Assignors and the Assignees (as such terms are defined below) agree as follows:

1. The following terms shall have the meanings set forth below:

“Assignor” shall mean each of the financial institutions listed under the column “Assignor” in Schedule I (Part I).

“Assignee” shall mean each of the financial institutions listed under the column “Assignee” in Schedule I (Part II).

“Continuing Lender” shall mean each of the Lenders party to the Credit Agreement that is identified on Schedule 2 to this Master Assignment and Assumption Agreement as a “Continuing Lender.”

“Exiting Financial Institution” shall mean each of the Lenders party to the Credit Agreement that is identified on Schedule 2 to this Master Assignment and Assumption Agreement as an “Exiting Financial Institution.”

“Settlement Date” shall the date on which the conditions set forth in Section 6 hereto are satisfied or, with the prior consent of the Administrative Agent and each Lender, waived.

2. (a) Each Assignor hereby irrevocably sells and assigns to each Assignee, in each case without recourse to such Assignor, and each Assignee hereby irrevocably purchases and assumes from such Assignor, without recourse to such Assignor, such Assignee’s Applicable Fraction (as defined below) of the principal amount set forth opposite the name of such Assignor’s Loans under “Aggregate Principal Amount of Loans Assigned by Assignor” in Schedule 1 hereto in and to such Assignor’s rights and obligations corresponding thereto under the Credit Agreement.

(b) After giving effect to such assignments each Assignee will hold the principal amount of Loans set forth opposite the name of such Assignee under “Aggregate Principal Amount of Loans Assigned to Assignee” in Schedule 1 hereto of the Assignors’ rights and obligations thereto under the Credit Agreement (such Assignee’s “Assigned Amount”). An Assignee’s “Applicable Fraction” is a fraction the numerator of which is its Assigned Amount and the denominator of which is the sum of all Assigned Amounts.



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3. (a) Each Assignee shall transfer to the Administrative Agent on the Settlement Date by no later than 11 a.m. (New York City, New York time) for the account of the Assignors an amount in Dollars and in immediately available funds equal to such Assignee's Assigned Amount. Amounts so held by the Administrative Agent are for the benefit of the Assignors, and, once the Administrative Agent has received the Assigned Amounts for all Assignors by such time, the Administrative Agent shall promptly remit any such funds received from the Assignees pursuant to this paragraph 3(a) to each of the Assignors on the same day as received in immediately available funds.

(b) The Borrower shall transfer to the Administrative Agent on the Settlement Date by no later than 11 a.m. (New York City, New York time) for the account of the Continuing Lenders and the Exiting Financial Institutions, as applicable, an amount in Dollars and in immediately available funds equal to the interest accrued on the Loans as of the Settlement Date and as set forth opposite the name of each Continuing Lender and Exiting Financial Institution in Schedule 2. Amounts so held by the Administrative Agent are for the benefit of the Continuing Lenders and the Exiting Financial Institutions and the Administrative Agent shall promptly remit any such funds received from the Borrower in accordance with the Credit Agreement.

4. Each Assignor represents and warrants that it is legally authorized to enter into this Master Assignment and Assumption Agreement and that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim. Each Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Credit Document or any other instrument or document furnished pursuant hereto or thereto, and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any other Person or the performance or observance by the Borrower or any other Person of any of their respective obligations under the Credit Agreement or any other Credit Document or any other instrument or document furnished pursuant hereto or thereto.

5. Each Assignee (a) represents and warrants that it is legally authorized to enter into this Master Assignment and Assumption Agreement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.05 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Master Assignment and Assumption Agreement; (c) agrees that it will, independently and without reliance upon any Assignor, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Credit Documents or any other instrument or document furnished pursuant hereto or thereto in relation to the Loans assigned to it hereby; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Credit Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof in relation to the Loans assigned to it hereby; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender in relation to the Loans assigned to it hereby.

6. This Master Assignment and Assumption Agreement and each of the assignments and assumptions contemplated hereunder shall become effective immediately upon the first date on which (a) this Master Assignment and Assumption Agreement is signed by each of the Assignors and Assignees listed in Schedule 1 hereto, the Borrower, and the Administrative Agent, and (b) all of the



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payments to the Administrative Agent contemplated herein have occurred; provided, however, that paragraphs 7 and 8 of this Master Assignment and Assumption Agreement shall be effective immediately upon the due execution hereof by each of the parties hereto.

7. The Borrower hereby agrees to indemnify the Administrative Agent and each Assignor and Assignee hereunder against all actual losses, expenses and liabilities (excluding loss of anticipated profits or margin) incurred as a result of the liquidation or redeployment of deposits or other funds acquired by such Administrative Agent, Assignor or Assignee to make the sales and assignments contemplated hereunder, if such sales and assignments are not made as a result of any failure by the Borrower to fulfill all of its obligations to the effectiveness of this Master Assignment and Assumption Agreement. The Borrower shall compensate the Administrative Agent or such Assignor or Assignee within three (3) Business Days after its written request thereof (which request shall set forth in reasonable detail the basis for requesting such compensation).

8. From and after the Settlement Date, (i) each Assignee shall be a party to the Credit Agreement and, to the extent provided in this Master Assignment and Assumption Agreement, have the rights and obligations of a Lender thereunder, and under the Credit Documents, and shall be bound by the provisions thereof in relation to the Loans assigned to it hereby, and (ii) each Assignor that is an Exiting Financial Institution shall relinquish its rights (other than those stated in the Credit Agreement to survive the termination thereof and the repayment of the Loans thereunder) and be released from its obligations under the Credit Agreement and each Assignor that is a Continuing Lender shall relinquish its rights (other than those stated in the Credit Agreement to survive the termination thereof and the repayment of the Loans thereunder) and be released from its obligations under the Credit Agreement to the extent of the rights and obligations assigned by it hereunder.

9. All transfers of funds required to be made to the Administrative Agent pursuant to Section 3(a) of this Master Assignment and Assumption Agreement shall be made to such Person's account details listed in Exhibit A.

10. In no event may the conditions to effectiveness set forth in Section 6 be satisfied after the Final Maturity Date, and the Borrower's failure to fulfill on or before such date all applicable conditions to the effectiveness of this Agreement shall in no way affect any of the Lenders' rights under the Credit Agreement.

11. Notwithstanding anything else contained herein, the obligations of the Borrower under Section 2.08, 2.09, 2.12, 9.05, 9.08 and 9.15 of the Credit Agreement to the benefit of the parties hereto shall survive the execution, delivery and effectiveness of this Master Assignment and Assumption Agreement pursuant to the terms of Section 9.11 of the Credit Agreement.

12. This Master Assignment and Assumption Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[Signature Pages Follow]



IN WITNESS WHEREOF, the parties hereto have caused this Master Assignment and Assumption Agreement to be executed as of the date first above written by their respective duly authorized officers.

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as Assignor

By: _____
Name:
Title:

[Signature Page to Master Assignment and Assumption Agreement]



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Page 1 of 1

MERCANTIL COMMERCEBANK N.A.,
as Assignor

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Signature Page to Master Assignment and Assumption Agreement]



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Page 1 of 1

HSBC BANK USA, NATIONAL ASSOCIATION,
as Assignee and Continuing Lender

By: _____
Name:
Title:

[Signature Page to Master Assignment and Assumption Agreement]



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Page 1 of 1

STANDARD CHARTERED BANK,
as Assignee and Continuing Lender

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Signature Page to Master Assignment and Assumption Agreement]

K-7



WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Assignee and Continuing Lender

By: _____
Name:
Title:

[Signature Page to Master Assignment and Assumption Agreement]



BANK OF AMERICA, N.A.,
as Assignee and Continuing Lender

By: _____
Name:
Title:

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Page 1 of 1

NATIONAL BANK OF CANADA,
as Assignee and Continuing Lender

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Signature Page to Master Assignment and Assumption Agreement]

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Page 1 of 1

MIZUHO BANK, LTD.,
as Assignee and Continuing Lender

By: _____
Name:
Title:

[Signature Page to Master Assignment and Assumption Agreement]

K-11



BNP PARIBAS,
as Assignee and Continuing Lender

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Signature Page to Master Assignment and Assumption Agreement]



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CITIBANK, N.A.,
as Assignee and Continuing Lender

By: _____
Name:
Title:

[Signature Page to Master Assignment and Assumption Agreement]

K-13



APPLE BANK FOR SAVINGS,
as Assignee and Continuing Lender

By: _____
Name:
Title:

[Signature Page to Master Assignment and Assumption Agreement]



STANDARD CHARTERED BANK,
as Administrative Agent

By: _____
Name:
Title:

[Signature Page to Master Assignment and Assumption Agreement]



Consented to and Acknowledged and Accepted by:

CORPBANCA,
as Borrower

By: _____
Title:

By: _____
Title:

[Signature Page to Master Assignment and Assumption Agreement]



SCHEDULE 1
Part I

Name of Assignor	Aggregate Principal Amount of Loans Assigned by Assignor (\$)
Mercantil Commercebank N.A.	\$15,306,122.45
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$30,612,244.90
Total	\$45,918,367.35



SCHEDULE 1
Part II

<u>Name of Assignee</u>	<u>Aggregate Principal Amount of Loans Assigned to Assignee (\$)</u>
Apple Bank for Savings	\$10,816,326.53
Bank of America, N.A.	\$ 4,387,755.10
BNP Paribas	\$ 4,387,755.10
Citibank, N.A.	\$ 4,387,755.10
HSBC Bank USA, National Association	\$ 4,387,755.10
Mizuho Bank, Ltd.	\$ 4,387,755.10
National Bank of Canada	\$ 4,387,755.10
Standard Chartered Bank	\$ 4,387,755.12
Wells Fargo Bank, National Association	\$ 4,387,755.10
Total	<u>\$45,918,367.35</u>



SCHEDULE 2

Name of Exiting Financial Institution	Aggregate Amount of Interest Payable (\$) as of September 28, 2015	Aggregate Amount of Principal Payable (\$) as of September 28, 2015
Mercantil Commercebank N.A.	\$ 13,812.93	\$ 0
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$ 27,625.85	\$ 0
Total:	\$ 41,438.78	\$ 0

Name of Continuing Lender	Aggregate Amount of Interest Payable (\$) as of September 28, 2015	Aggregate Amount of Principal Payable (\$) as of September 28, 2015
Apple Bank for Savings	\$ 8,287.75	\$ 0
Bank of America, N.A.	\$ 27,625.85	\$ 0
BNP Paribas	\$ 27,625.85	\$ 0
Citibank, N.A.	\$ 27,625.85	\$ 0
HSBC Bank USA, National Association	\$ 27,625.85	\$ 0
Mizuho Bank, Ltd.	\$ 27,625.85	\$ 0
National Bank of Canada	\$ 27,625.85	\$ 0
Standard Chartered Bank	\$ 27,625.85	\$ 0
Wells Fargo Bank, National Association	\$ 27,625.85	\$ 0
Total:	\$ 229,294.55	\$ 0



EXHIBIT A
ACCOUNT DETAILS

Name

Standard Chartered Bank, as Administrative Agent

Mercantil Commercebank N.A.

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Account Details

Standard Chartered Bank, New York
SWIFT: SCBLUS33
Favor: Standard Chartered Bank, London
SWIFT: SCBLGB2L
Account No.: 3582-088442-001
Reference: Corpbanca – Loans & Agency
Attention: Manager Asset Servicing

Mercantil Commercebank N.A.
Federal Reserve Bank
ABA #: 0670-1050-9
Reference: Loan Department

The Bank of Tokyo-Mitsubishi UFJ, Ltd., New
York, NY
ABA No: 0260-0963-2
Account No: 97770191
Reference: Corpbanca



Exhibit 4.(a).7

ENGLISH TRANSLATION

EDUARDO AVELLO CONCHA
NOTARY PUBLIC
ORREGO LUCO 0153 – SANTIAGO
O.T. 828.948

REP. No. 20.789-2015

LEASE AGREEMENT
COMPAÑÍA DE SEGUROS CORPSEGUROS S.A.
TO
CORPBANCA

In Santiago, Chile, on July 27, 2015, before me, **EDUARDO AVELLO CONCHA**, attorney at law, Notary Public Officer, holder of the 27th Notary Public Office of Santiago, domiciled at Orrego Luco No. 0153, Commune of Providencia, Metropolitan Region, appear: on the one hand, **CORPBANCA**, banking corporation, Tax ID No. 97,023,000-9, represented by Mr. **FERNANDO MASSÚ TARÉ**, Chilean, married, commercial engineer, ID card No. 6,783,826-2, both domiciled for these purposes in Huérfanos No. 1072, Commune of Santiago, Metropolitan Region, hereinafter the “Tenant”; and on the other hand, **COMPAÑÍA DE SEGUROS CORPSEGUROS S.A.**, Tax ID 76,072,304-5, represented by Mr. **Christian Abello Prieto**, Chilean, married, commercial engineer, ID card No. 6,376,512-0, and by Mr. **Jorge Espinoza Bravo**, Chilean, married, commercial engineer, ID card No. 11,629,066-9, all domiciled for these purposes in Rosario Norte 660, floor 21, Commune of Las Condes, Metropolitan Region, hereinafter “CORPSEGUROS”, the “Company” or the “Landlord”; all the appearing parties are of legal age and evidence their identities with the above mentioned ID cards, and express that they have agreed upon the lease of real estate, pursuant to the provisions contained herein, and alternatively, by the applicable rules of the Civil Code that may apply. **FIRST. Description of the properties.** **COMPAÑÍA DE SEGUROS CORPSEGUROS S.A.** owns the following properties, all in the commercial building named *Nueva Las Condes Siete*, with entrance by Avenida Presidente Riesco No. 5537, Las Condes, Metropolitan Region, hereinafter, the “Building”: (a) 2nd Floor, of approximately 1,129.28 square meters; (b) 3rd Floor, of approximately 1,129.98 square meters; (c) 4th Floor, of approximately 1,130.82 square meters; (d) 5th Floor, of approximately 1,132.24 square meters; (e) 6th Floor, of approximately 1,131.58 square meters; (f) 7th Floor of approximately 1,131.58 square meters; (g) 8th Floor, of approximately 1,132.93 square meters; (h) 9th Floor, of approximately 1,132.21 square meters; (i) 10th Floor, of approximately 1,132.93 square meters; (j) 11th Floor, of approximately 1,132.33 square meters; (k) commercial premises 5 of floor -1, of approximately 224.69 square meters; (l) commercial premises 6 of floor -1, of approximately 401.77 square meters; (m) 400 single parking spaces; (n) 17 tandem parking spaces; (o) 14 motorcycle parking spaces; (p) 761.61 square meters of storage space, all of the above hereinafter referred to as the “properties”. **Compañía de Seguros CorpSeguros S.A.** purchased the properties from **Inmobiliaria NLC7 S.A.**,



as evidenced by the public deed dated July 21, 2015, granted in the Notary Public of Santiago of Mr. José Musalem Saffie. The title is currently registered on page 8,113 No. 12,496 of the Santiago Real Estate Registrar of year 2013, and is in the process of being registered at Compañía de Seguros CorpSeguros S.A.'s name. **SECOND. Lease agreement. COMPAÑÍA DE SEGUROS CORPSEGUROS S.A.** represented as indicated above, hereby leases to **CORPBANCA**, who, by means of its representatives, accepts the properties indicated above. The Tenant declares that the properties shall be used for business purposes and to carry out its corporate purpose. This lease shall include the movable property, equipment and facilities to be acquired by the Landlord for up to a value of the peso equivalent of 23,881.98 *Unidades de Fomento*. For these purposes, the Tenant shall provide CorpSeguros in writing a detailed list of the assets to be acquired, together with a quote from each applicable supplier, prior to the first rent payment.

Notwithstanding the above, if 10 business days prior the date on which the first rent payment is due, the Landlord has not yet received the written communication indicated above it shall acquire the movable assets, equipment and facilities deemed appropriate, for up to a value of the peso equivalent of 23,881.98 *Unidades de Fomento*. The assets acquired by the Landlord shall be evidenced in an exhibit that shall be deemed to be part of this contract for all legal purposes. Additionally, the Landlord shall provide a sign post for the installation of advertising by the Tenant. The advertising material shall be provided, paid for and maintained by the Tenant. The location and size of the aforementioned sign post are specified in Exhibit 1 hereto, registered under number 847. **THIRD. Rent.**

(1) The monthly rent for the offices and commercial premises shall be the peso equivalent to 5,947.11 *Unidades de Fomento* plus the VAT corresponding to each leased property, which taxable value shall be determined pursuant to article 17 of the Decree Law 825 of Value Added Tax, pursuant to the following: (i) the peso equivalent to 5,688.53 *Unidades de Fomento* plus VAT for floors 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, (ii) the peso equivalent to 258.58 *Unidades de Fomento* plus VAT for the commercial premises 5 and 6 of level -1. (2) The monthly rent for the parking spaces and storage space shall be the peso equivalent to 1,666.55 *Unidades de Fomento* pursuant to the following: (i) the peso equivalent to 1,400 *Unidades de Fomento* for the 400 single parking spaces, which is 3.5 *Unidades de Fomento* per parking space, (ii) the peso equivalent to 85 *Unidades de Fomento* for the 17 tandem parking spaces, which is 5 *Unidades de Fomento* per each tandem parking spaces; (iii) The peso equivalent to 14 *Unidades de Fomento* for the 14 motorcycle parking spaces, which is 1 *Unidades de Fomento* per each motorcycle parking space, (iv) The peso equivalent to 167.55 *Unidades de Fomento* for the storage space. (3) The Tenant undertakes to pay the total monthly rent within the first 5 business days of each month or on the following business day if the fifth day is a Saturday, Sunday or holiday. The first monthly rent payment shall be made within the first five days of the fifth month following the last day of the month in which this deed is executed. (2) The payments shall be made in pesos, the legal currency of Chile, pursuant to the *Unidad de Fomento*'s value on the day on which the payment is made, as determined by the Central Bank of Chile. If the *Unidad de Fomento*'s value is no longer determined or if the basis to calculate it changes in a manner such that its value does not accurately reflect the variation of the Consumer Price Index, as calculated by the National Statistics Institute or by the body that replaces it in the future, any rent payments not yet accrued shall be adjusted proportionately with the variation in the aforementioned index between the month prior to the date of the last rent payment, adjusted pursuant to the *Unidad de Fomento*, and the month prior to the effective payment date of each rent, considering as a basis the last peso amount paid prior to the occurrence of the above-mentioned events. (3) All payments made by the Tenant shall be made



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by wire transfer to the checking account No. 32696464 in Banco Corpbanca or by a certified check available at any of the bank's branches, prior to the applicable payment deadline. Generally, all payments to be made pursuant to this Agreement by the Tenant shall be made as indicated above. **FOURTH. Term of the Lease.** This agreement shall have a fixed term of 10 years from the date of this public deed. It shall be tacitly, successively and automatically extended for 5-year terms, unless any of the parties communicates to the other, by certified mail sent to the address indicated herein, of its intention to terminate the agreement, which communication must be sent at least **180** days prior the expiration date of the original term or of any of its extensions, as applicable. Once the lease agreement is terminated, the Tenant shall return the leased properties immediately, vacant and in good condition notwithstanding normal wear and tear, pursuant to this agreement. **FIFTH. Delivery of the Properties.** The leased properties are transferred to the Tenant on this date, at its entire satisfaction. **SIXTH. Maintenance and conservation of the leased properties and other obligations of the Tenant.** (1) The Tenant shall, at its own expense, keep the properties clean and in good condition, notwithstanding normal wear and tear, and shall make all minor repairs and those that legally or customarily are made by tenants. The Tenant shall have no right to be reimbursed or indemnified for the repairs and/or maintenance made or for the elements replaced or included in the leased properties. The Landlord shall make all necessary repairs and those that legally or customarily are made by landlords. If the Landlord does not make the repairs that it is bound to make, the Tenant may effect such repairs on behalf of the Landlord, deducting the expenses from any outstanding rent, provided that the Tenant has previously communicated in writing to the Landlord the need of the repairs. (2) Improvements of any nature made by the Tenant in the leased properties, shall belong to the properties as from the moment they are made with no right to be reimbursed, provided that such improvements may be withdrawn or separated at the end of the lease if such withdrawal or separation does not cause damage to the leased properties. (3) The Landlord shall have no responsibility for direct or indirect damages, whether expected or unexpected, caused to the properties or the person of the Tenant, employees, relatives or third parties, by the use of the leased properties. Such damages shall be the Tenant's sole responsibility, unless the damages are caused by the Landlord's action or fault, in which case the Landlord shall hold the Tenant harmless. It shall be the Tenant's responsibility to purchase insurance covering third parties' damages caused by problems on the leased floors. (4) Ordinary common expenses and utility expenses shall be borne by the Tenant from this date. Property taxes shall be paid and borne by the Landlord. **SEVENTH. Previous consent by Landlord.** The Tenant shall obtain the Landlord's prior written consent in order to perform any of the following activities regarding the leased properties: a) Perform structural modifications or alterations. b) Grant any rights to third parties regarding the properties or assign the Tenant's rights under this agreement. Notwithstanding the foregoing, the Tenant shall have the right to sublet or lend the properties that are the subject matter of this agreement to any of its related companies. The Tenant may sublet the leased properties to unrelated third parties only with the prior written consent of the Landlord. However, the Tenant shall not need the Landlord's prior written consent regarding parking spaces and storage units, and needs only to give notice to the building's management. In any of the cases above, the Tenant shall be the sole responsible for paying the monthly rent to the Landlord. Furthermore, the Landlord authorizes –after the approval of architectural and specialist plans– the Tenant to perform the renovations and repairs necessary for installing its offices in the leased properties. Additionally, and after the approval of architectural and specialist plans by Compañía de Seguros CorpSeguros S.A. and by the



structural engineer appointed for these purposes by the same, the Tenant shall be able to connect the floors in which the offices that are the subject matter of this contract are located, by an opening in the relevant slabs. Upon the termination of this agreement, the Tenant shall return the leased properties with their complete slabs and in the same state they were delivered by the Landlord. The Tenant shall be responsible for all the direct and indirect obligations derived from the performance of the work mentioned above, including the payments for each particular project. **EIGHTH. Breach by the Tenant.** The breach of any of the obligations herein by the Tenant, including the obligation to timely pay the monthly rent, shall entitle the Landlord to bring any of the following remedies, at its own discretion and notwithstanding any additional compensation for damages that may apply; provided that the Tenant shall have a cure period of 30 days from the date on which a notification certified by a notary public is sent to the Tenant by the Landlord communicating the alleged breach: (1) Terminate this agreement and demand the restitution of the leased properties plus payment in full of the monthly rent payments that are due. (2) Demand payment of all the monthly rent payments to be accrued from such date until the date on which the agreement shall terminate, as agreed by the parties. For these purposes, the rent payments shall be deemed accrued for the complete relevant period and due and outstanding as of this occurrence. The provisions set forth in this clause are notwithstanding the right of the Landlord to demand default interest from the Tenant. **NINTH. Early Termination.** (1) Notwithstanding section Eighth above, if the Tenant initiates its own liquidation, or if its liquidation is declared by any third party, the Landlord shall be entitled to terminate this agreement early and, consequently, demand the restitution of the leased properties. **TENTH. Default Interest.** Any payment made by the Tenant after the dates agreed upon herein, entailing the untimely compliance with an obligation, shall entitle the counterparty to charge –as penalty– the maximum conventional interest permitted by the law (*interés máximo convencional*) from the date of the default or delay in the payment until the date on which payment is effectively made in full, notwithstanding other rights that it may have as a consequence of the breach of contract. **ELEVENTH. Release.** The parties hereby declare that all prior obligations regarding the execution of this agreement and all prior agreements made in connection with the matters agreed upon herein have been complied with, and release each other completely. **TWELFTH. Offsetting.** Any amounts owed by the Landlord and vice versa, for any concept, may be deducted directly by the same, without need of any declarations. The aforementioned is notwithstanding the Landlord's right to collect any difference that may arise in its favor. **THIRTEENTH. Prohibition.** The parties hereto agree that while this agreement is in effect, Compañía de Seguros Corp Seguros S.A. may not lease the commercial premises owned by the same in the building *Nueva Las Condes Siete* to any banking institution other than Corpbanca or its legal successor. **FOURTEENTH. Expenses and Taxes.** All expenses, levies and taxes derived from the execution of this agreement shall be borne by the Tenant. All expenses, levies and taxes originating from this agreement, including those derived from the documents that need to be signed or accepted, shall be borne by the Tenant. **FIFTEENTH. Arbitration.** All the differences arising between the parties, directly or indirectly related to this agreement, shall be submitted to mixed arbitration (*arbitro mixto*). The arbitrator shall be appointed by mutual agreement of the parties. In lieu of such an agreement, the parties acknowledge and accept that the arbitrator shall be an attorney at law from the Arbitration and Mediation Center from the Santiago Chamber of Commerce, whose dispositions are evidenced in the public deed of December 10, 1992, granted in the Notary Public Office of Mr. Sergio Rodríguez Garcés, and the amendments thereafter, that are deemed to be part of this provision. The parties hereto grant



an irrevocable power of attorney to the Santiago Chamber of Commerce AG, so that upon the written request of any of the parties, it may appoint a mixed arbitrator who is a member of the arbitration body of the Arbitration Center of the above-mentioned chamber. The arbitrator shall have sufficient qualifications to resolve any matter related to its competence and/or jurisdiction and the parties may appear before the arbitrator one or multiple times. **SIXTEENTH. Domicile.** For the purposes herein, the parties agree to special domicile in the city and commune of Santiago. **The powers of attorney** of the representatives of Compañía de Seguros CorpSeguros S.A. are evidenced in the public deeds dated 01/27/2011 and 23/01/2012, both of which were granted in the Notary Public of Mr. José Musalem Saffie. **The powers of attorney** of the representatives of Corpbanca, are evidenced in the public deed dated 02/16/2012 granted in the Notary Public of Mr. José Musalem Saffie. The aforementioned powers of attorney are not included herein as they are known by the parties and by the Notary Public. Having read and approved the following instrument, the appearing parties sign hereto. Minutes prepared upon request of the law firm Fontaine & Cia. Copies are granted. I ATTEST.

[SIGNATURE AND FINGERPRINT]

Christian Abello Prieto
On behalf of Compañía de Seguros CorpSeguros S.A.

[SIGNATURE AND FINGERPRINT]

Jorge Espinoza Bravo
On behalf of Compañía de Seguros CorpSeguros S.A.

[SIGNATURE AND FINGERPRINT]

Fernando Massú Taré
On behalf of Corpbanca



Exhibit 4.(a).8

ENGLISH TRANSLATION

EDUARDO AVELLO CONCHA
NOTARY PUBLIC
ORREGO LUCO 0153 – SANTIAGO
O.T. 828.948

REP. No. 20.788-2015

LEASE AGREEMENT
COMPAÑÍA DE SEGUROS CORPVIDA S.A.
TO
CORPBANCA

In Santiago, Chile, on July 27, 2015, before me, **EDUARDO AVELLO CONCHA**, attorney at law, Notary Public Officer, holder of the 27th Notary Public Office of Santiago, domiciled at Orrego Luco No. 0153, Commune of Providencia, Metropolitan Region, appear: on one hand, **CORPBANCA**, baking corporation, Tax ID No. 97,023,000-9, represented by Mr. **FERNANDO MASSÚ TARÉ**, Chilean, married, commercial engineer, ID card No. 6,783,826-2 both domiciled for these purposes in Huérfanos No. 1072, Commune of Santiago, Metropolitan Region, hereinafter the “Tenant”; and on the other hand, **COMPAÑÍA DE SEGUROS CORPVIDA S.A.**, Tax ID 96,571,890-7, represented by Mr. **Christian Abello Prieto**, Chilean, married, commercial engineer, ID card No. 6,376,512-0 and by Mr. **Jorge Espinoza Bravo**, Chilean, married, commercial engineer, ID card No. 11,629,066-9 all domiciled for these purposes in Rosario Norte 660, floor 21, Commune of Las Condes, Metropolitan Region, hereinafter “CORPVIDA”, the “Company” or the “Landlord”; all the appearing parties are of legal age and evidence their identities with the above mentioned ID cards, and express that they have agreed upon the lease of real estate, pursuant to the provisions contained herein, and alternatively, by the applicable rules of the Civil Code that may apply. **FIRST. Description of the properties.** **COMPAÑÍA DE SEGUROS CORPVIDA S.A.** owns the following properties, all in the commercial building named *Nueva Las Condes Siete*, with entrance by Avenida Presidente Riesco No. 5537, Las Condes, Metropolitan Region, hereinafter, the “Building”: (a) 12th Floor, of approximately 1,135.57 square meters; (b) commercial premises 7 and 9 of the floor -1, of approximately 942.15 square meters; (c) commercial premise 8 of the floor -1, of approximately 1,046.01 square meters; (d) 90 single parking spaces; (e) 4 tandem parking spaces; (f) 3 motorcycles’ parking spaces; (g) 170.75 square meters of storage space; all the above hereinafter referred to as the “properties”. **Compañía de Seguros Corpvida S.A.** purchased the properties from Inmobiliaria NLC7 S.A., as evidenced by the public deed dated July 21, 2015, granted in the Notary Public of Santiago of Mr. José Musalem Saffie. The title is currently registered on page 8,113 No. 12,496 of the Santiago Real Estate Registrar of year 2013, and is in the process of being registered at **Compañía de Seguros Corpvida S.A.**’s name. **SECOND. Lease agreement.** **COMPAÑÍA DE SEGUROS CORPVIDA S.A.** represented as indicated above, hereby leases to **CORPBANCA**, who, by means of its representatives, accepts the properties indicated above. The Tenant declares that the properties shall be used for business



purposes and to carry out its corporate purpose. This lease shall include the movable property, equipment and facilities to be acquired by the Landlord for up to a value of the peso equivalent of 6,247.46 *Unidades de Fomento*. For these purposes, the Tenant shall provide CorpVida in writing a detailed list of the assets to be acquired, together with a quote from each applicable supplier, prior to the first rent payment. Notwithstanding the above, if 10 business days prior the date on which the first rent payment of is due, the Landlord has not yet received the written communication indicated above it shall acquire the movable assets, equipment and facilities deemed appropriate, for up to a value of the peso equivalent of 6,247.46 *Unidades de Fomento*. The assets acquired by the Landlord shall be evidenced in an exhibit that shall deemed to be part of this contract for all legal purposes. Additionally, the Landlord shall provide a sign post for the installation of advertising by the Tenant. The advertising material shall be provided, paid for and maintained by the Tenant. The location and size of the aforementioned sign post are specified in Exhibit 1 hereto, registered under number 846. **THIRD. Rent.** (1) The monthly rent for the offices and commercial premises shall be the peso equivalent to 1,391.57 *Unidades de Fomento* plus the VAT corresponding to each leased property, which taxable value shall be determined pursuant to article 17 of the Decree Law 825 of Value Added Tax, pursuant to the following: (i) the peso equivalent to 570.92 *Unidades de Fomento* plus VAT for floor 12; (ii) the peso equivalent to 388.89 *Unidades de Fomento* plus VAT for the commercial premises Nos. 7 and 9 of floor -1; (iii) the peso equivalent to 431.76 *Unidades de Fomento* plus VAT for the commercial premise No. 8. (2) The monthly rent for the parking spaces and storage space shall be the peso equivalent of 375.56 *Unidades de Fomento* pursuant to the following: (i) the peso equivalent to 315 *Unidades de Fomento* for the 90 single parking spaces, this is 3.5 *Unidades de Fomento* per parking lot; (ii) the peso equivalent to 20 *Unidades de Fomento* for the 4 tandem parking spaces, considering an amount of 5 *Unidades de Fomento* per each tandem parking lot; (iv) the peso equivalent to 3 *Unidades de Fomento*, for the three motorcycles parking spaces, considering one *Unidad de Fomento* per parking space; (v) the peso equivalent to 37.57 *Unidades de Fomento* for the storage units. The Tenant undertakes to pay the total monthly rent within the first 5 business days of each month or on the following business day if the fifth day is a Saturday, Sunday or holiday. The first monthly rent payment shall be made within the first five days of the fifth month following the last day of the month in which this deed is executed. (2) The payments shall be made in pesos, the legal currency of Chile, pursuant to the *Unidad de Fomento's* value on the day on which the payment is made, as determined by the Central Bank of Chile. If the *Unidad de Fomento's* value is no longer determined or if the basis to calculate it changes in a manner such that its value does not accurately reflect the variation of the Consumer Price Index, as calculated by the National Statistics Institute or by the body that replaces it in the future, any rent payments not yet accrued shall be adjusted proportionately with the variation in the aforementioned index between the month prior to the date of the last rent payment, adjusted pursuant to the *Unidad de Fomento*, and the month prior to the effective payment date of each rent, considering as a basis the last peso amount paid prior to the occurrence of the above-mentioned events. (3) All payments made by the Tenant shall be made by wire transfer to the checking account No. 000-27910-02 in Banco de Chile or by a certified check available at any of the bank's branches, prior to the applicable payment deadline. Generally, all payments to be made pursuant to this Agreement by the Tenant, shall be done in the way indicated above. **FOURTH. Term of the Lease.** This agreement shall have a fixed term of 10 years from the date of this public deed. It shall be tacitly, successively and automatically extended for 5-year terms, unless any of the parties communicates to the other, by certified mail sent to the address



indicated herein, of its intention to terminate the agreement, which communication must be sent at least **180** days prior the expiration date of the original term or of any of its extensions, as applicable. Once the lease agreement is terminated, the Tenant shall return the leased properties immediately, vacant and in good conditions notwithstanding normal wear and tear, pursuant to this agreement.

FIFTH. Delivery of the Properties. The leased properties are transferred to the Tenant on this date, at its entire satisfaction. **SIXTH. Maintenance and conservation of the leased properties and other obligations of the Tenant.** (1) The Tenant shall, at its own expense, keep the properties clean and in good condition notwithstanding normal wear and tear, and shall make all minor repairs and those that legally or customarily are made by tenants. The Tenant shall have no right to be reimbursed or indemnified for the repairs and/or maintenance made, or for the elements replaced or included in the leased properties. The Landlord shall make all necessary repairs and those that legally or customarily are made by landlords. If the Landlord does not make the repairs that it is bound to make, the Tenant may effect such repairs on behalf of the Landlord, deducting the expenses from any outstanding rent, provided that the Tenant has previously communicated in writing to the Landlord the need of the repairs. (2) Improvements of any nature made by the Tenant in the leased properties, shall belong to the properties as from the moment they are made with no right to be reimbursed, provided that such improvements may be withdrawn or separated at the end of the lease if such withdrawal or separation does not cause damage to the leased properties. (3) The Landlord shall have no responsibility for direct or indirect damages, whether expected or unexpected, caused to the properties or the person of the Tenant, employees, relatives or third parties, by the use of the leased properties. Such damages shall be the Tenant's sole responsibility, unless the damages are caused by the Landlord's action or fault, in which case the Landlord shall hold the Tenant harmless. It shall be the Tenant's responsibility to purchase insurance covering third parties' damages caused by problems on the leased floors. (4) Ordinary common expenses and utility expenses shall be borne by the Tenant from this date. Property taxes shall be paid and borne by the Landlord. **SEVENTH. Previous consent by Landlord.** The Tenant shall obtain the Landlord's prior written consent in order to perform any of the following activities regarding the leased properties: a) Perform structural modifications or alterations. b) Grant any rights to third parties regarding the properties or assign the Tenant's rights under this agreement. Notwithstanding the foregoing, the Tenant shall have the right to sublet or lend the properties that are the subject matter of this agreement to any of its related companies. The Tenant may sublet the leased properties to unrelated third parties only with the previous written consent from the Landlord. However, the Tenant shall not need the Landlord's prior written consent regarding parking spaces and storage units, and needs only to give notice to the building's management. In any of the cases above, the Tenant shall be the sole responsible for paying the monthly rent to the Landlord. Furthermore, the Landlord authorizes –after the approval of architectural and specialist plans– the Tenant to perform in the leased properties, the renovations and repairs necessary for installing its offices. Additionally, and after the approval of architectural and specialty plans by Compañía de Seguros Corpvida S.A. and by the structural engineer appointed for these purposes by the same, the Tenant shall be able to connect the floor sin which the offices that are subject matter of this contract are located, by an opening in the relevant slabs. Upon the termination of this agreement, the Tenant shall return the leased properties with their complete slabs and in the same state they were delivered by the Landlord. The Tenant shall be responsible for all the direct and indirect obligations derived from the performance of the work mentioned above, including the payments for each particular project. **EIGHTH. Breach by the Tenant.** The breach of any of the obligations herein by the



Tenant, including the obligation to timely pay the monthly rent, shall entitle the Landlord to bring any of the following remedies, at its own discretion and notwithstanding any additional compensation for damages that may apply; provided that the Tenant shall have a cure period of 30 days from the date on which a notification certified by a notary public is sent to the Tenant by the Landlord communicating the alleged breach: (1) Terminate this agreement and demand the restitution of the leased properties plus payment in full of the monthly rent payments that are due. (2) Demand payment of all the monthly rent payments to be accrued from such date until the date on which the agreement shall terminate, as agreed by the parties. For these purposes, the rent payments shall be deemed accrued for the complete relevant period and due and outstanding as of this occurrence. The provisions set forth in this clause are notwithstanding the right of the Landlord to demand default interest from the Tenant. **NINTH. Early Termination.**

(1) Notwithstanding section Eighth above, if the Tenant initiates its own liquidation, or if its liquidation is declared by any third party, the Landlord shall be entitled to terminate this agreement early and, consequently, demand the restitution of the leased properties.

TENTH. Default Interest. Any payment made by the Tenant after the dates agreed upon herein, entailing the untimely compliance with an obligation, shall entitle the counterparty to charge –as penalty– the maximum conventional interest permitted by the law (*interés máximo convencional*) from the date of the default or delay in the payment until the date on which payment is effectively made in full, notwithstanding other rights that it may have as consequence of breach of contract. **ELEVENTH. Release.** The parties hereby declare that all prior obligations regarding the execution of this agreement and all prior agreements made in connection with the matters agreed upon herein have been complied with, and release each other completely. **TWELFTH. Offsetting.** Any amounts owed by the Landlord and vice versa, for any concept, may be deducted directly by the same, without need of any declarations. The aforementioned is notwithstanding the Landlord's right to collect any difference that may arise in its favor. **THIRTEENTH.**

Prohibition. The parties hereto agree that while this agreement is in effect, Compañía de Seguros Corpvida S.A. may not lease the commercial premises owned by the same in the building *Nueva Las Condes Siete* to any banking institution other than Corpbanca or its legal successor. **FOURTEENTH. Expenses and Taxes.** All expenses, levies and taxes derived from the execution of this agreement shall be borne by the Tenant. All expenses, levies and taxes originating from this agreement, including those derived from the documents that need to be signed or accepted, shall be borne by the Tenant. **FIFTEENTH. Arbitration.** All the differences arising between the parties, directly or indirectly related to this agreement, shall be submitted to mixed arbitration (*árbitro mixto*).

The arbitrator shall be appointed by mutual agreement of the parties. In lieu of such an agreement, the parties acknowledge and accept that the arbitrator shall be an attorney at law from the Arbitration and Mediation Center from the Santiago Chamber of Commerce, whose dispositions are evidenced in the public deed of December 10, 1992, granted in the Notary Public Office of Mr. Sergio Rodríguez Garcés, and the amendments thereafter, that are deemed to be part of this provision. The parties hereto grant an irrevocable power of attorney to the Santiago Chamber of Commerce AG, so that upon the written request of any of the parties, it may appoint a mixed arbitrator who is a member of the arbitration body of the Arbitration Center of the above-mentioned chamber. The arbitrator shall have sufficient qualifications to resolve any matter related to its competence and/or jurisdiction and the parties may appear before the arbitrator one or multiple times. **SIXTEENTH. Domicile.** For the purposes herein, the parties agree to special domicile in the city and commune of Santiago. **The powers of attorney** of the representatives of Compañía de Seguros Corpvida S.A. are evidenced in the public deeds



dated 10/13/1998, 02/13/2008 and 01/23/2012, both of which were granted in the Notary Public of Mr. José Musalem Saffie. **The powers of attorney** of the representatives of Corbanca, are evidenced in the public deed dated 02/16/2012 granted in the Notary Public of Mr. José Musalem Saffie. The aforementioned powers of attorney are not included herein as they are known by the parties and by the Notary Public. Having read and approved the following instrument, the appearing parties sign hereto. Minutes prepared upon request of the law firm Fontaine & Cia. Copies are granted. I ATTEST.

[SIGNATURE AND FINGERPRINT]

I. Christian Abello Prieto

On behalf of Compañía de Seguros Corpvida S.A.

[SIGNATURE AND FINGERDACTILAR PRINT]

Jorge Espinoza Bravo

On behalf of Compañía de Seguros Corpvida S.A.

[SIGNATURE AND FINGERDACTILAR PRINT]

Fernando Massú Taré

On behalf of Corbanca



Exhibit 8.1

LIST OF SUBSIDIARIES OF CORPBANCA

All of the following subsidiaries have their jurisdiction of incorporation in the Republic of Chile:

1. CorpBanca Corredores de Bolsa S.A.
2. CorpBanca Asesorías Financieras S.A.
3. CorpBanca Administradora General de Fondos S.A.
4. CorpBanca Corredores de Seguros S.A.
5. Corp Legal S.A.
6. SMU Corp S.A.
7. Recaudaciones y Cobranzas 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 Corredor de Seguros S.A.
3. CorpBanca Investment Trust Colombia S.A.
4. Helm Comisionista de Bolsa S.A. (previously known as CorpBanca Investment Valores Colombia S.A.)
5. Helm Fiduciaria S.A.
6. Helm Bank (Panamá) S.A.
7. Helm Casa de Valores (Panamá) 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



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Exhibit 10.c.1.a

EXECUTION VERSION

AMENDMENT TO TRANSACTION AGREEMENT

This AMENDMENT (the “Amendment”), dated as of June 2, 2015, to the Transaction Agreement, dated as of January 29, 2014 (the “Agreement”), 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”).

WITNESSETH:

WHEREAS, Section 7.6 of the Agreement permits the Parties to amend the Agreement by a subsequent writing signed by each of the Parties, by action taken or authorized by their respective Boards of Directors; and

WHEREAS, the Parties desire to amend the Agreement as provided herein, the effectiveness of which is conditioned on the matters described in Section 2.12.

NOW, THEREFORE, in consideration of the foregoing and the agreements contained herein, and intending to be legally bound hereby, the Parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.01. Definitions. Unless otherwise specifically defined herein, each capitalized term used but not defined herein shall have the meaning assigned to such term in the Agreement.

ARTICLE 2

AMENDMENTS TO AGREEMENT

Section 2.01. Amendments to Section 1.2 of the Agreement. (a) Section 1.2(d) of the Agreement shall be amended and restated as follows:

(d) As soon as practicable after the Chilean Effective Time, 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 (other than Corp Group Parent) all of the outstanding shares of CorpBanca Colombia owned by such minority shareholders, at a price equal to U.S.\$3.5367 per share (which is U.S.\$ 564,000,000 for such minority shareholders in the aggregate).



(b) The following Section 1.2(f) shall be inserted at the end of Section 1.2:

(f) Subject to Section 1.6(h), CorpBanca shall purchase from Corp Group Parent all of the outstanding shares of CorpBanca Colombia owned by Corp Group Parent as of the date of the Amendment, at a price equal to U.S.\$3.5367 per share (which is U.S.\$330,000,000), adjusted according to the mechanics described in Schedule 1.2(f).

Section 2.02. Amendment to Section 1.3(a) of the Agreement and Section 6 of Schedule 1.3(a). The following proviso shall be added to the end of the second sentence of Section 1.3(a) of the Agreement and Section 6 of Schedule 1.3(a):

; provided that, the Chilean Effective Time shall not occur prior to January 1, 2016.

Section 2.03. Amendment to Section 1.6 of the Agreement. Section 1.6(h) of the Agreement shall be amended and restated as follows:

(h) Following the Chilean Effective Time, Corp Group Parent shall, subject to receipt of any approvals from Governmental Authorities required under applicable Law (which approvals shall be requested by the Parties as soon as reasonably practicable after the Chilean Effective Time), sell its shares of CorpBanca Colombia to CorpBanca pursuant to Section 1.2(f) on the dates and in the amounts described in Schedule 1.6(h).

Section 2.04. Amendment to Section 4.3 of the Agreement. Section 4.3 of the Agreement shall be amended and restated as follows:

4.3 Dividends. Each Party agrees that, from and after the date of this Agreement:

(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 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 (after coordination with Itaú Chile so that both Itaú Chile and CorpBanca pay annual dividends on similar dates). In addition, CorpBanca may (to the extent legally and contractually permitted to do so), but shall not be obligated to, declare and pay a special dividend in 2015 but after the CorpBanca Shareholders' Meeting in the amount of CLP \$239,860,000,000 (which, together with the special dividend referred to in Section 4.3(e), for the avoidance of doubt, are in lieu of the special dividend referenced in the Waiver Letter dated May 20, 2015 from Itaú Parent and Itaú Chile to Corp Group Parent and CorpBanca).

(b) CorpBanca Colombia shall not declare and pay dividends on Outstanding shares of CorpBanca Colombia common stock and preferred stock for the year ended on December 31, 2013 and shall not declare and pay any dividends or make any other distribution on Outstanding shares of CorpBanca Colombia common stock and preferred



stock until the purchase of the shares of CorpBanca Colombia contemplated by Section 1.2(f) has occurred in accordance therewith.

(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, pay annual dividends on Outstanding shares of Itaú Chile Common Stock of CLP \$26,448 million for the year ended December 31, 2014 (it being understood that prior to the date of this Amendment, Itaú Chile has already declared a higher dividend and it and its shareholders will take such actions as are necessary to approve a reduction in such dividend to CLP \$26,448 million), 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 annual dividends on similar dates).

(d) Itaú Colombia shall not declare and pay dividends on Outstanding shares of Itaú Colombia Common Stock until the Chilean Effective Time and following the Chilean Effective Time, shall not pay any dividends or make any other distributions on Outstanding shares of Itaú Colombia Common Stock other than cash dividends until the Colombian Acquisition or the Colombian Merger contemplated by Section 1.2(e) has occurred in accordance therewith.

(e) Each of CorpBanca and 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 the Outstanding shares of CorpBanca Common Stock and Outstanding shares of Itaú Chile Common Stock, respectively, at a rate not to exceed 50% of the respective distributable earnings of the relevant bank for the year ended December 31, 2015 (the "2015 Distributable Profits"), with usual record and payment dates for such dividends in accordance with past practice (after coordination with each other so that both banks pay annual dividends on similar dates), and CorpBanca may (to the extent legally and contractually permitted to do so), but shall not be obligated to, declare and pay a special dividend in 2016 in the amount of UF 124,105 (*unidades de fomento*) (which, together with the special dividend referred to in Section 4.3(a), for the avoidance of doubt, are in lieu of the special dividend referenced in the Waiver Letter dated May 20, 2015 from Itaú Parent and Itaú Chile to Corp Group Parent and CorpBanca) (the "Second Special Dividend"); provided that, if the 2015 Distributable Profits and the Second Special Dividend have not been declared prior to the Chilean Effective Time, CorpBanca shall declare dividends at the 2016 ordinary shareholders meeting and distribute the 2015 Distributable Profits and the Second Special Dividend as follows: (i) the 2015 Distributable Profits of CorpBanca and the Second Special Dividend shall be distributed solely to holders of Outstanding shares of CorpBanca (other than the shares issued pursuant to this Agreement) registered in the shareholders registry of CorpBanca five days prior to the dividend payment date and (ii) the 2015 Distributable Profits of Itaú Chile shall be distributed solely to holders of Outstanding shares of CorpBanca issued pursuant to this Agreement registered in the shareholders registry of CorpBanca five days prior to the dividend payment date. The Parties agree that the mechanism for the distribution of the 2015 Distributable Profits and the Second Special Dividend set forth in



this Section 4.3(e) shall be part of the terms and conditions of the Merger that are voted on at the CorpBanca Shareholders' Meeting.

Section 2.05. New Schedule 1.2(f) of the Agreement. Schedule 1.2(f) attached hereto shall be inserted as Schedule 1.2(f) of the Agreement.

Section 2.06. Deletion of Schedule 1.6(d) of the Agreement. Schedule 1.6(d) of the Agreement is hereby deleted in its entirety.

Section 2.07. New Schedule 1.6(h) of the Agreement. Schedule 1.6(h) attached hereto shall be inserted as Schedule 1.6(h) of the Agreement.

Section 2.08. Amendment to Schedule 4.18 of the Agreement. Schedule 4.18 of the Agreement shall be amended and restated as set forth on Schedule 4.18 attached hereto.

Section 2.09. Amendment to Section 6.1(d) of the Agreement. Section 6.1(d) of the Agreement shall be amended to add the following proviso to the end of Section 4.3(d):

; provided, further, that, at the election of either Party, the Termination Date shall be extended to May 2, 2016.

Section 2.10. Amendment to Section 2.4 and Schedule 2.4 of the Form of Shareholders' Agreement. Section 2.4 of the Form of Shareholders' Agreement shall be deleted in its entirety and replaced with "[Reserved]" and Schedule 2.4 of the Form of Shareholders' Agreement shall be deleted in its entirety.

Section 2.11. Continuing Effect; No Other Waivers or Amendments. Except as modified by this Amendment, the Agreement and all the covenants, agreements, terms, provisions and conditions thereof shall remain unchanged and in full force and effect.

Section 2.12. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

Section 2.13. Governing Law. This Amendment shall be governed by and construed in accordance with the Law of the State of New York, without regard to the conflicts of law rules of such state.

Section 2.14. Effectiveness. The effectiveness of this Amendment is conditioned on (i) the holding of the CorpBanca Shareholders' Meeting on or prior to June 30, 2015 and (ii) the submission of the *informe pericial* issued by Mr. Alejandro Cerda Gallardo and dated April 29, 2015 (updated as necessary to reflect changes in net worth as required by applicable Law and this Amendment). If these conditions are not satisfied, this Amendment shall automatically terminate and be null and void.



Section 2.15. Miscellaneous. The provisions of Sections 7.9, 7.12, 7.13, 7.14, 7.15, 7.16 and 7.17 of the Agreement shall apply to this Amendment *mutatis mutandis*.

Section 2.16. References. All references to the Agreement (including “hereof,” “herein,” “hereunder,” “hereby” and “this Agreement”) shall refer to the Agreement as amended by this Amendment. Notwithstanding the foregoing, references to the date of the Agreement (as amended hereby) and references in the Agreement or in this Amendment to “the date hereof,” “the date of this Agreement” and terms of similar import shall in all instances continue to refer to January 29, 2014. All references in the Agreement or in this Amendment to “CLP \$” shall mean Chilean pesos.

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IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

INVERSIONES CORP GROUP INTERHOLD LIMITADA

By: /s/ Maria Pilar Dañobeitia Estades
Name:
Title:

INVERSIONES GASA LIMITADA

By: /s/ Maria Pilar Dañobeitia Estades
Name:
Title:

CORPBANCA

By: /s/ Fernando Massú Taré
Name:
Title:

ITAÚ UNIBANCO HOLDING S.A.

By: /s/ Alvaro Rodrigues and Fernando Chagas
Name:
Title:

BANCO ITAÚ CHILE

By: /s/ Boris Buvinic
Name:
Title:

[Signature Page to Amendment]



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Schedule 1.2(f)

The price to be paid by CorpBanca for the purchase of the shares of CorpBanca Colombia owned by Corp Group Parent shall be the amount set forth in Section 1.2(f) plus interest which shall accrue from (and including) August 4, 2015 through (but not including) the payment date, at a rate per annum equal to LIBOR plus 270 basis points, calculated on the basis of a year of 360 days with 30 days in each month.

For purposes of this paragraph, "LIBOR" shall mean, for each business banking day, (a) the British Bankers' Association interbank offered rate for 360-day deposits in dollars which appear on 11:00 a.m. London time of the second business day prior to August 4, 2015, on the page LIBOR01 of Reuters and, if not available, on the page that replaces it, and (b) in the event LIBOR cannot be determined pursuant to clause (a) above, the average of the relevant annual rates for 360-day deposits in dollars offered by five reference banks (to be defined by CorpBanca) in the interbank market of London on 11:00 a.m. London time of the second business day prior to August 4, 2015.



Schedule 1.6(h)

- Corp Group Parent shall sell 93,306,684 shares of CorpBanca Colombia (which represents all of the shares of CorpBanca Colombia owned by Corp Group Parent as of the date of this Amendment) to CorpBanca by no later than January 29, 2017 and Corp Group Parent shall provide notice to Itaú Parent at least 10 days prior to the date of such sale; provided that if the sale of such shares cannot occur by January 29, 2017 because one or more approvals from Governmental Authorities is required under applicable Law and has not been obtained, such sale shall be consummated 10 days following the receipt of the last such approval; provided further that if the pending approval is an approval required to be obtained by Corp Group, then the interest contemplated by Schedule 1.2(f) shall cease accruing on January 29, 2017.



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Schedule 4.18

Recipient	Amount Per Year	Term (since Closing)
Fundación CorpGroup Centro Cultural*	US\$1,950,000	20 years
Fundación Itaú*	US\$250,000	20 years
Fundación Descúbreme	US\$300,000	10 years
University of Chicago	US\$1,800,000	First five years
Massachusetts Institute of Technology	US\$150,000	Five subsequent years
Others	US\$50,000	10 years
Others	US\$220,000	10 years

To be suggested by the Chairman and confirmed by the Vice Chairman (such as Museo El Barrio, Woodrow Center, Fundacion Museo Reina Sofia, Fundación Educacional Ven Aprender)

* Following the Chilean Merger, the name of Fundación CorpGroup Centro Cultural shall be changed to “Fundación Corpartes”, which name shall not be changed to a name related to another banking institution, and the core of its activities shall continue to be related to cultural activities. Fundación Itaú shall be maintained and shall keep its current name. Such foundations shall be managed separately and independently from each other.

To be made in two installments on January 15 and July 15 of each year (except “Others” which shall be made when requested).



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CORBANCA
FORM 20-F

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EXHIBIT 11.1

English Translation

General Code of Conduct

CorpBanca and Subsidiaries



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**MESSAGE TO OUR ASSOCIATES AND EXTERNAL ADVISORS**

Dear All,

In order to continue developing first-class human capital, this letter serves to inform all Associates and External Advisors the norms of conduct hereto, based on principles and values intended to guide and be upheld by all associates, both in their personal conduct as well as in performing their daily professional activities.

In response to the trust and recognition of our clients, suppliers, associates and shareholders, all CorpBanca associates should strive to retain this trust, strictly complying with the Code of Conduct.

For all these reasons, we have defined a set of principles that embody our organization's spirit, philosophy and business practices, framed within our corporate values:

Discipline: CorpBanca is a model of discipline. We each serve as guarantors of strict compliance with our commitments as well as with an integral and honorable behavior.

Passion: CorpBanca is synonymous with passion. Energy and passion define how we act and how we work, fully engaging ourselves at an uninterrupted pace.

Collaboration: Is part of who we are. We think in the team's success before than individual accomplishments. We act with the highest standards of transparency and honesty.

Creativity: Change is at the forefront of our minds. We are constantly in search of opportunities and willing to learn constantly.

Talent: Our organization's success depends on our skills and talents.

Service: CorpBanca's vocation is customer service. Our action is powered by their satisfaction. We stay one step ahead of the market, timely complying and resolving.

Our organization promotes and protects these corporate values and, therefore, has designed this code of conduct to guide the ethical and professional behavior of all CorpBanca Associates and External Advisors, through both specific standards and continuous individual inquiry.

Each of CorpBanca's Associates and External Advisors should act consistently, coherently and permanently in accordance with these values. Each must carry out their duties responsibly and behave properly at all times.

The standards defined by CorpBanca on business and personal conduct should be contextualized in the respect, observation, compliance with and application of the laws governing their activities.

In carrying out their particular functions, our Associates and External Advisors should know how to identify any situation that may jeopardize their professional objectivity and should avoid any conduct that creates a real or possible conflict of interest or that violates any other provision of the Code of Conduct or the Internal Rules on Order, Hygiene and Safety, or that is inconsistent with the best interests of CorpBanca, our clients, associates, suppliers or others.

The guidelines contained in this Code of Conduct are meant to complement each employment contract and all internal and external standards as well as current legislation. Likewise, it is intended to guide our Associates and External Advisors' behavior so that ethical behavior extends beyond the provisions of the General Code of Conduct.

This Code is applicable to all of CorpBanca's Associates and External Advisors

Fernando Massú T.
Chief Executive Officer



1. SCOPE OF APPLICATION

The General Code of Conduct applies to all CorpBanca's Associates and External Advisors, who shall be bound to sign a written confirmation, in the terms of Exhibit 3, acknowledging that they understand and undertake to comply with the obligatory standards and actions in performing their jobs.

For the purposes of this Code, CorpBanca will be understood to include the bank and its subsidiaries.

2. INTERNAL ORGANIZATION

2.1 Compliance Committee

The purpose of this internal control committee is to monitor compliance with the Codes of Conduct and other complementary rules; establish and develop procedures needed to comply with these codes; interpret, manage and supervise compliance with these rules; and resolve any conflicts that may arise. The Compliance Committee is comprised by the following executives:

- One director
- Chief Executive Officer
- Legal Services Division Manager
- Division Manager of Human Resources
- Compliance Officer
- One permanent advisor

This Committee shall meet at least once every 2 months except during the month of February and shall hold extraordinary sessions when deemed necessary by either its president, the Compliance Officer or a majority of its members, in order to maintain itself permanently informed of the activities and matters concerning compliance with the Codes of Conduct and other complementary rules, and shall be governed by its by-laws that shall specify its functions, including the following duties, among others:

1. Issue instructions necessary to develop and comply with the provisions of the Codes of Conduct.
2. Ensure adherence with the provisions of the Codes of Conduct.
3. Acknowledge and/or issue resolutions regarding the measures and compromises adopted by the management level responsible of the area in which a problem or complaint arose.
4. Propose to the management of CorpBanca the application of sanctions to executives in the management level when they do not comply with the compromises undertaken in the context of solving a conflict or complaint.
5. Request, from any party deemed appropriate, participation, documentation and/or information needed to carry out its duties.

2.2 Compliance Officer

The Compliance Officer shall perform the executive functions of the Compliance Committee, within the guidelines the committee may issue. In particular, the Compliance Officer shall be responsible for the following functions:

1. Apply the standards contained in the Codes of Conduct and supervise compliance.
2. Ensure that the policies contained in this Code are constantly refined by proposing any needed modifications to the Compliance Committee.
3. Inform the Compliance Committee of any violations of the Codes of Conduct as soon as they are known, providing full details including the identity of the persons involved and, if appropriate, recommendations or proposals for future steps and measures to be adopted.
4. Guarantee the confidentiality of information reported by individuals disclosing violations of this Code of Conduct.
5. Periodically report to the Compliance Committee any situations that have occurred or activities that have been developed related to its functions.
6. Implement a training program aimed to ensure that all Associates are familiar with the behavior standards and the importance of complying with and adhering to these standards and other internal policies.

This list is not exclusive and, therefore, the Board of Directors, Audit Committee or members of the Compliance Committee may add any other function they deem necessary, whether of a permanent, specific or occasional nature.



In order to carry out their functions, the Compliance Committee and Compliance Officer shall possess broad powers for these purposes and have access to all documentation and information they can legally procure from the persons and areas involved at CorpBanca.

3. Business Conduct

3.1 Personal Responsibility

It is the responsibility of each and every one of CorpBanca's associates and External Advisors to read, become familiar with and strictly adhere to this Code of Conduct, which is meant to complement each employment contract as well as external regulatory standards and Chilean legislation. Consequently, each of us is individually responsible for our actions.

Nevertheless, issues and situations may arise that are not described in any document, but for which we expect conduct and decision-making in line with the same high ethical and moral standards.

Individuals in supervisory positions should ensure at all times that their instructions follow external and internal standards and that, if no standard exists for a particular issue, instructions should be logical and adhere to sound criteria and the highest ethical standards.

It is not acceptable for a superior to give instructions that contradict either external or internal standards. Therefore, if an Associate receives instructions that violate the principles expressed in this Code, such Associate shall inform the Compliance Officer or any other member of the Compliance Committee so that they can adopt measures to ensure compliance.

Individual responsibility for our actions is essential to performing our functions and, therefore, we may reject orders from our supervisors that do not comply with this Code.

3.2 Conflicts of Interest

A conflict of interest is defined as any situation that may affect or influence the independence or objectivity of our associates' or External Advisors' conduct or interfere with their decisions or obligations regarding clients or suppliers or their relationship with their superiors or the institution itself.

Therefore, associates shall, in personal or work-related activities, avoid any situations that create or could create conflicts of interest with respect to their position in the Bank. As a result, associates shall refrain from the following activities:

1. Participating in any process to evaluate or select suppliers where the associate has a personal, family, economic or other type of interest that may influence his assessment or decision.
2. Requesting or contracting services and/or jobs from CorpBanca suppliers for private purposes.
3. Providing any type of data, information or advice that may affect CorpBanca's ability to compete or assist another entity, client or supplier in competing or negotiating.
4. Giving preferential treatment to any individual applying to CorpBanca over other candidates, based on personal relationships.
5. Accepting gifts, invitations or commissions from a client or supplier that are inconsistent with the existing commercial relationship, either because of their economic value or the occasion on which they are given.
6. Complying with Chapter II of the Credit Policy, which sets forth that "CorpBanca shall not grant loans to investment companies or other business companies related to associates of CorpBanca".

In general, participating in any process or making decisions of any nature with respect to granting loans, products or financial services, hiring, and any transaction or matter in which the associate has a direct or indirect interest, whether family, personal or economic.

Lastly, CorpBanca reserves the right to determine if specific conducts constitute real or apparent conflicts of interest or are prohibited, regardless of whether they are specifically identified as such in this Code.



If an associate participates in or learns of a conflict or potential conflict involving private or family interests, he shall notify the Compliance Officer or senior management, who shall in turn notify the Compliance Officer for his subsequent analysis.

3.2.1 Gifts, Invitations and Favors

1. As a general rule, gifts or other courtesies or favors that, given their value, may influence or be interpreted as affecting our actions or decisions, should not be directly or indirectly accepted from clients or suppliers.
2. All CorpBanca associates shall provide quality service to our clients and/or suppliers at all times without intending to receive compensation of any sort, other than salaries and variable income.
3. Consequently, if the gift or favor is not meant to affect the independence of our actions or decisions, it can be accepted as long as its value does not exceed one point five *Unidades de Fomento* (1.5 UF). Repeated gifts from the same client and/or supplier which collective value exceeds the permitted amount may not be accepted; however, the decision-making criteria shall be based on the good faith of the associates.

If the value exceeds one point five *Unidades de Fomento* (1.5 UF), the Compliance Officer shall be notified using the "Disclosure of Gifts and Favors received from Clients or Suppliers" form (Exhibit 1), who shall analyze the steps to be taken.

4. Associates are prohibited from receiving any sum of money or any type of securities.
5. Associates may accept invitations to dinners or events arranged by any client or supplier that are related to their professional duties within CorpBanca, as long as the situation does not imply any commitment or influence or, given its character, nature or frequency, cannot be interpreted as a deliberate attempt to affect the associate's independence, impartiality or judgment.

In the case of invitations to events outside the city or outside Chile, associates should request prior authorization from the Compliance Officer, providing all information about the invitation such as place, date, organizer, programs, guests invited, etc., which shall be evaluated and resolved by the Compliance Committee by absolute majority of its members.

Should any invitation or situation arise that has not been informed and addressed previously, the associate shall notify the Compliance Officer to evaluate and determine the steps to follow.

Summarizing, all of CorpBanca policies/regulations related to giving and receiving gift, invitations and favors shall be complied with.

3.2.2 Business Opportunities

1. Associates are prohibited from participating in business decisions on behalf of CorpBanca in transactions in which they have a personal, financial or other type of interest.
2. Associates may not, in representation of CorpBanca, directly participate in any transaction involving persons with which the associate has a family, personal, economic or other type of relationship. For example, sales executives may not participate in evaluating or managing asset or debt products of any client with which a family, personal, management or ownership, whether direct and/or indirect, affiliation exists.
3. Associates are prohibited from disclosing and using confidential information regarding CorpBanca, its clients and/or suppliers for their own or others' advantage. This prohibition also applies to insider information, as defined by law.
4. Associates are prohibited from accepting or agreeing to accept fiduciary appointments (i.e. positions based only on trust such as executors, administrators, trustees) from clients and/or suppliers.
5. Associates are prohibited from accepting to represent clients or individuals or companies that provide services to CorpBanca and making use of their powers of representation.
6. Associates are prohibited from attempting to access the inheritance or insurance benefits of any CorpBanca client and/or supplier as heir or legatee.

In the event that any of our associates learns that one of our clients and/or suppliers intends to designate him as an heir, legatee or insurance beneficiary, the associate may not accept this benefit without prior written authorization from the Compliance Officer, who shall present the situation to the Compliance Committee for their evaluation based on factors such as: conflicts of interest, improper influence, etc.

7. Associates are prohibited from having signature power on clients' current accounts or representing clients in any other way.



8. Participating in business deals, commissions or any other type of benefit offered by a client, supplier or commercial partner of CorpBanca to a member of CorpBanca or a direct member of his family is prohibited. Should such a situation arise, associates are obligated to notify the Compliance Officer.

3.2.3 Real Estate Purchases in Court-Ordered Foreclosure Auctions

In order to ensure transparency in auction processes and to avoid potential abuses, associates and any individual with a personal, family, economic or other type of relationship with an associate are prohibited from being awarded any type of asset, whether real estate or chattel property, that is sold at the request of the Bank or any of its subsidiaries, in relation to lawsuits, tender offers, bankruptcy, etc. However, the Associate shall be able of acquire such property awarded to the bank or received as payment in kind, pursuant to the conditions set forth in the bank’s internal procedures for such properties.

3.2.4 General Criteria for Preventing Conflicts of Interest

Independent of any specific restrictions that may be established by the Compliance Division for particular cases, no Associate may grant, approve or exercise influence so as to approve loans or deals between CorpBanca and clients or suppliers with which the associate has an affiliation.

Any situations not in accordance with this Code shall be communicated to the Compliance Officer as soon as they are identified and with sufficient notice before taking any actions that may be affected by the situation. CorpBanca reserves the right to determine if specific conducts constitute real or apparent conflicts of interest or are prohibited, regardless of whether they are specifically identified as such in this Code.

Any doubt with respect to how a potential conflict of interest should be resolved should be directed to the Compliance Officer.

Ultimately, the Compliance Committee will be responsible for assessing the steps to follow for all conflict of interest cases presented to it for judgment.

4. Investments in the Securities Markets

No investment decision can be based on Privileged Information. The Securities Markets Act sets forth that any person in possession of privileged information should keep it under strict reserve, refraining from communicating such information to third parties or from recommending the sale or purchase of securities.

4.1. Privileged Information

Concept

As set forth in article 164 et seq of the Securities Market Act, it shall be deemed Privileged Information any information that:

- A. Refers to one or more issuers of securities, their businesses or one or more securities issued by them;
- B. Has not been disclosed to the market; and
- C. Its knowledge, by its nature, is capable of influencing the trade of the securities issued.

It shall be also deemed to be privileged information, the information regarding the decisions involving the acquisition, sale and acceptance or rejection of specific offerings made by an institutional investor in the securities market.

To evaluate if certain information may influence the trade of issued securities, it shall be considered whether a prudent investor would have considered such information as relevant for his investment decisions.

It is not necessary that such information may influence the trade of the securities only for “its content”, but also for “its nature”. This is the reason why the SVS has interpreted that the information contained in the *Ficha Estadística Condificada Uniforme* (Uniform Encoded Statistical Form) shall always be Privileged Information before it has been disclosed to the market.

Privileged Information shall cease to have such character as from the moment in which it is made public, this is, known by the Market.



To determine when it is possible to consider that certain information is available to the general public, among others, it shall be considered if it has been disclosed completely, by means of an effective channel and of easy access to investors and the public.

In general, engaging in any transaction or commercial act, directly or indirectly, for oneself or third parties, which is based or founded on any non-public information learned in one's capacity as a CorpBanca associate.

Privileged information may only be disclosed to persons that need to know such information for the performance of their duties in CorpBanca. This information may not be disclosed in places where it could be heard by persons that are not on a legitimate position to know it, such social gatherings, public places, taxis, elevators, restaurants, etc. Transferring information regarding confidential business of or information on clients among the Loan, Risk, Commercial and Treasury Divisions and Subsidiaries shall be limited to what is strictly necessary for the due course of business.

The associates that have access to CorpBanca's clients' privileged information, shall abstain from purchasing or selling the securities of such clients.

Any doubt with respect to how the use of insider information should be resolved or managed should be directed to the Compliance Officer.

Lastly, CorpBanca reserves the right to determine if a specific conduct constitutes real or apparent use of privileged information or are prohibited, regardless of whether they are specifically identified as such in this Code.

4.2 Obligations and Restrictions in the Securities Markets

General Considerations

If an associate desires to invest in the securities markets, these transactions may not be usual or recurring and in no case may they interfere in or affect the normal course of their activity and performance of their duties in CorpBanca.

Likewise, the associate shall take into account and comply with the following obligations/restrictions when trading for his benefit in the securities market:

A. General Obligations

- Any sale and/or purchase of securities, whether issued by CorpBanca or by a third party, shall be effected through CorpBanca Corredores de Bolsa S.A. Notwithstanding, it shall be possible to trade with a different broker dealer, with prior reasoned authorization by the Compliance Committee. Such authorization shall be permanent.

- The sale and/or purchase of securities issued by CorpBanca must be informed to the Compliance Officer within the 24 hours following the relevant transaction in the terms of Exhibit 4 "Disclosure of Sale and Purchase of shares issued by CorpBanca".

- The sale or disposition of shares issued by CorpBanca may not be effected within the 90 days following the acquisition date.

B. Regular Blackout Periods

CorpBanca's associates and External Advisors may not trade with securities issued by CorpBanca in the period within the first business day of each month and the day in the summary of the bank's quarterly results are made public, by the inclusion in the website.

Notwithstanding the above, in certain special or exceptional circumstances, the bank's board of director may resolve that the regular blackout periods described above shall not be applicable, and that, exceptionally, it shall be possible to trade with shares issued by CorpBanca within those regular blackout periods, provided that such trades are carried out within Public Offering of Shares procedures.

C. Exceptional Blackout Periods

Notwithstanding the above, if deemed necessary as a consequence of extraordinary circumstances, the Board of Directors may exceptionally agree to impose a blackout period additional to the regular blackout period.



D. Communication and adherence

The Compliance Officer, or the person appointed by the Board of Directors for these purposes, shall be in charge of announcing the exact termination date for each regular blackout period, through the channels determined by the board. In addition, such person shall implement the procedures aimed to enforce these rules.

4.3 Duty of Confidentiality

All CorpBanca associates shall protect and keep confidential any internal information they learn in performing their job and may not reveal, inform or disclose to others any confidential or secret information and any other information regarding CorpBanca's products, businesses, methods or systems or with respect to its clients, their businesses and their personal financial situations. This information shall not be disclosed nor shared with third parties, whether clients, relatives, friends, partners or other associates that do not need such information to perform their functions within CorpBanca. Internal information shall be defined as information which is not publicly known. It is also important to remember that the General Banking Law protects secrecy and confidentiality.

All information received by the Bank and classified as confidential (as defined in the Policy on Classification and Use of Information, issued by the Operational Risk Management and SOX Division) shall remain confidential indefinitely, even after the individual no longer has any affiliation with the institution. This commitment shall be formalized by signing Exhibit 2 "Confidentiality Agreement".

Likewise, the associates shall use mass media channels properly, such as Twitter, Facebook and radio among others. It is their duty to comply with their confidentiality obligations when disclosing information in these channels.

In conclusion, information in our possession can only be shared with those with a legitimate and apparent right to know it, providing no law or regulation is violated.

5. Relationships

5.1 Client Relations

CorpBanca encourages lasting, trust-based relationships with clients, who are the core of our business, respecting their rights, attending to their needs and committing to continually refine our organization's processes to improve customer attention and service.

For these reasons, our associates' commitment to our clients is anchored in providing quality products and services that satisfy their needs.

Therefore, among other aspects, clients should be informed of products and services offered by CorpBanca precisely and impartially, without promising non-existent advantages or benefits or concealing costs, nor offering advantages or benefits to certain clients to the detriment of others.

Associates shall avoid interacting with individuals or entities suspected to be involved in illegal or illegitimate businesses. Likewise, associates shall not take part in any operation or transaction with money from illegal activities or that goes against norms of good behavior or public order, such as money laundering, terrorism, bribery, arms trafficking, fraud, prostitution, theft, etc. Should an associate come across this type of operation, it shall notify the Compliance Officer as soon as possible, who shall work together with the Compliance Committee or the Anti-Money Laundering and Terrorism Financing Committee, as applicable, to determine what steps to follow.

5.2 Shareholder Relations

CorpBanca is committed to using capital sensibly to offer its shareholders greater security and returns.

CorpBanca provides its shareholders with timely, thorough and accurate information on matters of their concern.

5.3 External and Regulatory Relations

The Bank's Chief Executive Officer, or the persons he appoints for these purposes, shall be responsible for communications with third parties and the media. No associate shall issue press releases or give media interviews without prior authorization from the Bank's Chief Executive Officer.



The chief of Investor's Relations may also issue press releases regarding the matters determined by the Chief Executive Officer.

Should any important information regarding the Bank appear in the media that does not come from the aforementioned official sources, the Bank shall be authorized to decide whether to officially comment or not on the accuracy of the information, unless required to do so by authorities, in which case the Bank may adopt any of the informative mechanisms contained in current legislation.

CorpBanca associates shall behave in a respectful and collaborative manner, within the context of their specialty, with all public and private authorities and representatives.

Associates are prohibited from extending offers, favors, compensation or courtesies to public or private officials or regulatory employees that may be interpreted as intending to obtain benefits from authorities or external regulators.

Nevertheless, any doubt with respect to how regulatory relations should be addressed with the Compliance Officer.

5.4 Bribery

In compliance with Act No. 20,393, bribery and other corruption conducts are opposed to CorpBanca's values and shall be penalized pursuant to the provisions of this Code of Conduct. This, notwithstanding any criminal, administrative or employment sanctions that may apply.

It is strictly forbidden to any CorpBanca associate to pursue any action that may be constitutive of bribery. It shall be deemed to be constitutive of bribery any of the following conducts: the offering or the consent to give to any national public official an economic benefit, either for his own benefit or for a third party's, so that he performs or incurs in the omissions set forth in articles 248, 248 bis and 249 of the Criminal Code, or having carried out or incurred in any of the above.

Likewise, it shall be considered bribery, the offering of, promising or giving to a foreign public official, a benefit, either economic or of other nature, for his benefit or for a third party's, intended to obtain or maintain, for oneself or for a third party, a business or undue advantage in the context of any international transaction, as provided in article 251 of the Criminal Code.

The Criminal Code, in its articles 250 and 251 makes reference to bribery indicating that the briber shall be sanctioned with the penalties applicable to accomplices in each case, except for the penalties of disqualification and suspension, and that, in any case, what has been received shall be confiscated.

Likewise, it is of the utmost importance to act integrally in every moment, both, in our personal behavior and in performing our professional duties. Considering the aforementioned, any offering, favor, compensation or direct or indirect attention to a public official in Chile or abroad is absolutely forbidden, when for its value or relevance it may influence the decision of such public official or is intended to obtain any benefit or the issuance of certain resolutions or rulings by authorities or supervisors, or that is intended to obtain or retain business for CorpBanca.

Notwithstanding the above, any doubt regarding the way in which an issue of this sort should be resolved, shall be consulted with the Compliance Officer, who shall present the background to the Compliance Committee, for their analysis and solution on a case-to-case basis.

5.5 Associate Relations

Generally speaking, the relationship between CorpBanca and its associates is based primarily on matters addressed in the Internal Rules on Order, Hygiene and Safety and the Human Resources Policy and Procedure Manual, among which include:

1. At CorpBanca, relations with associates are rooted in understanding, trust and mutual commitment.
2. CorpBanca values and provides a setting that encourages transparency and freedom of expression in its work relationships.
3. CorpBanca respects the privacy of its associates and prohibits disclosure of information about them without their prior consent.



5.6 Supplier Relations

In general terms, the relationship between CorpBanca's associates and its suppliers is detailed in the Policy Manual on Expenses, Investments and Supplier Management, which emphasizes the following matters, among others:

1. Associates should encourage long-term relationships with suppliers based on mutual trust.
2. Supplies and external services should be procured in accordance with procedures established for each case and, if no such procedures exist, using transparent and objective procedures.
3. Associates, especially those involved in making decisions to procure supplies or services or establishing pricing conditions, shall avoid any type of interference that may affect their impartiality or objectivity in these matters.

6. Responsibilities of the Persons Subject to the Code

6.1 Business Behavior

It is of vital important and necessary for all CorpBanca Associates to properly manage their personal finances and ensure that their indebtedness levels are compatible with their income, so they are always certain they will fulfil their commercial commitments under the agreed-upon terms and conditions.

6.2 Activities different from those performed within their duties with CorpBanca

During business hours, associates are not authorized to carry out work other than that agreed-upon with CorpBanca. If they wish to perform such work outside office hours, they must inform their Division Manager, who shall determine if it interferes, competes or conflicts with CorpBanca's interests or creates the possibility that the associate's work-related obligations or duties will not be properly fulfilled. In any case, the associate shall conduct himself irreproachably in a manner that does not affect CorpBanca's image, refraining from using the name of the Bank and its Subsidiaries or its infrastructure in general and not violating the provisions of this Code.

6.3 Commitment to CorpBanca

All associates are responsible for safeguarding CorpBanca's assets, properly using resources made available to them and avoiding actions that may cause damage. Among other matters, the following should be considered:

1. CorpBanca associates must avoid any conduct that may deteriorate any of CorpBanca's assets.
2. Taking special care to protect IT systems, maximizing security measures in place.
3. Not using CorpBanca's image, name or brand except for properly carrying out one's professional activities.
4. Proper use of electronic mail, internet access or other similar resources made available to associates.

6.4 Sexual Harassment

All CorpBanca associates are strictly prohibited from engaging in any behavior that is inconsistent with a civilized work environment based on mutual respect among associates and are especially prohibited from making improper requests or insinuations of a sexual nature, through any means, that are not consented to by the recipient and that threaten or harm his or her work situation or employment opportunities. The aforementioned conducts constitute, for the purposes of this Code, sexual harassment behavior.

Sexual harassment behavior does not include consented affectionate relationships that may exist between two associates, which shall be communicated in writing in a timely manner to the Compliance Officer.

Any employee that falls victim to behavior defined by law or internal regulations as sexual harassment has the right to report such behavior in writing to the Compliance Officer. The matter will be treated with strict confidentiality it deserves, notwithstanding application of legal procedures in force.

6.5 Antidiscrimination Act

This Code of Conduct adheres to the provisions of Act No. 20,609 that sets forth measures against discrimination.

6.6 Workplace Safety

The behaviors of associates regarding safety standards are defined in the Internal Rules on Order, Hygiene and Safety, which shall be complied with as indicated in article 67 of Law 16,744.



6.7 Drug and Alcohol Use

Associates are prohibited from attending to work under the influence of alcohol, drugs or narcotics or possessing alcoholic beverages or hallucinogenic drugs on CorpBanca’s premises. They are also prohibited from selling, consuming or giving these substances for consumption at any time and under any circumstances. The exception to alcohol consumption in CorpBanca’s premises or events, shall be granted by express written authorization or instruction by the Human Resources Division Manager.

In any activity sponsored by CorpBanca, associates are strictly prohibited from excessive alcohol use and should conduct themselves in accordance with good practices.

6.8 Political Activities

An associate’s right to participate in legally recognized political activities should be exercised so that these activities are not understood, in any way, to be associated with CorpBanca or to question its commitment to political neutrality. Similarly, participation in such activities should not affect the associate’s professional objectivity nor lessen his dedication to CorpBanca beyond that established in current legislation. In particular, those associates that, in exercising their rights, run as candidates for public office shall resign from the position they hold at CorpBanca. However, any associate that engages in political activity shall do so outside of business hours and CorpBanca’s facilities.

6.9 Compliance

The managers of the various areas and divisions within CorpBanca are responsible for ensuring compliance with the General Code of Conduct in their respective area.

The Compliance Division is in charge of promoting the development and ensuring operational effectiveness of the standards and procedures necessary to guarantee compliance with laws and standards of ethical behavior, as well as behavioral criteria and guidelines contained in this Code.

The Compliance Division is also responsible for identifying any potential violations and properly managing any resulting risks, as well as ensuring associates are appropriately trained on the General Code of Conduct. In general, the Human Resources Division shall work towards proper observance of this Code.

7. Violations of Standards and Communicating Problems and Irregularities

7.1 Violations of CorpBanca’s Standards

CorpBanca’s associates shall be committed to our policies, standards and procedures. Therefore, any violation shall be sanctioned in accordance with current internal and external standards regulating the relationship between CorpBanca and its associates, notwithstanding any civil and criminal liability that may exist. This policy exists to protect CorpBanca and its clients from risks and losses and to protect associates from any unfounded, inaccurate or unjustified accusation. Some matters to consider, among others, include:

1. The competent courts shall be notified of any act that may constitute a misdemeanor or a crime.
2. In the event of willful misconduct by any CorpBanca associate, care must be taken to avoid unfounded, inaccurate or unjustified accusations.
3. The following conducts, among others, violate CorpBanca’s rules and standards:
 - A. Negligence or omission in complying with internal standards and general and specific policies issued by CorpBanca.
 - B. Failure to comply with standards, rules and laws issued by regulatory and/or supervisory bodies such as the Central Bank of Chile, the Superintendence of Banks and Financial Institutions, the Superintendence of Securities and Insurance, the Chilean Internal Revenue Service and the US Securities and Exchange Commission (Sarbanes-Oxley Act), among others. Each associate is responsible of familiarizing himself with these standards.
 - C. All conducts that constitute a crime or misdemeanor as per current laws.
 - D. Concealing important information or giving erroneous information to any person performing an audit or investigation.
 - E. Failing to report, hiding or retaining information regarding violations of CorpBanca’s standards, rules and policies.
 - F. Retaliating, directly or indirectly, or encouraging retaliation against any associate that has reported serious suspicion that CorpBanca’s policies have been violated.



7.2 Communicating Problems and Irregularities

CorpBanca’s Board of Directors and senior management are committed to the importance of each associate’s role in achieving high organizational behavior standards.

For these purposes, CorpBanca has created communications channels so that any member or associate of CorpBanca may express their concerns, irregularities’ claims, fraud, bribery, violations or questionable situations in connection with accounting matters or internal control procedures and, especially, compliance with this Code. Such channels guarantee confidentiality, transparency, easy access and anonymity.

All information received shall be handled confidentially and treated depending on the nature of the information. In accordance with our non-retaliation standards, each action shall be reviewed and evaluated as appropriate using principles of good faith.

Communication Channels

The following channels have been defined for reporting such information:

1. You may directly contact the Compliance Officer in person, by email or by phone (extension 2012).
2. You may also contact the Human Resources Manager in person, by email or by phone (extension 2580).
3. E-mail account “Ethics and Conduct”: eticayconducta@CorpBanca.cl, managed by the Compliance Division.
4. If an associate wishes his identity to remain private, the following mechanism is available:

- Anonymous Communication Channel. It can be accessed through the Intranet, in the link “*Canal de Comunicación Anónimo*”. These two channels are managed by the Compliance Division.

5. Those complaints against the Compliance Division must be communicated to the following address: auditoriainterna@corpbanca.cl, managed by the Controller Division.

Through all of the channels mentioned above it is possible to provide information regarding irregular situations, violations to CorpBanca’s rules and policies, crimes and mal-practices such as:

Conducts that oppose the provisions of the Anti-Money Laundering, Terrorism Financing and Bribery Handbook; situations that oppose the values that CorpBanca and its subsidiaries promote; criminal or fraudulent activities; activities that violate the General Code of Conduct and the Code of Conduct in the Securities Market, regarding conflicts of interest; management of privileged information; unethical conducts, potential violations to the laws and regulations; fraud in the financial statements and, above all, any situation requiring the attention of CorpBanca’s management or Board of Directors.

Notwithstanding the above, regardless of the channel used to communicate these situations, they shall be informed to the Compliance Committee.

If it is desired to inform and/or file a complaint of a situation maintaining anonymity, at least the following information shall be given: Description of the act to which the complaint relates, place (area or branch), responsible party, date, and any other information deemed relevant and that may contribute to back up the information granted.

CorpBanca’s senior management undertakes to keep the source of the information under strict reserve, regardless their position or rank within CorpBanca.

8. Anti-Money Laundering and Terrorism Financing

CorpBanca identifies itself and is committed with society and the authorities in upholding all laws and regulations against money laundering and terrorism financing.

Given the nature of financial transactions used for criminal activity, it is possible that banks and banking activities indicated by law may be used as agents to transfer or deposit funds from a range of criminal activities, particularly those relating to drug trafficking and terrorism, thus compromising the stability, seriousness and credibility of diverse institutions on a global scale.



In the context of the provisions of Acts 19,913 and 20,393, and considering the harmful effects for CorpBanca if it is used to carry out any money laundering, terrorism financing or bribery activity, it is hereby set forth that it is an essential and mandatory duty for all of the Associates to comply with the policies described in the Anti-Money Laundering, Terrorism Financing and Bribery Handbook and to all the specific regulation thereto.

9. Termination of Relationship with Corpbanca

All persons having signed this Code whose relationship with CorpBanca is terminated, shall abstain from using any information obtained during their period of affiliation with the institution, including client lists or relationships.

Associates assume that all work developed for CorpBanca, whether or not considered intellectual property, belongs wholly and exclusively to CorpBanca. CorpBanca shall retain possession of reports, proposals, studies, programs and any other product derived from work carried out at the Bank, which may not be copied, reproduced or transmitted in any form without written authorization from CorpBanca.

Associates undertake to return any material that is property of CorpBanca that is in their possession when their activities at CorpBanca are terminated.

All information received by the associate and classified as confidential shall remain confidential indefinitely, even after the individual no longer has any affiliation with the institution.

10. Acknowledgement and Acceptance of and Compromise with the General Code of Conduct

All CorpBanca associates and directors declare to have read and understood this General Code of Conduct and undertake to strictly comply with its contents by signing Exhibit 3 "Acknowledgement and Acceptance of and Compromise of the General Code of Conduct".

The Human Resources Division is responsible for distributing, receiving and safeguarding such exhibit, as well as providing all associates with a complete copy of this Code upon joining CorpBanca.

11. Failure to Comply

Failure to comply with any of the standards contained in this Code shall be perceived as inobservance of the obligations of loyalty and diligence that all associates have towards CorpBanca. The Compliance Committee shall acknowledge and/or issue a statement regarding the measures adopted and compromises undertaken by the supervisor on a Management's level of the area in which the issue/complaint arose. Likewise, the Compliance Committee may propose to the Bank's management, the sanctions it deems should be applied when the relevant supervisory unit does not comply with the compromises undertaken for resolving the issues/complaints.

Failure to comply with this Code is also considered a violation of an associate's employment contract, which may give rise to a verbal or written warning or even termination of the contract, notwithstanding any civil and criminal sanctions appropriate based on current law, based on the nature and gravity of the events and the consequences to CorpBanca and the market in general.

12. Divulcation and Validity

This Code is presumed to be known as from the moment it is duly disclosed in the Intranet. Its validity shall be indefinite. The same rule shall apply to any amendments hereto.

13. Exhibits



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Exhibit 1: Disclosure of Gifts and Favors received from Clients or Suppliers

English Translation

CORPBANCA

Exhibit 1. Disclosure of Gifts and Favors received from Clients or Suppliers

Declarant Information

NAME		TAX ID	POSITION		DATE
Company / Natural Person	Relation	Description of the Gift or Favor	Estimated Amount of the Gift or Favor	Date of Receipt	Additional Information

SIGNATURE



Exhibit 2: Confidentiality Agreement

English Translation

CORPBANCA

Exhibit 2. Confidentiality Agreement

Santiago, , .

The person who executes this document solemnly declares that he/she will keep confidential the information related to the Bank, its Subsidiaries and the clients of the Bank, and covenants not to disclose such confidential information to third parties, except when such disclosure may be ordered by a court or other governmental entity.

NAME	TAX ID	SIGNATURE
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Exhibit 3: Acknowledgement and Acceptance of and Compromise of the General Code of Conduct

English Translation

CORPBANCA

Exhibit 3. Acknowledgement and Acceptance of the General Code of Conduct

Santiago,

Mr. (Mrs.) _____, identity card No. _____, hereby acknowledges and agrees to abide by the “General Code of Conduct”, which is part of a set of mandatory rules of conduct and actions that all personnel of CorpBanca and its Subsidiaries must comply with in the performance of their functions. The General Code of Conduct supplements employment contracts, the Rules of Procedures, any other internal and external rules, and applicable laws.

The employee commits to remain aware of any updates to this Code and any other changes to the document. In order to do so, they should consult the Code at least quarterly on the Intranet.

SIGNATURE

TAX ID



200D&X&PPWzBYj8G

Exhibit 4: Disclosure of Sale and Purchase of shares issued by CorpBanca

English Translation

CORPBANCA

Exhibit 4. Disclosure of Sale and Purchase of shares issued by CorpBanca

Declarant Information

NAME	TAX ID	POSITION	DATE
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I. Direct financial investments

Date of Purchase	Date of Sale	Issuer	Form of Title	Number	Price	Amount of the investment
------------------	--------------	--------	---------------	--------	-------	--------------------------

Include direct investments made by the declarant as a natural person.

II. Indirect financial investments

Date of Purchase	Date of Sale	Issuer	Form of Title	Number	Price	Amount of the investment	Investor
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Include indirect investments made by spouse, minor children and/or related third parties (natural persons and companies).

SIGNATURE

Note: The delivery of information included in this form not substitute the liabilities and covenants imposed by the Chilean law, among others, the obligation to report directly and personally the purchase of CorpBanca securities to the Superintendencia of Securities and Insurance.



EXHIBIT 11.2

English Translation

Code of Conduct in the Securities Market

CorpBanca and Subsidiaries



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Definitions



MESSAGE TO ASSOCIATES AND EXTERNAL ADVISORS

The following Code is being issued with the intention of setting forth the standards of conduct so that all activities related to the Securities Market are be undertaken with the strictest adherence to the laws and in accordance with ethical criteria embedded in CorpBanca's corporate values.

This Code has been designed to set forth, within the Securities Market scope, (i) the standards of conduct for decision making for External Advisors and CorpBanca Associates (for these purposes, any employee of CorpBanca or of a subsidiary shall be deemed an Associate); (ii) certain prohibitions together with guidelines in connection with the use of privileged information obtained as a consequence of being in a certain position in CorpBanca; (iii) communication processes between Associates and the company, in connection with their investment transactions or businesses.

The aforementioned goals are contextualized within the regulations set forth by the Securities Market Act (*Ley No. 18.045 De Mercado de Valores*) in connection with the treatment of privileged or confidential information and with the financial industry's best practices. The above, shall be construed as conduct guidelines and shall not be deemed as a replacement to the applicable laws and regulations.

To achieve these goals we have improved the internal policies and regulations that should guide the conduct of all the persons of our organization and the procedures used to define the persons that are subject to these regulations and the conduct that should be observed for the compliance hereto.

This Code's guidelines are mandatory for a group of persons regarding which it may be presumed actual or potential access to privileged information. It shall be applicable as a complement to the applicable laws, the General Code of Conduct, the employment agreement and every other internal and external regulations.

This Code has adopted duties of conduct and prohibitions related to the use of privileged information and market manipulation, which are listed in Exhibit No. 6 hereto, titled "Rules to Prevent and Fight the Use of Privileged Information and Market Manipulation". Said document was issued by the Regulation Committee of the Santiago Stock Exchange and by the Self-Regulation Committee of the Chilean Electronic Exchange; committees that recommend the application of the rules contained therein –which are applicable to broker dealers– to all the companies registered with the Securities Registry and whose securities are traded on the above-mentioned exchanges.

This Code is applicable to the Associates listed in Exhibit No. 1-A.

For the purposes of this Code, the term "CorpBanca" shall be deemed to include the bank and its subsidiaries.

Fernando Massú T.
CEO



1. LEGAL FRAMEWORK

This Code of Conduct has been written in accordance with Chilean legislation and particularly relates to the Securities Market Act (Act No. 18,045), which provisions are applicable to the public offerings of securities and their markets and intermediaries; the Corporations Act (Act No. 18,046) and its regulations; and the regulations enacted by the Superintendence of Securities and Insurance and the Superintendence of Banks and Financial Institutions.

The persons bound by this Code must comply with the procedures, deadlines and conditions set forth in the above-mentioned regulations. However, the provisions set forth in this Code do not substitute personal responsibilities and obligations imposed by Chilean legislation. Consequently, these persons are not released from compliance with such regulations, being particularly bound to inform their transactions to the bank and/or its subsidiaries and to the applicable regulatory agency.

2. PERSONS BOUND BY THE CODE

These sections set forth policies, regulations and conduct guidelines that must be observed by any person that –as a consequence of their title, position or relationship with CorpBanca– deals with or has access to privileged information; whose work may be directly and/or mainly related to activities and services in the securities market or who shall be deemed bound by the Compliance Committee. For the purposes of this Code, these persons shall be the “Addressees”.

The list of areas and positions bound by these sections are listed in Annex 1-A.

The Compliance Division’s Management shall keep an updated list of the Associates and Areas defined as bound to this Code, as informed by the responsible person of each Area and/or Division bound and/or the Division of Human Resources.

In addition, the Compliance Division’s Management shall effect periodic analysis of new positions and/or new areas that may be created within the bank or its subsidiaries, for the purposes that all Addressees may know and comply with the applicable norms and policies.

3. INTERNAL ORGANIZATION

3.1 Compliance Committee

The purpose of this internal control committee is to monitor compliance with the Codes of Conduct and other complementary rules; establish and develop procedures needed to comply with these codes; interpret, manage and supervise compliance with these rules; and resolve any conflicts that may arise. The Compliance Committee is comprised by the following executives:

- One director
- Chief Executive Officer
- Legal Services Division Manager
- Human RESOURCES Division Manager
- Compliance Officer
- One permanent advisor

This Committee shall meet at least once every 2 months except during the month of February and shall hold extraordinary sessions when deemed necessary by either its president, the Compliance Officer or a majority of its members, in order to maintain itself permanently informed of the activities and matters concerning compliance with the Codes of Conduct and other complementary rules, and shall be governed by its by-laws that shall specify its functions, including the following duties, among others:

1. Issue instructions necessary to develop and comply with the provisions of the Codes of Conduct.
2. Ensure adherence with the provisions of the Codes of Conduct.



3. Acknowledge and/or issue resolutions regarding the measures and compromises adopted by the management level responsible for the area in which a problem or complaint arose.
4. Propose to the management of CorpBanca the application of sanctions to executives in the management level when they do not comply with the compromises undertaken in the context of solving a conflict or complaint.
5. Request, from any party deemed appropriate, participation, documentation and/or information needed to carry out its duties.

3.2 Compliance Officer

The Compliance Officer shall perform the executive functions of the Compliance Committee, within the guidelines the Committee may issue. In particular, the Compliance Officer shall be responsible for the following duties:

1. Apply the standards contained in the Codes of Conduct and supervise compliance.
2. Ensure that the policies contained in this Code are constantly refined by proposing any needed modifications to the Compliance Committee.
3. Inform the Compliance Committee of any violations of the Codes of Conduct as soon as they are known, providing full details including the identity of the persons involved and, if appropriate, recommendations or proposals for future steps and measures to be adopted.
4. Guarantee the confidentiality of information reported by individuals disclosing violations of this Code of Conduct.
5. Periodically report to the Compliance Committee any situations that have occurred or activities that have been developed related to its functions.
6. Implement a Training Program aimed to ensure that all Associates are familiar with the behavior standards and the importance of complying with and adhering to these standards and other internal policies.

This list is not exclusive and, therefore, the Board of Directors, Audit Committee or members of the Compliance Committee may add any other function they deem necessary, whether of a permanent, specific or occasional nature.

In order to carry out their functions, the Compliance Committee and Compliance Officer shall possess broad powers for these purposes and have access to all documentation and information they can legally procure from the persons and areas involved at CorpBanca.

4. SPECIAL CONSIDERATIONS

4.1. Concept of Privileged Information

As set forth in article 164 et seq of the Securities Market Act, it shall be deemed Privileged Information any information that:

- A. Refers to one or more issuers of securities, their businesses or one or more securities issued by them;
- B. Has not been disclosed to the market; and
- C. Its knowledge, by its nature, is capable of influencing the trading of the securities issued.

It shall be also deemed to be privileged information, the information regarding the decisions involving the acquisition, sale and acceptance or rejection of specific offerings made by an institutional investor in the securities market.

Examples:

- Certainty that a seasoned investor is interested in acquiring a relevant share in a public registered company.
- Knowledge of an issuer’s change of control.
- Knowledge of a contingency that shall cause a significant loss in an issuer’s controlling shareholder or subsidiary.
- Information contained in the *Ficha Estadística Condificada Uniforme* (Uniform Encoded Statistical Form) prior its disclosure to the market.
- Knowledge of a merger agreement between two companies, even if it is never materialized.

To assess if certain information may influence the trading of issued securities, it shall be considered whether a prudent investor would have considered such information as relevant for his investment decisions.



It is not necessary that such information may influence the trading of the securities only for “its content”, but also for “its nature”. This is the reason why the Superintendence of Securities and Insurance (“SVS”) has interpreted that the information contained in the Uniform Encoded Statistical Form shall always be Privileged Information before it has been disclosed to the market.

Privileged Information shall cease to have such character as from the moment in which it is made public, this is, known by the Market.

To determine when is it possible to consider that certain information is available to the general public, among others, it shall be considered if it has been disclosed completely, by means of an effective channel and of easy access to investors and the public.

4.2 Obligations in Connection with Privileged Information

The Securities Market Act, in its article No. 165, sets forth that any person that, as a consequence of their title, position, activity or relationship¹ with the relevant issuer of securities, possesses Privileged Information shall:

- Keep all privileged information under reserve and refrain from using it for his own or other’s benefit, and shall neither acquire nor dispose, for himself or for third parties, directly or indirectly any securities to which the privileged information relates. For example:

- A. An employee of certain issuer communicates to his spouse and children a merger decision adopted by such issuer.
- B. A trading desk operator comments on certain sale/purchase order he has been required to place.
- C. An employee tells his family and/or friends about a significant change in a client’s corporate structure, before it has been made public.

- Refrain from using privileged information to obtain a benefit or avoid a loss, by means of any operation with the securities to which it relates or with instruments which profitability depends on such securities. For example, the following conducts are prohibited:

- A. The sale or purchase of shares by a CorpBanca associate that knows the company’s results before such results have been communicated by the Superintendence of Banks and Financial Institutions (“SBIF”) or the SVS.
- B. The sale of shares issued by a client of the bank by an associate, knowing that such client has insolvency problems, due to the associate’s position in CorpBanca.
- C. The purchase of shares by an associate, knowing that a merger agreement shall be entered with a third company, or that there will be a public tender for the acquisition of shares by other company or in any other activity relevant to the organization.

- Refrain from recommending the acquisition or disposal of securities in respect of which the privileged information relates. Examples:

- A. An associate recommends the acquisition or disposal of shares of one of his clients, regarding which he has privileged information.
- B. The recommendation of acquiring shares by an associate, knowing the bank’s results which have not been made public yet, even if he does not disclose the reason of his recommendations.

-Take care that his subordinates do not disclose privileged information to third parties and that they refrain from recommending the acquisition or disposal of the securities to which the privileged information relates. For example:

- A. A manager’s assistant shall be fully aware that the information he has as a consequence of his position, is privileged and may not be disclosed or used, for his own or for other’s benefit.
- B. An operator from the broker dealer’s trading desk or from the analysis division shall be fully aware of the nature of any information to which he has access and to comply with all the legal obligations.

4.3 Market Price Manipulation

¹ Pursuant to Circular 2,506 of the SVS the term “title” is applicable both to those persons holding them in companies and public auditing agencies, and the term “position” is applicable to those persons that, without holding a title in the referred entities, by any reason or circumstance, are linked or related to them or to any other employee or officer (advisors, brokers, relatives, external auditors, rating agencies).



CorpBanca's Associates and External Advisors must promote through their conduct, best practices to impede price manipulation in the securities market, either for their benefit or for third parties. Prices are deemed to be manipulated when certain practices are developed to falsely alter prices formation in the securities markets. To avoid the price manipulation, the following conducts shall be prohibited:

- It is prohibited to trade with securities with the purpose of stabilizing, fixing or artificially altering the prices. *Example:*

A. The sale or purchase of shares at close of business with the sole purpose of artificially altering the closing price of these shares and with the effect of inducing all those investors that base their actions in closing prices.

B. The operator of the broker dealer's trading desk that consistently places orders without materializing those orders, with the sole purpose of giving a false impression of high demand.

- It is forbidden to materialize trades with the purpose of inducing the purchase or sale of securities, by any fraudulent or deceptive means, activity, mechanism or strategy. *Example:*

A. The recommendation to invest in a shareholding fund guaranteeing profitability.

- Simulated or fictitious orders, quotes or trades are prohibited. *Example:*

A. A broker dealer's operator that fakes trades by selling and purchasing shares in agreement with an operator from a different broker dealer.

- It is forbidden to spread rumors, information or false or deceiving news that may induce the market to error, even if such conducts is not oriented to obtaining benefits for themselves or for third parties. *Example:*

A. An issuer's manager declares that it has reached an agreement to divide the company in which he works, when such assertion is not true or represents only a proposal to the Board of Directors.

B. The broker that sends information (by any means) to all of his clients letting them know that a foreign company is considering to launch a public tender offer for the acquisition of shares of a local company, when such information has been obtained from rumors.

- Advertising, propaganda or general disclosure of any nature, by any means, containing declarations, allusions or representations that may induce errors, mistakes or confusion to the public regarding the nature, prices, profitability, redemption, liquidity, guarantees or any other characteristic of securities publicly traded or their issuers are forbidden. *Example:*

A. Advertising by a broker dealer of a fund, guaranteeing profits but without giving any guarantee regarding the results thereto.

B. The representations made by an issuer's chief executive officer regarding the expected acquisition price of the securities issued by the company.

4.4 Obligation to Disclose Transactions in Securities to Regulatory Agencies

Article 12 of the Securities Market Act sets forth that certain persons must provide information to the SVS² and to every domestic stock exchange in which a company is registered, with any acquisition or disposal of shares issued by such company to which they relate. The same obligation shall apply regarding any acquisition or disposal of agreements or of securities, when the prices or results thereto depend or may be, completely or significantly, conditioned, to the variation or evolution of the price of the aforementioned shares.

The persons listed below shall be subject to the obligations of disclosing transactions:

- The members of the Board of Directors, chief executive officer, key executives and managers³, regardless of the amount of shares they hold, directly or through other individuals or entities.

² The operations, either direct or indirect, shall be informed. Therefore, regardless of the fact that the shares are being acquired through an individual or entity different from the person who is directly obligated by the norm, such operations must be informed.

³ The persons that –together with their spouses and relatives– hold, directly or indirectly through entities, 10% or more of the subscribed capital of the issuer, shall be subject to the obligation of informing their trades with shares. Additionally, majority shareholders shall inform in the relevant communication if the acquisitions are aimed to acquiring control of the company or if such acquisitions are characterized as financial investments, as the case may be.



- The persons that, directly or through other individuals or entities, hold 10% or more of a public company’s subscribed capital or that, as a consequence of an acquisition of shares, reach such percentage.

The communication shall be delivered not later than the day immediately following the materialization of the transaction, through the technological means indicated by the SVS by a rule of general application.

CorpBanca shall be also obliged to inform the transactions effected by the persons mentioned above. However, regardless of CorpBanca’s obligation, such persons shall remain liable for their disclosure obligations.

4.5 Conflicts of Interest

Any act, relation or circumstance that may affect or influence the independence or the objectivity of our associates or External Advisors, or that may interfere in their decisions or obligations in the organization by reason of personal interests conflicting with the interests of the organization, is deemed to be a conflict of interest.

The variety of activities and functions carried out in the securities markets may lead to situations in which personal interest conflict with the bank’s, its subsidiaries’ or clients’ interests.

The associate shall refrain from trading or from adopting any decision that could translate in an inadequate solution for a potential conflict of interests. A conflict of interest is wrongly solved when the decision adopted entails a preference of the personal interest above the bank’s, its subsidiaries’ or clients’ interests.

Resolution of Conflicts of Interest: If there is a doubt regarding a potential conflict of interest arising from a particular transaction, where the conflicting interest is an individual’s particular interest or due to family relations, the associate shall communicate it to its superior –of a manager’s level at least- and this superior shall communicate the same to the Compliance Officer, prior to the materialization of any act affected by such doubt.

In conclusion, in every case of conflict of interests, the Compliance Committee shall adopt the agreements oriented towards safeguarding compliance with this Code and to determine the course of action in any situation presented for their pronouncement.

Inform Holdings in Companies and related parties: CorpBanca’s associates and External Advisors shall inform their holdings by “ownership in companies”, either directly or indirectly, and their holdings by “management” and their related parties⁴ by means of Exhibit No. 2 “Disclosure Form: Participation in Companies by Property and Management”. It shall be updated every time the holdings vary.

5. POLICY TO OPERATE IN THE SECURITIES MARKETS

5.1 Relevant Securities

These provisions shall be applied to all the investments made by the Addressees, directly or indirectly through third parties, for the sale and the purchase of securities made in Chile and abroad in the countries where CorpBanca is present. The term “securities” shall mean any tradeable title pursuant to the Securities Market Act and its regulations.

Notwithstanding, the Compliance Committee may reasonably include other instruments as part of the securities relevant for this code or exclude some securities from the same, either with general application or for particular cases. It hereby excluded from the relevant securities, the shares in mutual funds and time deposits.

The relevant securities that shall be informed, are the following:

- Ordinary shares;

⁴ Participation in companies: indicate the companies in which the person making the declaration, his spouse and underage children participate directly or indirectly with more than a 5%. Participation by management: indicate the companies in which the person making the declaration, his spouse and underage children are chief executive officers. Indicate spouse, underage children and any person residing in the same domicile.



- Simultaneous trades which, despite the fact that they have to be disclosed, these operations are not affected by minimum stay requirements or blackout periods, provided that they refer to operations which have been agreed upon prior the blackout periods.

All the Addressees must inform proprietary operations to the Compliance Officer, in the way and on terms indicated in this section.

5.2 Proprietary Trading: Restrictions and Obligations

5.2.1 Sale and Purchase of Shares over Securities not issued by CorpBanca (Exhibit No. 3)

- The persons obligated to disclose the acquisition and disposal of shares not issued by CorpBanca, are those individualized in Exhibit No. 1-A.
- The sale or purchase of shares not issued by CorpBanca may not be effected within 30 days following the purchase date.
- Any sale or purchase operation regarding shares not issued by CorpBanca, must be effected through CorpBanca Corredores de Bolsa S.A. Notwithstanding, it shall be possible to trade with a different broker dealer, with prior reasoned authorization by the Compliance Committee. Such authorization shall be permanent.
- The sale and/or purchase of securities not issued by CorpBanca must be informed to the Compliance Officer within the 24 hours following the relevant transaction on the terms of Exhibit No. 3 "Sale and Purchase of Shares not issued by CorpBanca".

5.2.2 Sale and Purchase of Shares over Securities issued by CorpBanca (Exhibit 4)

- The persons obligated to disclose the acquisition and disposal of shares not issued by CorpBanca, are those listed in Exhibits Nos. 1-A and 1-B.
- The sale or purchase of shares issued by CorpBanca may not be effected within 90 days following the purchase date.
- Any sale or purchase operation regarding shares issued by CorpBanca, must be effected through CorpBanca Corredores de Bolsa S.A. Notwithstanding, it shall be possible to trade with a different broker dealer, with prior reasoned authorization by the Compliance Committee. Such authorization shall be permanent.
- The sale and/or purchase of securities issued by CorpBanca must be informed to the Compliance Officer within the 24 hours following the relevant transaction in the terms of Exhibit No. 4 "Sale and Purchase of Shares issued by CorpBanca".

5.2.3 Blackout Periods Regarding Shares Issued by CorpBanca

A. Regular Blackout Periods

CorpBanca's associates and External Advisors may not trade with securities issued by CorpBanca in the period within the first business day of each month and the day in the summary of the bank's quarterly results are made public, by the inclusion in the website.

Notwithstanding the above, in case of public tenders for the acquisition of shares issued by the bank, the restrictions and prohibitions regarding shares of the bank, such as blackout periods and minimum stays shall cease to be in effect.

B. Exceptional Blackout Periods

Notwithstanding the above, the Board of Directors may impose additional blackout periods regarding shares issued by CorpBanca considering particular processes or events. For example, in dates close to the disclosure of financial statements or as a consequence of exceptional circumstances such as merger or takeover negotiations.

C. Communication and adherence

The Compliance Officer, or the person appointed by the Board of Directors for these purposes, shall be in charge of announcing the exact date in which each blackout period begins and terminates, thorough the channels determined by the Board. In addition, such person shall implement the procedures aimed to enforce these rules.



5.2.4 Blackout Periods (Forbearance) Regarding Shares Not Issued by CorpBanca

CorpBanca’s associates and External Advisors that are Addressees hereto, CorpBanca Corredores de Bolsa S.A. and CorpBanca Administradora General de Fondos S.A. may not, directly or indirectly, trade with shares not issued by CorpBanca during the periods informed by the Compliance Division as “Forbearance Periods” with respect to specific shares.

Notwithstanding the above, in case of public tenders for the acquisition of shares not issued by the bank, the restrictions and prohibitions regarding such specific shares, such as blackout periods and minimum stays shall cease to be in effect.

The Compliance Division shall inform to the persons aforementioned, the date on which such blackout periods for shares not issued by CorpBanca commences and terminates.

A. Privileged Information

Notwithstanding the provisions above, CorpBanca associates and External Advisors shall ensure compliance with all of their legal, regulatory and internal obligations regarding privileged information.

In particular, when the Addressees sell or purchase securities issued by CorpBanca, they shall comply with all the policies, norms and restrictions that may apply even if such purchases and/or sales are effected directly, indirectly or through third parties.

B. Restrictions

Associates and External Advisors that have access to CorpBanca’s and its subsidiaries’ clients, may not sell or purchase, in any title, securities from those clients.

The trades on securities that an associate makes shall not be regular and recurring and in no case such trades may interfere or affect the normal performance of their duties in CorpBanca.

5.2.5 Other Disclosure Requirements and Obligations

For the purpose of informing division managers of the investment operations made by Addressees under their supervision, such operations must be additionally reported to the relevant division manager.

The persons that hold office as directors in any of our subsidiaries’ boards and that also hold a title or position in CorpBanca or in a different subsidiary shall be subject to the policies of the respective Code regarding their office as director in the applicable subsidiary and to this code in their capacity of CorpBanca associates.

5.3 Account Management Agreement Subscription

The Addressees that enter into account management agreements shall communicate such circumstance in writing to the Compliance Officer with a copy of the relevant agreement. Likewise, if they have a valid account management agreement at the moment they start being Addressees of this Code, they shall immediately provide a copy of the relevant agreement.

5.4 Particular Requirements for the Finance Division’s, Treasury Division’s and Commercial Management of Financial Products’ Associates

Pursuant to applicable laws, CorpBanca has a recording system that allows the registration of all the trades effected in the trading desk, for the purposes of solving any issue that may arise.

Trades, confirmations, instructions, recommendations, advisory and any business relationship in the name of CorpBanca must be effected in the trade desk, within business hours as defined by the Finance Division through the communication means authorized by the bank for these purposes. Therefore, it is forbidden to use cellphones to carry out the activities mentioned above or to effect them in places different from the trading desk’s premises. All the above must be in compliance with the Financial Policies Handbook.



The trades regarding sale and purchase orders shall be made in the order of precedence, without giving a preferred treatment or other benefits to proprietary trades of directors, External Advisors, key executives or Associates, in detriment of our clients' orders.

Trading desk operators may not perform directly in the market their own financial trades. These must be effected by a different operator and informed to their supervisor of at least a manager's level and in compliance with this Code.

They shall refrain from acting in their own benefit before carrying out a client's order when they possess knowledge regarding such client's transactions. They shall also refrain from inducing a client to place and order for a trade for the operator's benefit.

5.5 Particular Requirements for CorpBanca Corredores de Bolsa S.A.'s Associates and for Associates in Wealth Management area.

5.5.1 For the Broker Dealer's associates:

1. The order of precedence must be complied with, without giving any benefit to orders for proprietary trades of directors, External Advisors, key executives or Associates of the broker dealer, in detriment of our clients' orders with the same characteristics.
2. The broker dealer's operators are not allowed to perform directly in the market their own financial trades. These must be effected by a different operator and informed to their supervisor of at least a manager's level and in compliance with this Code.
3. They shall refrain from acting in their own benefit before carrying out a client's order when they possess knowledge regarding such client's transactions. They shall also refrain from inducing a client to place and order for a trade for the operator's benefit.

5.5.2 For the Wealth Management Division's associates:

1. The order of precedence must be complied with, without giving any benefit to orders for proprietary trades of directors, External Advisors, key executives or Associates of the Wealth Management division, in detriment of our clients' orders with the same characteristics.
2. They shall refrain from acting in their own benefit before carrying out a client's order when they possess knowledge regarding such client's transactions. They shall also refrain from inducing a client to place and order for a trade for the operator's benefit.
3. They shall perform their duties considering the investment objectives of the portfolio's owner.
4. They may not purchase or sell securities of the Bank's own portfolio to investment management clients or from the later to the Wealth Management division.

5.6 Particular Requirements for the Associates of CorpBanca Administradora General de Fondos S.A.

1. Proprietary investments or redemptions by associates who trade CorpBanca Administradora General de Fondos S.A.'s products and their affiliates, may not be placed or executed by the same associate; they shall be placed and executed by a different associate.
2. They shall refrain from acting in their own benefit before carrying out a client's order when they possess knowledge regarding such client's transactions. They shall also refrain from inducing a client to place and order for a trade for the operator's benefit.
3. CorpBanca Administradora General de Fondos S.A.'s associates shall refrain from trading for their own benefit with securities acquired or transferred by CorpBanca Administradora General de Fondos S.A. on behalf of funds or third parties' portfolios managed by the same or for its own portfolio, until 5 days after the relevant operation and up to 60 days after regarding low liquidity assets.
4. The existing regulations are complemented by the obligations set forth in the Funds Management Act (No. 20,712), pursuant to the provisions set forth in articles 22 and 23 of the aforementioned act.

Notwithstanding the above, the restrictions set forth in sections 6.5 and 6.6 above are complemented by the obligations set forth in the following regulations:

CorpBanca Administradora General de Fondos S.A.'s General Funds Regulations

CorpBanca Administradora General de Fondos S.A.'s Conflicts of Interest Handbook

CorpBanca Corredores de Bolsa S.A.'s Policy for the Registration, Execution and Assignment of Orders

5.7 Compliance with Article 171 of the Securities Market Act ("SMA")



5.7.1 Regulation

Article 171 of the SMA sets forth that *“the persons that participate in the sale and purchase of securities’ decisions and operations for institutional investors and securities brokers and those that, as a consequence of their position or title have access to privileged information regarding the trades of these entities shall report to their company’s any acquisition or sale of public offering securities(1)⁵ carried out by them within 24 hours after the relevant transaction. The company shall notify all the transactions carried out by the persons indicated above to the Superintendence, in the opportunity and in the way determined by the same, when such transactions reach an amount equivalent to 500 Unidades de Fomento.”*

5.7.2 Subjects of this Regulation

The Compliance Division’s management shall keep an updated list of the associates, areas and positions that shall be subject to comply with these norms within CorpBanca (the “Addressees”).

The Compliance Division’s management shall also analyze periodically the new areas or positions that may be created within CorpBanca, for the purpose of maintaining the relevant list up to date and to ensure that all Addressees are aware of these requirements and of the way of complying with them.

This obligations shall be informed to the relevant associate by means of an email, by which it shall be explained in detail their responsibilities and obligations pursuant to article 171 of the SMA.

Exhibit No. 7 details the areas and positions subject to these disclosure obligations.

The obligations described in this procedure shall remain in force even if the Addressee hires a discretionary portfolio manager.

5.7.3 The Registry

For the purposes of complying with these regulations, the Compliance Division’s management shall keep monthly records of the transactions with securities listed in article 171 of the SMA, considering the information requested by the norm and the one that is necessary for the performance of their duties.

5.7.4 Relevant Securities

The persons bound by article 171 shall inform all public offering transactions carried out by them (excluding those involving time deposits, dollar sport and forward, as they are not public offering securities). The list of securities is comprised by different types of instruments, namely:

- Capital stock simultaneous;
- Notes;
- Pershing;
- Pacts;
- Mutual Funds’ and Investment Funds’ shares (including direct investments in General Fund Managers);
- IIF, Commercial Paper and other fixed rent instruments.
- ETFs.

5.7.5 The Process

1. Each of the Addressees set forth in Exhibit No. 7 shall send notice of the sale and purchase of securities made within a 24-hour term to the following email: eticayconducta@corpbanca.cl. The addressees may attach the securities’ sale/purchase invoice or any other document evidencing the transaction. If the relevant securities are capital stock, it is necessary to use the Sale and Purchase of Shares Exhibit applicable to the transaction.

2. The Compliance Division’s management shall validate that all the associates that carried out transactions within a relevant month, informed such transactions within 24 hours after their materialization.

For such transactions with capital stock, the associates shall, as always:

Comply with blackout periods that may apply.



Comply with the minimum stay periods of 30 and 90 days (shares not issued by CorpBanca and shares issues by CorpBanca, respectively).

⁵ Shares, call and put options, notes, debentures, shares in mutual funds and, in general any credit or investment security. Time deposits and securities from institutions and entities referred to in sub section 2, 3 and 4 of Section 3 of the Securities Market Act are excluded.



5.7.6 Responsibilities

- Each one of the Addressees (pursuant to Exhibit No. 7) shall be individually liable of complying with article 171 of the SMA. The above, notwithstanding their obligation to comply with the Code of Conduct in the Securities Market and other regulations that may apply.
- The Compliance Division's management shall be responsible of managing and updating the list of the persons mentioned above and of receiving and channeling the information related to all acquisitions or disposition of securities made by Addressees, who shall be obliged to provide such information within 24 hours after the relevant transaction.
- The Compliance Division's management shall inform the SVS, in the way and on the terms indicated in Circular No. 1,237 of the transactions carried out by these persons, each time such transactions reach the equivalent of 500 *Unidades de Fomento*.

6. Communication Procedures

- All communications and information detailed in this code shall be filed by the Compliance Division, following procedures that guarantee its confidentiality.
- All communications and information sent to the Compliance Division in accordance to the provisions hereto, are subject to strict confidentiality, in a way such that they may only be used for the performance of their duties.
- If an Associate receives instruction conflicting with the principles and norms set forth in this Code, such Associate shall disclose this circumstance to the Compliance Officer or to a member of the Compliance Committee, through the channels set forth in the General Code of Conduct.

7. Acknowledgment and Acceptance of, and Compromise with the Code of Conduct in Securities Market

All CorpBanca Associates and External Advisors declare to have read and understood this Code of Conduct in the Securities Market and undertake to strictly comply with its contents by signing Exhibit No. 5 "Acknowledgement and Acceptance of and Compromise of the Code of Conduct in the Securities Market".

The Human Resources Division is responsible for distributing, receiving and safeguarding such exhibit, as well as providing all associates with a complete copy of this Code upon joining CorpBanca.

8. Failure to Comply and Sanctions

Failure to comply with any of the standards contained in this Code shall be perceived as a breach of the obligations of loyalty and diligence that all associates have towards CorpBanca. The Compliance Committee shall acknowledge and/or issue a statement regarding the measures adopted and compromises undertaken by the supervisor on a Management's level of the area in which the issue/complaint arose. Likewise, the Compliance Committee may propose to the Bank's management, the sanctions it deems should be applied when the relevant supervisory unit does not comply with the compromises undertaken for resolving the issues/complaints.

Failure to comply with this Code is also considered a violation of an associate's employment contract, which may give rise to a verbal or written warning or even termination of the contract, notwithstanding any civil and criminal sanctions appropriate based on current law, based on the nature and gravity of the events and the consequences to CorpBanca and the market in general.

In addition, it is necessary to note that pursuant to the applicable law, non compliance with the SMA may be administrative or criminal offenses. Any non compliance with the SMA that does not have a special sanction assigned, may be administratively sanctioned by the SVS, either by censorship or fines.

Notwithstanding the above, certain conducts like the ones related to privileged information, among others, are considered criminal offenses and sanctioned with fines and with imprisonment as well as disqualification to hold office of director, administrator, manager or liquidator of a publicly held corporation or of any other company or entity that issues securities of public offering or that is subject to the oversight of the SVS, SBIF or of Pension Funds Managers.

It is noteworthy that the fact of providing false information to the SVS can also constitute a criminal offense. Additionally, non compliances with the SMA may also entail civil responsibility for the offender. Such responsibility translates into the indemnification of all damages caused to those affected by the criminal offense. The



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issuer, its directors and main executives, shareholders and contractual counterparties of the offender may be considered as affected parties of the criminal offense.

9. Disclosure and Validity

This Code is presumed to be known as from the moment it is duly disclosed in the Intranet. Its validity shall be indefinite. The same rule shall apply to any amendments hereto.



Exhibit 1: Persons Subject to the Code of Conduct in Securities Market.

<u>Area</u>	<u>Position</u>
Senior Management	<p>Directors that depend directly from the Chief Executive Office, General Managers, Division Managers and the Bank’s and Subsidiaries’ Managers.</p> <p>The Bank’s and its subsidiaries’ External Advisors that participate in the preparation of the financial statements.</p> <p>Interim Managers, in connection with the areas subject to this Code, while they hold their positions.</p>
New York Branch	<p>Associates that depend directly from the Chief Executive Officer of the New York Branch.</p> <ul style="list-style-type: none"> - All the associates of the Controller Area. - Chief Executive Officer of the Broker Dealer.
Back Office	
Control Division Management	<ul style="list-style-type: none"> - Sub Managers – Head of the Department of Audit, Financial Risk and management.
Compliance Division Management	<ul style="list-style-type: none"> - Ethics/Conduct Area. - Compliance Sub Managers.
Legal Services Division Management	<ul style="list-style-type: none"> - Head attorneys. - Senior attorneys working in Commercial Banking businesses. - Attorneys. - Environmental Officer. - Division secretary.
Finance Operations and Subsidiaries Management	<ul style="list-style-type: none"> - Sub Managers. - Chiefs of Departments.
Companies’ Risk Credit Division Management	<ul style="list-style-type: none"> - Credit Risk Sub Managers. - Assets Classification and Control Sub Managers. - Head of Credit Risk Analysis Large Companies.
High Net Worth Division	<ul style="list-style-type: none"> - Private Banking Sub Managers. - Wealth Management Sub Managers. - High Net Worth Coordinator. - Banker Executive. - Private Banking’s Clients Executive. - Private Banking’s Clients Senior Executive. - Senior Investment Executive. - Wealth Management Investment Manager. - Wealth Management Senior Investment Manager.
Basel Finance and Risks Division Management	<p>All associates that are part of the:</p> <ul style="list-style-type: none"> - Accounting Division Management, - Credit Risk Division Management, - Economic Capital Division Management, and - Investors Relations Division Management.
Planning and Development Division Management	<p>All associates that are part of this Division.</p>
Front Office	
Finance and International Division	<ul style="list-style-type: none"> - Sub Managers and Chiefs of Capital Markets. - Liquidity and Chiefs of Financial Management. - Balance and Liquidity Management Operators. - International Executives. - Division Secretaries.
Treasury Division	<p>All associates that are part of this Division.</p>
Wholesale Banking Department:	<p>All associates that are part of this Division.</p>



Commercial Office of Financial Products

Large Companies Division

- Sub Managers.
- Large Companies Executives.
- Bankers and Corporations Executives.

CorpLegal S.A. Division

- Operations Sub Managers.
- Chief Attorneys.
- Management Control Analysts.

CorpBanca Asesorías Financieras S.A.

- Business Sub Management.
- Business Executives.
- Business Analysts.
- Equity Capital Markets Analysts.

CorpBanca Corredores de Bolsa S.A.

All associates that are part of this Subsidiaries.

CorpBanca Administradora General de Fondos S.A.

All associates that are part of this Subsidiaries.

SMU Corp S.A.

- Sub Managers.

In addition to the above, all the persons working under direct supervision of the Bank's directors or managers that, as a consequence of their positions, have access to relevant information in their respective areas, are considered Addressees hereto. The chief of each division shall be responsible of determining if the persons under their supervision have access to reserved or privileged information.\

Exhibit 1-B: Persons Bound by the Code of Conduct in the Securities Market

Besides those persons listed in Exhibit 1-A, the following persons are also bound to inform their operations with Corpbanca's shares:

- spouse;
- minor children subject to parental authority, as well as their adult children that economically depend from them;
- all persons residing in their domicile;
- entities of any type in which the Addressees, spouse, minor children subject to their parental authority, and adult children that economically depend from them have direct or indirect control of 5% or more of the stockholding of the relevant entity;
- entities of any type in which the Addressees, spouse, minor children subject to their parental authority, and adult children that economically depend from them hold the position of Chief Executive Officer;
- any other person or entity that performs operations representing the above mentioned persons or entities.



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Exhibit 2: Disclosure Form: Participation in Companies by Property and Management.

English Translation

CORPBANCA

Exhibit 2. Disclosure Form: Participation in Companies by Property and Management

Declarant Information

NAME	TAX ID	POSITION	DATE
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I. Direct participation in Companies by Property

Legal name of the Company	Tax ID	% Participation	Name of the participant
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Indicate the Companies in which the declarant, spouse and any minor children have any direct participation in 5% or more of the Companies' property.

II. Indirect participation in Companies by Property

Legal name of the Company	Tax ID	% Participation	Name of the participant
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Indicate the companies in which the declarant, spouse and any minor children, have any indirect participation with 5% or more of the Companies' property.

III. Direct participation in Companies by Management

Legal name of the Company	Tax ID	% Participation	Name of the participant
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Indicate the Companies in which the declarant, spouse and any minor children hold the position of CEO.

IV. Historic Record

Name	Date of Birth	Tax ID	Kinship	Living in the same domicile Yes / No
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Indicate the antecedents of the declarant spouse and minor children. Additionally, include the information of any person who lives at the same domicile.

SIGNATURE



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Exhibit 3: Disclosure Form: Sale and Purchase of Shares not issued by CorpBanca.

English Translation

CORPBANCA

Exhibit 3. Disclosure of Sale and Purchase of shares not issued by CorpBanca

Declarant Information

NAME	TAX ID	POSITION	DATE
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I. Direct financial investments

Date of Purchase	Date of Sale	Issuer	Form of Title	Number	Price	Amount of the investment
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Include direct investments made by the declarant as a natural person.

II. Indirect financial investments

Date of Purchase	Date of Sale	Issuer	Form of Title	Number	Price	Amount of the investment	Investor
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Include indirect investments made by spouse, minor children and/or related third parties (natural persons and companies).

SIGNATURE



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Exhibit 4: Disclosure Form: Sale and Purchase of Shares issued by CorpBanca.

English Translation

CORPBANCA

Exhibit 4. Disclosure of Sale and Purchase of shares issued by CorpBanca

Declarant Information

NAME	TAX ID	POSITION	DATE
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I. Direct financial investments

Date of Purchase	Date of Sale	Issuer	Form of Title	Number	Price	Amount of the investment
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Include direct investments made by the declarant as a natural person.

II. Indirect financial investments

Date of Purchase	Date of Sale	Issuer	Form of Title	Number	Price	Amount of the investment	Investor
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Include indirect investments made by spouse, minor children and/or related third parties (natural persons and companies).

SIGNATURE

Note: The delivery of information included in this form not substitute the liabilities and covenants imposed by the Chilean law, among others, the obligation to report directly and personally the purchase of CorpBanca securities to the Superintendence of Securities and Insurance.



Exhibit 5: Acknowledgement and Acceptance of, and Compromise with the Code of Conduct in Securities Market.

English Translation

CORPBANCA

Exhibit 5. Acknowledgement and Acceptance of the Code of Conduct in the Securities Market

Santiago,

Mr. (Mrs.) _____, identity card No. _____, hereby acknowledges and agrees to abide by the “Code of Conduct in the Securities Market”, which is part of a set of mandatory rules of conduct and actions that Directors of CorpBanca, Directors of Subsidiaries and External Advisors must comply with in the performance of their functions. The Code of Conduct in the Securities Market supplements the General Code of Conduct, internal and external rules, and applicable laws.

The Directors and the External Advisors commit to remain aware of any updates to the Code and any other changes to the document. In order to do so, they should consult the Code at least quarterly on the Intranet.

This Code does not replace any responsibilities and obligations related to labor contracts and those imposed by Chilean law to each person. Therefore, people are not released to inform relevant to regulatory bodies.

SIGNATURE

TAX ID



Exhibit 6: Regulations to prevent and to fight the use of privileged information and market manipulation.

**RULES TO PREVENT AND COMBAT THE USE OF
PRIVILEGED INFORMATION AND MARKET MANIPULATION**

**REGULATION COMMITTEE
SANTIAGO STOCK EXCHANGE, SECURITIES EXCHANGE**

**SELF – REGULATION COMMITTEE
ELECTRONIC STOCK EXCHANGE, SECURITIES EXCHANGE**

APRIL 2009



INTRODUCTION

I

I. INTRODUCTION

The Regulation Committee of the Santiago Stock Exchange and the Self-Regulation Committee of the Chilean Electronic Stock Exchange have prepared this document with rules aimed at preventing the use of privileged information and market manipulation.

The rules contained in this regulation compile, order and complement the legal, regulatory and operational provisions related to the subject. In addition, standards of good practice that the Committee considers relevant to combat and prevent the use of privileged information and market manipulation are incorporated. To enhance the provisions contained in this document, other countries' regulations have been studied, as well as known case law from domestic and foreign courts.

This document begins describing the objectives of this type of regulation (Chapter II), and then establishes the definitions to be used in interpreting and applying its rules (Chapter III). Next, duties of conduct and prohibitions related to the use of privileged information and market manipulation are established (Chapters IV and V respectively), as well as prevention mechanisms concerning the establishment of labor divisions and other means of protection of privileged information necessary to deter the unauthorized use of privileged information (Chapter VI). Finally, enforcement mechanisms and requirements for training and supervision which are fundamental for its proper dissemination and effectiveness are established (Chapter VII).

In all chapters rules are set forth and framed in text boxes, followed by one or more of the following headings:

- **SOURCES:** establish the regulatory, self-regulatory or doctrinal legal basis, national or comparative, in which the rules were inspired. Sometimes the established rules are a mere repetition of current regulations, and in other situations, an adaptation of them. These adaptations can often include persons and situations not originally considered by the legal or regulatory provisions that served as inspiration for the rules.
- **COMMENTS:** endeavor to provide a rational explanation of the rules and additional information regarding scope and details when a more extensive treatment is justified.
- **EXAMPLES:** primarily intended to provide a concrete illustration of the rules or certain comments. The examples are not exhaustive with respect to the application of the rules to potential actions or situations. Thus, the examples given for a rule only relate to the relevant requirements of that rule, so that the example assumes the concurrence of the other necessary requirements applicable to the behavior or situation referred to in the rule.



The guiding idea is that this system is enhanced over time to reflect applicable experience through the incorporation of new rules, comments or examples or the modification of the existing ones.

The Committee proposes that these rules be adopted as internal standards by all broker-dealers, the “broker-dealers”. To achieve greater efficiency in applying the rules contained in this document, the Committee recommends that they also be applicable to companies registered in the Securities Registry and whose securities are traded on the Santiago Stock Exchange and Chilean Electronic Stock Exchange, the “issuers”.

The Committee understands that there may be broker-dealers or issuers that, by their size, business model or nature do not find it possible to apply some of these rules, in which case they must take all reasonable and equally effective safeguards in order to meet the aims of this regulation on the use of privileged information and market manipulation. Notwithstanding the foregoing, the Committee considers that by their nature, some activities require special duties of care to fulfill these rules, hence broker-dealers or issuers must have the appropriate means to avoid violation of the provisions contained herein.

II. PURPOSE OF THE REGULATION

1. TRANSPARENCY, FAIRNESS, COMPETITIVENESS, ORDER, UNITY, SAFETY AND MARKET EFFICIENCY.

SOURCES: Sections 39 and 44 of the Securities Markets Act.

COMMENTS:

The legal and administrative regulations applicable to the securities markets establish rules that target the achievement of transparency, fairness, competitiveness, order, unity, safety and market efficiency, in order to protect the public faith and constitute a fair and developed market.

These purposes are relevant to the interpretation of the rules in force.

2. INVESTOR EQUALITY.

SOURCE: Section 44 of the Securities Markets Act.

COMMENTS:



In the field of information, this purpose sets forth the principle that all investors have equal access to the information that is important to their investment decisions, and specifically concerns those who have potential informational advantage as a result of their position, activity or relationship.

3. CONFIDENCE IN THE MARKET.

SOURCES: Sections 4 and 23 of the Securities Markets Act.

COMMENTS:

The public offering of securities is addressed to the general public or to certain specific sectors or groups. The existence of sound practices within the market allows its participants to act with confidence that others do not have privileged information about the company.

The rules not only aim to create fairness in securities trading, but also to ensure institutional trust.

4. PRICING OF THE TRADED SECURITIES THROUGH THE FREE CONTACT BETWEEN SUPPLY AND DEMAND.

SOURCES: Section 126 of the Rules of the Santiago Stock Exchange; Section 122 of the Rules of Operations of the Electronic Stock Exchange; and Section 17 subsection 2 of the Code of Ethics of the Electronic Exchange.

COMMENTS:

It is intended that no agreements, actions or negotiations expressly, tacitly or implicitly limit the establishment of market prices.

Also, all operations must have a commercial purpose and content and may not be an instrument to set prices.

5. THE CONDUCT OF TRANSACTIONS BY THE BROKER-DEALERS WITH LOYALTY, HONESTY AND IN THE BEST INTEREST OF CUSTOMERS.

SOURCES: Section 24, subsection 3 and 44 a), numbers 1, 2, 3 and 5, and g) of the Securities Markets Act; and Section 2.2. of the Recommendations of the Regulation Committee.

COMMENTS:



In their brokerage activities, broker-dealers must ensure that the performance of their duties is governed by the principles of loyalty and honesty to their customers. The principle of honesty requires that they act with rectitude and integrity; loyalty requires conduct that honors the trust the customer places in the broker-dealer as an expert professional who can be trusted. Thus, for example, conflicts of interest that arise in the exercise of broker-dealers' functions shall always be resolved in favor of customers.

6. A GOOD AND EFFICIENT MANAGEMENT OF THE FUNCTIONS OF THE ISSUERS' DIRECTORS, OFFICERS, PRINCIPAL EXECUTIVES AND EMPLOYEES IN GENERAL, SO THAT THE INTEREST OF THE COMPANY AND ITS SHAREHOLDERS IS ALWAYS ABOVE THEIR PERSONAL INTERESTS.

SOURCES: Section 42 numbers 1, 5 and 6, 43 and 44 of the Securities Markets Act.

COMMENTS:

This provision states that conflicts of interest that arise in the corporations are always resolved in favor of the company and its shareholders, over the interests of the directors, managers, principal executives and employees.

7. THE PROTECTION OF INVESTORS WITH RESPECT TO FRAUD AND OTHER ILLEGITIMATE PRACTICES.

SOURCES: Section 44 b) and 55 of the Securities Markets Act; and Section 42, number 9 of the Corporations Act.

COMMENTS:

This rule establishes a duty of care to protect the interests of customers and investors against fraud and other abuses.



III. DEFINITIONS

1. PRIVILEGED INFORMATION.

PRIVILEGED INFORMATION IS ANY INFORMATION:

- A. REFERRING TO ONE OR MORE ISSUERS, THEIR BUSINESS OR ONE OR MORE SECURITIES ISSUED BY THEM;
- B. OF A PRECISE CHARACTER;
- C. NOT DISCLOSED TO THE MARKET; AND,
- D. WHICH KNOWLEDGE, BY ITS NATURE, IS ABLE TO AFFECT THE VALUE OF THE ISSUED SECURITIES.

SOURCES: Section 164 of the Securities Markets Act; and Section 1 of the Directive 2003/124 of the European Union.

COMMENTS:

For information to be deemed privileged, it must possess the following characteristics:

a. Information related to one or more issuers of securities, their businesses or one or more securities issued by them.

The information may relate to any aspect of the issuer, such as economic, legal or financial. Included within the information related to an issuer or its business is information that is related to an issuer's subsidiaries, parent or group companies to which it belongs, to the extent that such information is relevant for the issuer.

EXAMPLES:

- Knowledge about the change of control of an issuer.
- Knowledge of extreme difficulties in obtaining an essential supply for ordinary operation.
- Knowledge of a tax contingency that will generate a large loss in the parent or in a subsidiary of an issuer.

b. Preciseness of the information.

For an information to be deemed privileged, it should be precise, that is, concrete enough to allow a conclusion to be reached about its possible effect on trading prices of the issued securities.

SOURCE: Section 1 of the Directive 2003/124 of the European Union.

EXAMPLES:

- Due to lack of precision, the knowledge that an international company seeks to invest in Latin America is not privileged information.



- A rumor in the market that lacks known source, indicating that an unspecified investor of relevance is interested in acquiring a major stake in a listed company is not privileged information.

c. Disclosure to the market.

It is understood to have been disclosed to the market if the information is available to the general public. Thus, it is understood that the information is available to the general public in the following cases:

- if it has been disclosed by the Superintendent of Securities and Insurance or the stock exchanges through the regular channels by which information is disclosed to the market;
- if it has been disclosed through a medium of extended and known dissemination;
- if it is a public or known fact; or,
- if it can be obtained by analysis or development of other information available to the general public.

In assessing the moment from which information may be considered available to the general public, it should be taken into account, among other circumstances, whether it has been disclosed in full, through an effective medium easily accessible to the investing public.

SOURCES: Sections 10 and 164 of the Securities Markets Act; Selective Disclosure and Insider Trading Rules, Securities and Exchange Commission (US); Criminal Justice Act 1996, c.36, s.58 (UK); and The Code of Market Conduct, FSA, 1.2.12. (UK).

EXAMPLES:

The following is not privileged information:

- information contained in an “essential fact” communicated through the website of the Superintendent of Securities and Insurance.
- information contained in a press release or an insert in a newspaper of national circulation.
- the flooding of the main production plant of a company whose shares are traded on the stock exchange if the press has informed the public in terms that anyone can understand; on the contrary, unpublished flood effects may be privileged information to the extent they are worse than you would expect in that situation.



- Personal analysis made by an investor on the basis of the *Ficha Estadística Codificada Uniforme* (Uniform Encoded Statistical Form) and press releases issued by an issuer.

d. Ability to influence the price of the securities issued

To assess whether information has the ability to influence the market price of the securities issued, it must be determined whether a knowledgeable investor would have considered it relevant to his or her investment decision. The ability of information to influence the price of securities issued must be assessed from the perspective of an investor prior to the disclosure.

It should be noted that the determination of whether information has the ability to influence the price of securities issued varies depending on whether the circumstances make it relevant to investment decisions. In this sense, there are certain events or situations that may constitute particular privileged information on some issuers but not others.

Under Chilean law, without prejudice to what can be established in this regard by the self - regulation of companies, the ability of information to influence the trading of securities is not limited to discrete events giving rise to black out periods or temporary periods in which securities trading is permitted for those who by their position may have privileged information. This system is based on the principle that potentially privileged information could be found at any time, so the determining factor is the actual existence of such information.

EXAMPLES:

- Knowledge of a merger negotiation between two companies, although it ultimately does not materialize.
- Knowledge of the rates for the next five years of a service company regulated by a governmental authority, prior to its disclosure by the competent authority.
- The knowledge, prior to its disclosure, of positive or negative results not predicted by information previously disclosed or whose antecedent facts are not public and substantively alter the expected results of the company.
- The alteration of previously reported results or changes in earnings estimates made by the issuer.
- Execution of reorganizations, including among others, mergers, divisions, transfers of assets or material acquisitions.
- Significant changes in the main activities of the company or in the composition of assets, even if this does not imply an amendment to its by-laws.



- Knowledge of facts that may lead to litigation, disputes or sanctions and significantly affect the company or business group to which they relate.
- Knowledge of insolvency of relevant debtors.
- Knowledge of facts concerning the company's or its competitors' business that may influence in a material way the long term results of the company.

SOURCE: Section 164 of the Securities Markets Act; and Section 1 of the Directive 2003/124 of the European Union.

2. RESERVED INFORMATION.

RESERVED INFORMATION IS INFORMATION THAT:

- A. IS RELATED TO CERTAIN FACTS OR PRECEDENTS RELATED TO PENDING NEGOTIATIONS;**
- B. IF RELEASED MAY HARM SOCIAL INTEREST; AND,**
- C. IS LABELED AS SUCH WITH THE APPROVAL OF THREE QUARTERS OF THE DIRECTORS OR BY ALL MANAGERS FOR THOSE ISSUERS NOT MANAGED BY A BOARD OF DIRECTORS OR OTHER SIMILAR BODY.**

SOURCES: Section 10 of the Securities Markets Act; and General Rule No. 30 of the Superintendent of Securities and Insurance.

EXAMPLES:

- Information sent in reserved character by an issuer to the Superintendent of Securities and Insurance referred to the existence of negotiations for the merger, acquisition or sale of the company.
- Information sent in reserved character by a company to the Superintendent of Securities and Insurance regarding the existence of negotiations for the execution of a long term contract of sale of goods or services for a significant amount.

3. ESSENTIAL INFORMATION.

ESSENTIAL INFORMATION IS THAT WHICH A KNOWLEDGEABLE MAN WOULD CONSIDER IMPORTANT FOR HIS INVESTMENT DECISIONS.



SOURCES: Section 9 of the Securities Markets Act; and General Rule No. 30 of the Superintendent of Securities and Insurance.

COMMENTS:

Events that may be deemed as essential information should have the potential to significantly affect the results or other form of valuation of the company.

EXAMPLES:

- Facts related relation to the assets, liabilities and equity of the issuer, such as:

- Significant decrease in the value of the assets of the company, arising from the deterioration of the financial situation of the main debtors or entities in which it has investments, or due to losses, deterioration or obsolescence of inventories and fixed assets, or other similar causes.
- Contingencies that can significantly affect, positively or negatively, assets or equity of the company, such as lawsuits, claims for monopolistic activities, labor disputes, granting guarantees in favor of third parties or in favor of the company by third parties, or other similar events.
- Execution of agreements or conducting negotiations with major debtors that affect income or the value of current assets.
- Significant changes in interest rates, terms or conditions of debts, credit capitalizations or partial or total cancellation of debts, all resulting from negotiations or execution of payment agreements with creditors.

- Facts related with the business and activities of the issuer:

- Subscription, modification or termination for any reason of contracts or agreements that are important for the company.
- Partial or complete suspension, for any reason, of material projects.
- The initiation of new activities or businesses on a significant scale or the making of major investments to expand activities.
- Significant variations in conditions in the market in which the company participates, related to its size, barriers to entry or exit, product prices, etc.
- Modifying or exceeding the limits or percentages that current regulations or the company have established with respect to the operations of the company, which amendment, in accordance with current regulations or statutes, requires approval of the shareholders.



- Facts related to the legal and ownership structure of the issuer:

- Agreement to incorporate subsidiaries or affiliates, except in the case of organizational measures that lack a direct effect on business.
- Agreements regarding the creation, modification or suspension of preferences, transformations, mergers and divisions of the company.
- Major changes in the ownership of the company.
- Significant transfers of shares outside the stock exchange, at prices significantly different from market value.

- Facts related to the management of the issuer, such as the resignation or revocation of a member of the board of directors or the resignation or removal of the general manager.

- Facts related to the execution, amendment or termination of contracts or agreements of any kind with individuals or entities related to the ownership or management of the company, that involve significant amounts or are of relevance for any reason for the business of the company, to the extent that such contract or agent is different from the usual transactions with related individuals or entities.

4. INSTITUTIONAL INVESTORS.

BANKS, FINANCIAL COMPANIES, INSURANCE COMPANIES, NATIONAL REINSURANCE COMPANIES AND FUND MANAGEMENT COMPANIES AUTHORIZED BY LAW ARE INSTITUTIONAL INVESTORS.

THOSE ENTITIES INDICATED BY THE SUPERINTENDENT OF SECURITIES AND INSURANCE WILL ALSO HAVE THIS CHARACTER.

SOURCE: Section 4 bis of the Securities Markets Act.

5. RELEVANT INVESTOR.

AN INVESTOR, WHETHER AN INDIVIDUAL OR AN ENTITY, IS CONSIDERED RELEVANT TO THE EXTENT THAT THEIR INVESTMENT DECISIONS ARE CAPABLE BY THEMSELVES OF SIGNIFICANTLY INFLUENCING THE INVESTMENT DECISIONS OF OTHER INVESTORS, WITH RESPECT TO SECURITIES IN WHICH THE FORMER PERFORMS THE INVESTMENT OR IN SECURITIES RELATED TO THE SAME.

COMMENT:



There are some investors who, because of their special knowledge, participation or interest in a company or business that the company conducts, are able to significantly influence through their investment decisions the investment decisions of other investors. Some characteristics for purposes of identifying relevant investor are, as examples:

- Professional, economic or property relationship between the investor and the issuer of the securities that are the object of the transaction.
- The performance of the investor in companies that compete directly with the issuer of the securities that are the object of the transaction.
- The amount of the transaction.

EXAMPLES:

- The members of the controlling group, a director or senior executive of an issuer.
- The general manager who works in a company that is direct competitor of the issuer.
- A broker-dealer who performs with his own portfolio significant purchases or sales of shares of a particular issuer.

6. EMPLOYEES AND PROFESSIONALS.

EMPLOYEES OF THE BROKER-DEALERS AND THE ISSUERS RESPECTIVELY INCLUDE ALL PERSONS WHO ARE OR HAVE HAD AN EMPLOYMENT CONNECTION OR RELATIONSHIP, OR A SUBORDINATION AND DEPENDENCE RELATIONSHIP WITH THEM.

LIKewise, AND TO THE EXTENT THEY HAVE DIRECT ACCESS TO THE INFORMATION INVOLVED, ALL PERSONS WHO RENDER OR HAVE RENDERED ADVISORY SERVICES TO BROKER-DEALERS AND ISSUERS WILL BE CONSIDERED EMPLOYEES.

SOURCES: Sections 165, 166 and 167 of the Securities Markets Act; Bulletin No. 5301-05 (Bill amending rules of the Corporations Law and the Securities Markets Act, perfecting the precepts governing corporate governance); and Report of the Finance Committee on such bill.

COMMENTS:

A common rule for employees and professionals is established, so to include all those who by reason of their office, position, activity or relationship, whether originating or not in an employment relationship, have or have had access to privileged information.

People who have had access to privileged information by virtue of their office, position, activity or relationship are required to comply with the rules on the use of privileged information even if they leave such office, position, activity or respective relationship.

**EXAMPLES:**

- A financial analyst who renders advice to an issuer to determine the valuation of the shares in the company.
- A lawyer who advises an issuer to assess the likely legal contingencies that a company may have.
- The general manager of an issuer or operator of a trading desk that had access to privileged information, but that no longer holds that position, is still regarded as an employee for this purpose.

7. RESEARCH DEPARTMENT.

THE RESEARCH DEPARTMENT IS COMPRISED BY ALL PERSONS THAT PREPARE REPORTS, ANALYSIS, ESTIMATES AND RECOMMENDATIONS ON INVESTMENT INSTRUMENTS, PUBLICLY TRADED SECURITIES OR ISSUERS USING PUBLIC DATA.

SOURCE: Section 1 of the Directive 2003/125 of the European Union.

COMMENTS:

A person is part of a research department if participates in preparing reports, analysis, estimates and recommendations on investment instruments, publicly offered securities or issuers using public data, regardless of the position that this person occupies.

8. TRANSACTION DATES.

TRANSACTIONS ARE DEEMED MADE ON THE DATE OF THE PURCHASE OR SALE ORDER OF THE SECURITIES, REGARDLESS OF THE DATE ON WHICH THE ISSUER REGISTERS THE ACQUISITION, TRANSFER OR LIQUIDATION.

SOURCE: Section 165 subsection 4 of the Securities Markets Act.

COMMENT:

The reason for this rule is that the time of completion of operations is especially important to determine if they were made with the use of privileged information or by manipulating the market, as the circumstances or facts and their sequence in time are used to determine the existence of these behaviors.

EXAMPLES:



- The purchase or sale of shares order made by an employee is deemed to be made on the day and time the purchase or sale order is given to the broker-dealer, regardless of whether the registration by the issuer is made the following day because of administrative processes.
- The decision to purchase or sell shares is deemed to offer regardless of whether the registration of shares in the issuer never occurs due to the issuer having sold them before registration.
- The single purchase order may constitute privileged information for the broker-dealer who receives it.

IV. USE OF PRIVILEGED INFORMATION

In the first part of this chapter (Privileged Information: Prohibitions and Duties to Act), prohibitions and duties to act applicable to broker-dealers, issuers, their employees and professionals regarding the use of privileged information are identified. In the second part (Specific Cases of Information Deemed to be Privileged), particular types of information that may constitute privileged information and to which all prohibitions and duties described in the first part of this chapter apply are described.

IV.I. PRIVILEGED INFORMATION: PROHIBITIONS AND DUTY TO ACT.

Broker-dealers, issuers and their employees and professionals who have privileged information:

1. CANNOT USE IT FOR THEIR OWN OR THIRD PARTIES' BENEFIT, NOR CONDUCT ANY BUSINESS FOR THEMSELVES OR THIRD PARTIES, DIRECTLY OR INDIRECTLY, IN RESPECT OF THE SECURITIES OVER WHICH THEY HAVE PRIVILEGED INFORMATION.

SOURCE: Section 165 subsection 1 of the Securities Markets Act.

EXAMPLES:

- The purchase of shares by the director of an issuer with knowledge that a merger agreement with another company will be signed.
- The sale of shares by an employee of an issuer who is aware of negative operating results of the issuer.



- The sale of shares by a counsel who is the majority shareholder of the issuer and who has knowledge that the issuer will pay a million dollar compensation for the loss of a trial.
- The purchase of shares by an operator from the trading desk of a broker-dealer who has knowledge that a Pension Fund Manager has given orders for the acquisition of such shares.
- The purchase of an issuer's shares by the financial advisor who has knowledge of a project that has not yet been disclosed to the market.
- The purchase of shares by the manager of an issuer for his minor child, with the knowledge that one of the shareholders of the issuer will make a tender offer to acquire its control.
- The manager of an issuer with privileged information that colludes with a third party to buy shares in the third party's name so that after the information has been made public, they will share in profit obtained.

2. MUST MAINTAIN STRICT CONFIDENTIALITY REGARDING THE PRIVILEGED INFORMATION, REFRAINING FROM COMMUNICATING IT TO THIRD PARTIES.

SOURCES: Section 165 subsections 1 and 2 of the Securities Markets Act.

COMMENTS:

The confidentiality extends to any form of communication that has the effect, implicitly or explicitly, of communicating privileged information.

EXAMPLES:

- The director of an issuer that tells his spouse and children about the issuer's merger decision infringes upon the duty to keep the privileged information confidential.
- The advertising manager of an issuer violates the duty to keep the privileged information confidential if he shows to a third party, without it being required, the format of a notice that contains information about a takeover bid which the issuer requested to be designed.
- The commentary that a stock operator of a broker-dealer makes to third parties on a sale order received from the manager of an issuer regarding the manager's own shares constitutes a breach of the duty to keep the privileged information confidential.



3. CANNOT USE THE PRIVILEGED INFORMATION TO OBTAIN ANY BENEFITS OR AVOID LOSSES, FOR THEMSELVES OR THIRD PARTIES, BY MEANS OF ANY OPERATION WITH THE SECURITIES TO WHICH THE INFORMATION RELATES OR INSTRUMENTS WHOSE RETURN IS DETERMINED BY THOSE SECURITIES.

SOURCE: Section 165 subsection 2 of the Securities Markets Act.

EXAMPLES:

- The purchase of futures by an executive who works for the issuer of such shares, with the knowledge that the company has achieved a technological development that will substantially affect its results.
- The sale of shares in a stock mutual fund that has significant holdings in a particular issuer, executed by an external auditor or an employee of such issuer with knowledge of unpublished negative results of the company.

4. WILL REFRAIN FROM RECOMMENDING THE ACQUISITION OR SALE OF THE SECURITIES OVER WHICH THEY HAVE PRIVILEGED INFORMATION.

SOURCE: Section 165 subsection 2 of the Securities Markets Act.

COMMENTS:

Broker-dealers who have privileged information can make transactions over the securities to which such information relates for third parties not related to them, provided that the order and the specific conditions of the operation come from the client, without advice from or recommendation by the broker-dealer.

SOURCE: Section 165 subsection 3 of the Securities Markets Act.

EXAMPLES:

- Recommendations to purchase stocks made by a stock trader of a broker-dealer who has privileged information to one of its customers, even if he doesn't state that he is making the recommendation with knowledge of such information.
- The execution of a purchase order by an operator of a broker-dealer who knows that a relevant investor has made the same purchase order is not use of privileged information, provided he does not communicate that fact; but it is if the operator uses that information for himself or others.
- Recommendations to purchase shares made by a director, employee or accountant of an issuer with knowledge of the unpublished results of the company, even if they do not disclose to the third party the cause for their recommendations.



5. SHALL ENSURE THAT COMMUNICATION OF PRIVILEGED INFORMATION OR THE RECOMMENDATION OF ACQUISITION OR SALE OF THE SECURITIES OVER WHICH THEY HAVE PRIVILEGED INFORMATION DOES NOT OCCUR THROUGH THEIR SUBORDINATES OR RELATED THIRD PARTIES.

SOURCE: Section 165 subsection 2 of the Securities Markets Act.

COMMENTS:

All reasonable means must be used so that subordinates or related third parties are conscious of the nature of the information they handle and the safeguards they should take regarding the same.

EXAMPLES:

- The general manager of an issuer that has privileged information must ensure that his secretary is aware that the information she handles due to her function is privileged and that she cannot disclose or make use of it, either for her own or a third party's benefit.

- An operator of the trading desk that has access to privileged information regarding relevant investors must ensure that an operator that is temporarily hired is aware that the information handled due to his function is privileged and that he cannot make use of it, either for his own or a third party's benefit.

IV.II. SPECIFIC CASES OF INFORMATION DEEMED TO BE PRIVILEGED.

The particular types of information described in this chapter are considered privileged information both in general and with respect to the occasion explicitly referred thereto. Consequently, all the prohibitions and duties described in the first part of this chapter are applicable to each type of information described in this chapter.

1. RESERVED INFORMATION.

ALL RESERVED INFORMATION CONSTITUTES PRIVILEGED INFORMATION.

SOURCE: Section 164 of the Securities Markets Act.

COMMENTS:

In view of the special nature of the reserved information, it is understood that it is always a kind of privileged information. Consequently, the prohibitions and duties described regarding privileged information are applicable to reserved information.



EXAMPLES:

- Acquisition of shares of an issuer by one of its employees or financial advisors, with knowledge that information on the existence of negotiations for the acquisition of another company has been sent in reserved character by such issuer to the Superintendent of Securities and Insurance.
- Acquisition of shares by the general manager or one of the employees of an issuer that conducts business in the electrical area, with knowledge that reserved information was sent regarding the existence of negotiations for the signing of a long term electricity supply contract.

2. ESSENTIAL INFORMATION.

AS A GENERAL RULE, ALL ESSENTIAL INFORMATION OF AN ISSUER CONSTITUTES PRIVILEGED INFORMATION AS LONG AS IT HAS NOT BEEN SUFFICIENTLY DISCLOSED TO THE MARKET.

COMMENTS:

Essential information, in accordance with the Securities Markets Act, is privileged per se as long as the requirements for such information to be considered as privileged are met, that is, as long as it is information concerning one or more issuers of securities or their businesses or one or more securities issued by them; not disclosed to the market; which knowledge, by its nature, is capable of influencing the price of the securities issued; and has precise character.

Conversely, privileged information is not necessarily essential information. Therefore, there may be relevant information that may be considered privileged, even without having been an essential fact.

EXAMPLES:

- The sale of shares by an employee, with knowledge of the termination of a supply contract with the main customer of an issuer.
- The sale of shares with knowledge of the total suspension of production activities of an issuer due to a strike.
- The purchase of shares of an issuer with knowledge of the incorporation of a subsidiary of an issuer within the framework of a purely administrative restructure of the company is not use of privileged information.
- The purchase of shares by an executive of a mining company, with knowledge of information that is related to preliminary reports, but sufficiently credible, about a higher grade of copper extracted from new veins explored.

**3. INVESTMENT INFORMATION OF INSTITUTIONAL INVESTORS.**

ALL INFORMATION RELATED TO PURCHASE OR SALE DECISIONS TO BE MADE BY AN INSTITUTIONAL INVESTOR IN THE MARKET IS CONSIDERED PRIVILEGED.

SOURCE: Section 164 of the Securities Markets Act.

COMMENTS:

In view of the nature and amounts generally involved in transactions made by institutional investors, it is understood that their investment decisions are always a kind of privileged information, and it always qualifies as privileged information about their investment decisions.

EXAMPLES:

- The purchase of shares of an issuer with knowledge of the decision of a mutual fund manager to increase the current position of one of its funds in shares issued by such issuer.
- The execution of shares derivative contracts of an issuer, with knowledge of the decision of a bank to increase its long position in the shares.
- The sale of shares of an issuer with knowledge of the decision of a Pension Fund Manager to reduce its current position in shares issued by such issuer.

4. RELEVANT INVESTORS' INVESTMENT INFORMATION.

ALL INFORMATION RELATED TO INVESTMENT DECISIONS TO BE MADE BY A RELEVANT INVESTOR IN THE SECURITIES MARKET IS CONSIDERED PRIVILEGED.

COMMENTS:

The knowledge of certain transactions made by relevant investors may impact the investment decisions of investors in general because it can be taken as an indication of a positive or negative perception of the business.

Conversely, routine transactions made by such investors, corresponding to a continuous investment decision, do not necessarily constitute privileged information.

EXAMPLES:

- The decision to purchase shares of an issuer by a broker-dealer for a customer or the broker-dealer's own portfolio, with knowledge that the CEO of an issuer has placed orders in the same direction.



- The decision to sell shares by an operator from the shares trading desk of a broker-dealer, with knowledge that the same broker-dealer placed an order to sell a high volume of shares, that is expected to affect the stock price in the market.

5. REPORTS, ANALYSIS, ESTIMATES AND RECOMMENDATIONS OF THE RESEARCH DEPARTMENTS.

KNOWLEDGE OF REPORTS, ANALYSIS, ESTIMATES AND RECOMMENDATIONS MADE BY THE RESEARCH DEPARTMENT, WHETHER MEANT TO BE DISCLOSED TO THE GENERAL PUBLIC OR TO ONE OR MORE CUSTOMERS IN PARTICULAR, BEFORE PUBLIC DISCLOSURE, IS CONSIDERED PRIVILEGED INFORMATION.

SOURCES: Investment Adviser Codes of Ethics, Securities and Exchange Commission (US); NASD Rule 2711 (g); and NYSE Rule 472 (e).

COMMENTS:

Employees of the research department of a broker-dealer should refrain from taking personal positions in securities or financial instruments over which specific analyses are being conducted, from the time at which the preparation of the report, analysis, assessment or recommendation is started and for up to two days after it is released.

The abstention mentioned in the preceding paragraph shall not apply when the position taken originates in commitments or rights previously acquired or on hedging transactions with these commitments, as long as the decision to enter into such transaction was not based on knowledge of the report results.

EXAMPLES:

- The decision to purchase shares of an issuer by an operator of a broker-dealer, either on his own behalf or for the portfolio of the broker-dealer, with knowledge that a report is being prepared by the research department recommending the acquisition of such securities.

- An employee of the research department violates his duty to maintain confidentiality regarding the report prepared on an issuer if, prior to its disclosure, he tells a shares desk operator that it is beneficial to the issuer.

- The research department's employee violates his duty not to recommend securities for which he is making a report if, without reference to its contents, he recommends that a third party sell the shares of the issuer that is subject of the report.

V. MARKET MANIPULATION



Below are the prohibitions and duties to act applicable to broker-dealers and to issuers, their employees and professionals in relation to market manipulation behaviors:

1. NO TRANSACTIONS IN SECURITIES CAN BE MADE TO STABILIZE, SET OR CHANGE PRICES ARTIFICIALLY.

SOURCES: Section 52 of the Securities Markets Act; Section 3.3.2. of the Recommendations of the Regulatory Committee; Section 65 of the Regulations of the Santiago Stock Exchange; Section 63 of the Rules of Operations of the Electronic Stock Exchange; and Section 37 of the Handbook of Rights and Obligations of Broker-dealers of the Santiago Stock Exchange.

COMMENTS:

There are some exceptions to this provision, such as:

- Broker-dealers may carry out activities to stabilize prices in securities according to the general rules enacted by the Superintendent of Securities and Insurance, and only to carry out a public offering of new securities or previously issued securities which have not been publicly offered.

SOURCE: Section 52 of the Law on Securities Market.

- Activities of *market-making* may be conducted in order to provide liquidity to the stock market and in the open market so long as they are executed without the objective of ensuring market presence or a certain level of prices of the traded securities, subject, in any case, to the rules governing that activity.

SOURCES: Circular No. 1,644 of the Superintendent of Securities and Insurance; and Regulation *Market-Maker* of the Santiago Stock Exchange.

EXAMPLES:

- Purchases or sales of stocks at market close with the sole purpose of artificially altering the closing price of the shares and with the effect of misleading investors acting on the basis of closing prices.

- Purchases and sales of a certain stock with the sole purpose of showing movement in its price.



2. CANNOT CONDUCT TRANSACTIONS OR INDUCE OR ATTEMPT TO INDUCE THE PURCHASE OR SALE OF SECURITIES, WHETHER COVERED OR NOT BY SECURITIES MARKETS ACT, THROUGH ANY ACT, PRACTICE, MECHANISM OR ARTIFICE, IF THEY KNOW OR SHOULD REASONABLY KNOW THAT IT IS MISLEADING OR DECEPTIVE.

SOURCES: Section 53 subsection 2 of the Securities Markets Act; Section 67 of the Regulations of the Santiago Stock Exchange; Section 38 of the Handbook of Rights and Obligations of Broker-dealers of the Santiago Stock Exchange; and Section 65 of the Rules of Operations of the Electronic Stock Exchange.

EXAMPLES:

- A request made by the manager of an issuer with low market presence to a third party so that the same day the latter buys shares of the issuer at a high price, causing its price to artificially increase, with the sole purpose of liquidating a derivative instrument on such shares at a convenient price.
- The recommendation by a broker-dealer to invest in a stock fund which by its nature involves unpredictable risks, if the broker-dealer indicates that the variables that affect its price are predictable.
- The operator of the shares desk of a broker-dealer who repeatedly places purchase orders, without executing them, for the sole purpose of giving a false impression of the existence of a strong demand.

3. CANNOT PLACE ORDERS, QUOTES OR FICTITIOUS OR SIMULATED TRANSACTIONS.

SOURCES: Section 53 of the Securities Markets Act; Rule 66 of the Santiago Stock Exchange; Section 37 of the Handbook of Rights and Obligations of Brokers of the Santiago Stock Exchange; and Section 64 of the Rules of Operations of the Electronic Exchange.

EXAMPLES:

- A broker-dealer who performs fictitious or simulated transactions with its main partner for the sole purpose of achieving greater market presence.
- The operator of a broker-dealer conducts fictitious transactions if he purchases and sells shares, in collusion with the operator of another broker-dealer, without the intention to carry out a transaction that alters his initial position in the shares.
- The improper use by a broker-dealer of a direct order in order to artificially set market prices.



4. CANNOT TAKE ANY ACTION OR DISCLOSE INFORMATION, NEWS OR FAKE, DECEITFUL OR TENDENTIOUS RUMORS, WITH THE INTENTION TO MISLEAD THE MARKET, EVEN IF THERE IS NO INTENT TO OBTAIN ADVANTAGES OR BENEFITS FOR THEMSELVES OR THIRD PARTIES.

SOURCES: Section 61 of the Securities Markets Act; Section 67 of the Regulations of the Santiago Stock Exchange; Section 17 of the Code of Ethics of Electronic Exchange; Bulletin No. 5301-05 (Bill amending rules of the Corporations Law and the Securities Markets Act, perfecting the precepts governing corporate governance); and Report of the Finance Committee on such bill.

EXAMPLES:

- The manager of an issuer who states that he has reached an agreement to divide the company in which he works, when this is not true or is a mere proposal to the board of directors of the company.
- The broker-dealer that sends an email to all of its customers informing them that a foreign company plans to make a takeover bid for a local company, when it received the information as a rumor.
- The manager of a reporting issuer that maliciously informs others about the positive financial situation of the company in which he operates, before selling his shares in the company.
- The information given to the public that a meeting with representatives of a major foreign firm is for the negotiation of the participation of the latter in the business, when the meeting was for courtesy purposes only.

5. CANNOT ADVERTISE, DISTRIBUTE PROPAGANDA OR BROADCAST, BY ANY MEANS, STATEMENTS, REFERENCES OR REPRESENTATIONS THAT MAY BE MISLEADING, UNTRUE OR CAUSE CONFUSION TO THE PUBLIC REGARDING THE NATURE, PRICES, PROFITABILITY, REPAYMENT, LIQUIDITY, GUARANTEES OR ANY OTHER FEATURE OF ANY PUBLICLY OFFERED SECURITY OR ITS ISSUER.

SOURCES: Section 65 subsection 1 of the Securities Markets Act; Section 68 of the Regulations of the Santiago Stock Exchange; Section 39 of the Handbook of Rights and Obligations of Brokers of the Santiago Stock Exchange; and Section 66 of the Rules of Operations of the Electronic Stock Exchange.

COMMENTS:

Facts must be clearly separated from opinions and mere estimates about the future.

Prospectuses and brochures that are used for publicity and advertising of a securities public offering should contain all the information that the Superintendent of Securities and Insurance



requires and may not be disclosed if they have not been previously submitted to the securities registry.

SOURCES: Section 65 subsection 2 of the Securities Markets Act.

EXAMPLES:

- Advertising by a broker-dealer in respect of an equity fund, in which profits are assured, but without guaranteed results.
- Statements made by the general manager of an issuer regarding the expected prices at which the issuer's shares may be acquired.

6. CANNOT PROVIDE FALSE BACKGROUND OR CERTIFY FALSE FACTS TO THE SUPERINTENDENT OF SECURITIES AND INSURANCE, TO A STOCK EXCHANGE OR TO THE PUBLIC IN GENERAL, ESPECIALLY IN RESPECT OF OPERATIONS CONDUCTED OR IN WHICH THEY HAVE BEEN INVOLVED.

SOURCES: Section 59 a), c) and f) of the Securities Markets Act.

EXAMPLES:

- The issuer and the broker-dealer, colluded with each other to certify false facts in a placement of securities, by recognizing received orders of a number not corresponding to reality.
- A broker-dealer who intentionally provides inaccurate information regarding the characteristics of a purchase order, such as time or price.

VI. WORK DIVISION AND PROTECTION OF PRIVILEGED INFORMATION

In order to prevent the use of privileged information by broker-dealers and issuers, it is recommended that they implement the division of labor and other efforts to protect privileged information, as specified below:

1. PRIVILEGED INFORMATION MUST BE HANDLED WITH GREAT CAUTION, FROM THE TIME THAT IT IS GENERATED OR BECOMES AWARE OF IT AND UNTIL THE INFORMATION IS NO LONGER CONSIDERED PRIVILEGED.

COMMENTS:



a. Caution with privileged information.

Those who have privileged information must act with the utmost caution, so that the information they have is not known by others.

The obligation to handle privileged information exists from the time that the information is generated or the holder of such information is aware of it, even if there are elements missing for its completeness. This obligation continues until the information is no longer privileged, either because it is disclosed to the market in general or because it no longer has the ability to influence the price of the securities issued.

b. General duty of confidentiality of the broker-dealers.

Broker-dealers have a general obligation to maintain confidentiality regarding the origin and the holder of the orders they receive, and a duty to ensure the secrecy and confidentiality of confidential information to which they have access in the exercise of their duties.

SOURCES: Section 44 g) of the Securities Markets Act; Sections 3.1.3 and 6.2. Recommendations of the Regulatory Committee; Section 5 d) of the Code of Ethics Santiago Stock Exchange; and Section 15, paragraph 2 of the Code of Ethics Electronic Exchange.

EXAMPLES:

- The board of directors, lawyers and financial advisors of an issuer that assess the possibility of selling an important part of its assets should conduct their meetings with the greatest possible precautions so that third parties will not know the purpose and content of the meeting held.

- The existence of a first approach meeting to negotiate the execution of a contract may be privileged information, even if only preliminary opinions on the possibility of a deal are exchanged at such meeting. Consequently, all documents relating to the meeting must be protected by its participants.

2. PHYSICAL ACCESS RESTRICTIONS MUST EXIST IN THE AREAS WHERE THE PRIVILEGED INFORMATION ORIGINATED, EXISTS OR IS TRANSMITTED.

COMMENTS:

The purpose of this rule is to restrict access by persons external to the offices of broker-dealers, issuers or related professionals, to those areas where the privileged information exists or is originated. Employees and professionals must be responsible for ensuring that visitors who have entered the premises of the broker-dealer or issuer do not access these areas.



Employees and professionals must immediately notify a superior or responsible person about any unauthorized entry to premises where the privileged information exists or is generated.

EXAMPLES:

- Broker-dealers and issuers must take all reasonable steps to prevent access, without prior approval of the responsible person, to those areas in which privileged or confidential information exists or is generated.
- Broker-dealers and issuers must take all reasonable steps to prevent access, without prior approval of the responsible person, to those areas in which information to be sent to the Superintendent of Securities and Insurance as essential facts or reserved information exists or is generated.
- Lawyers who work for an issuer must take all reasonable steps to restrict access to those offices in which there is information regarding talks that an issuer is holding to eventually merge with another issuer.

3. FUNCTIONAL, PHYSICAL AND TECHNOLOGICAL SEGREGATION MUST EXIST IN AREAS WHERE THE PRIVILEGED INFORMATION ORIGINATED, EXISTS OR IS TRANSMITTED. IN THE CASE OF BROKER-DEALERS, IT IS GENERALLY ASSUMED THAT THE RESEARCH AND INSTITUTIONAL INVESTORS' ATTENTION DEPARTMENTS REGULARLY ORIGINATE PRIVILEGED INFORMATION AND OTHER DEPARTMENTS MAY ALSO DO SO.

SOURCE: Broker-Dealer Policies and Procedures Designed to Segment the Flow and Prevent the Misuse of Material Nonpublic Information, Securities and Exchange Commission (US).

COMMENTS:

a. Functional segregation.

Functional segregation requires that the functions of each area are exercised autonomously, without any coordination between them, thus avoiding possible conflicts of interest.

In the case of employees of the research department and those that have a relationship with institutional investors, their variable remuneration must not depend on commissions from other areas of the broker-dealer.

EXAMPLE:

- Broker-dealers must have a portfolio management committee, responsible for determining and implementing investment policies for their own and customer



portfolios, which is independent from those working in the field of securities trading for institutional investors.

b. Physical segregation.

Physical segregation must be sufficient to prevent the knowledge of conversations and actions that occur in separate spaces, as well as to allow information and documentation to remain in the appropriate spaces.

As for the storage of documents containing information that may be deemed as privileged, employees and professionals of the issuers or securities intermediaries must ensure that their content is protected from third parties. They must also ensure that such documents are removed from visible places and stored in safe and restricted places.

In the case of stock desks of the broker-dealers, physical segregation further contemplates the existence of restrictions on the use of cell phones, especially when broker-dealers have systems for recording telephone conversations.

EXAMPLES:

- Meetings of the directors and executives of issuers in which issues that can be considered as privileged information are discussed must be held in spaces in which the conversations cannot be heard outside of that space.
- Documents in which a possible merger of an issuer is analyzed must be handled with utmost discretion and locked away when not in use.
- Broker-dealers' desk operators serving institutional investors should be located in an isolated office, to which access is restricted to other operators, employees and customers of the broker-dealer.
- Desk operators that serve relevant investors should take all necessary measures so that the customer's identity and the purpose of the conversation does not spread to other operators of the desk.

c. Technological segregation.

The segregation of technology should be such that access to technological means in which privileged information is handled is restricted.

In the case of broker-dealers, this segregation must also ensure the confidentiality of operator codes assigned to the execution of orders from institutional investors.

EXAMPLES:



- The access codes to computers where insider information is handled must be personal and known only to the owner.
- Operator codes assigned to institutional investors' operators must not be known by the desk operators that execute client orders or handle broker-dealer's own portfolio.

4. PERSONS WITH KNOWLEDGE OF PRIVILEGED INFORMATION MUST BE IDENTIFIED AND DOCUMENTED IN LISTS.

SOURCES: Section 171 of the Securities Markets Act; General Rules 69 and 70 of the Superintendent of Securities and Insurance; Investment Adviser Codes of Ethics, Securities and Exchange Commission (US); and Broker-Dealer Policies and Procedures Designed to Segment the Flow and Prevent the Misuse of Material Nonpublic Information, Securities and Exchange Commission (US).

COMMENTS:

The purpose of creating these lists, besides the clear identification of those who know privileged information, helps the persons who are included in the list to be aware of the implications resulting from their incorporation, and to take the safeguard measures that are appropriate.

There are people who are usually incorporated in these lists, as general managers of issuers, directors of issuers, desk operators that serve institutional investors; and others, which are incorporated by default due to the nature of their position.

EXAMPLES:

- Operators of broker-dealers executing orders from institutional investors should be permanently incorporated into the list of persons with access to privileged information concerning the operations of these entities.
- If an issuer is negotiating the signing of a contract that guarantees extraordinary profits, it should establish a list of all those who are participating in the negotiations.

VII. COMPLIANCE, TRAINING AND SUPERVISION

In order to ensure effective communication and enforcement of the rules contained in this document, the following are advised:



1. THE ESTABLISHMENT OF REASONABLE TOOLS, ALLOWING THE BROKER-DEALERS AND ISSUERS TO PREVENT, DETECT AND CONTROL THOSE ACTIONS WHICH VIOLATE THE RULES SET FORTH IN THIS DOCUMENT.

COMMENTS:

To prevent the use of privileged information and market manipulation, it is essential that broker-dealers and issuers exercise prevention.

2. THE CREATION OF A “MANUAL FOR THE PREVENTION AND SANCTION OF THE USE OF PRIVILEGED INFORMATION AND MARKET MANIPULATION”

SOURCE: Broker-Dealer Policies and Procedures Designed to Segment the Flow and Prevent the Misuse of Material Nonpublic Information, Securities and Exchange Commission (US).

COMMENTS:

a. Content of the “Manual for the prevention and sanction of the use of privileged information and market manipulation”.

The corporate bodies with regulatory functions within the broker-dealers and issuers must prepare a “Manual for the Prevention and Sanction of the Use of Privileged Information and Market Manipulation” which sets forth the rules and guidelines to prevent, detect, avoid and sanction the use of privileged information and market manipulation.

To facilitate communication and knowledge, the rules contained in this manual can be incorporated into any existing internal manual of the respective broker-dealer or issuer.

b. Update of the “Manual for the prevention and sanction of the use of privileged information and market manipulation”.

The rules contained in this manual should be reviewed at least once a year and updated whenever modification or improvement is needed.

3. CREATION OF A COMPLIANCE UNIT.

COMMENTS:

Those broker-dealers and issuers whose size is reasonable, should create a special enforcement unit to exercise supervision and control of the rules contained in this regulation. If the foregoing



is not possible, they must designate in the manual referred to in item 2 of this chapter, a person to exercise supervision, control and training with respect to the rules contained in this regulation.

4. ONGOING EMPLOYEE AND PROFESSIONALS TRAINING.

SOURCE: Broker-Dealer Policies and Procedures Designed to Segment the Flow and Prevent the Misuse of Material Nonpublic Information, Securities and Exchange Commission (US).

COMMENTS:

a. Content of the training.

Broker-dealers and issuers must constantly train their employees and professionals, especially those who may have access to privileged information or may engage in market manipulation, so that they internalize the content of these rules and the other existing rules, administrative regulations, internal manuals that are in effect.

b. Training responsibility.

The compliance unit or the person responsible for the supervision and control of the rules contained in this regulation will be responsible for training, and must implement training mechanisms that are appropriate for the respective issuer or broker-dealer.

c. Performance of the training.

The training must be performed every time a new employee is hired by a broker-dealer or issuer and whenever a fact or situation deserving a new training occurs. The latter situation will be determined by the compliance unit or the person performing such duties.

5. AUDIT OF COMPLIANCE WITH THE RULES CONTAINED IN THIS REGULATION THROUGH STOCK EXCHANGES.

SOURCE: Sections 43 c) and 56 of the Securities Markets Act.

COMMENTS:

a. Audit by the stock exchanges.

Stock exchanges shall ensure compliance with these rules, overseeing broker-dealers who are registered in the respective stock exchange.



Regarding issuers, stock exchanges will request information on the compliance with this Directive in accordance with the powers conferred by law.

b. Audit responsibility.

The audit should be conducted by the department having responsibility for monitoring or supervising the market.



Exhibit 7: Positions bound to inform transactions pursuant to Section 171 of the Securities Market Act.

<u>Area</u>	<u>Position</u>
Finance and International Division Management	Finance and International Division Manager
Liquidity Division Management	Liquidity Division Manager Liquidity Division Sub Manager Balance Desk Operator
Balance Division Management	Balance Division Manager Balance Management Chief Balance Desk Operator
Trading Sub Division Management	Trading Sub Division Manager
Investment Sub Division Management	Investment Sub Division Manager
Wholesale Banking Department	Wholesale Banking Director
Treasury Division Management	Treasury Division Manager Trading Manager Trading Sub Manager Trading Table Chief Money Table Assistant Trading Table Operator
Large Companies Division Management	Large Companies Division Manager Managers Sub Managers Executives
Financial Products Division Management	Financial Products Division Manager Sub Managers Distribution Table Chief and Money Table Chief Product Chief Distribution Table Operator Money Table Assistant
International Banker Division Management	International Banker Manager International Banker Executive
CorpBanca Financial Advisors	CorpBanca Financial Advisors Manager Managers Sub Managers Business Analysts and Executives
Legal and Control Director	Legal and Control Director
Legal Services Division Management	Legal Services Division Manager Chief attorneys. Senior attorneys.
Executive Committee Director Manager	Executive Committee Director Manager
Basel Finance and Risks Division Management	Basel Finance and Risks Division Manager
Financial Risk Management	Financial Risk Manager Chiefs Engineers and Analysts
Planning and Development Sub Management	Planning and Development Sub Manager Chiefs Analysts and Associates
Investor Relations Management	Investor Relations Manager Investor Relations Officer
Economic Capital Management	Economic Capital Manager
Companies Credit Risk Division Management	Companies Credit Risk Division Manager Managers and Sub Managers
Financial Operations Management	Financial Operations Manager Sub Managers Chiefs



Analysts and Supervisors

Corpbanca Broker Dealer

All the Associates of the subsidiary and Board of Directors of the subsidiary.

CorpBanca General Fund Administrator

Those Associates defined as bound by the subsidiary.

Corpbanca Insurance Broker

Subsidiary Chief Executive Officer and Chief Commercial Officer

SMU Corp

SMU Corp Chief Executive Officer

CorpBanca Board of Directors

Board of Directors Committee

Audit Committee

Assets-Liabilities Committee (CAPA)

Definitions

Assets: assets shall mean any publicly offered security.

Low Liquidity Assets: shall be those not frequently and without high volume trading in secondary formal markets. The Superintendent will determine through a general norm those low liquidity assets.

Associates: any person rendering services to the Company, by means of a labor agreement executed pursuant to labor laws in force.

Stock Administration Agreement: is that pursuant to which a person instructs a legally authorized entity to entirely or partially manage its assets, including the discretionary or not discretionary investment, sale and maintenance of securities and profitability decision making without the participation of the former person.

Principal Executives: is any person with the capacity to determine the objectives, plan or manage the business administration or strategic policy of the entity, by himself or jointly with others. When performing those activities it shall not matter the labor or contractual form or modality by means of which the principal executive is related to the entity, nor the title or denomination of his position or work.

Transaction Dates: for the purposes of this Code, the transactions shall be understood as made in the date in which the securities purchase or sale order is made, or the date in which they are bought, sold, liquidated or registered in the issuer.

Reserved Information: is that which pursuant to its nature, parties' autonomy or the laws in force, cannot be made public or used, except in those cases expressly authorized by the law.

Essential Information: is that which a wise man would consider important for its investment decision making and that its knowledge may affect the issuer, its business and the publicly traded securities.

Confidential Information: is that which has been facilitated by a client or other person or entity with a specific confidentiality commitment or that due to its nature such character must be given.

Institutional Investors: are the Banks, financial entities, insurance companies, national reinsurance entities and the broker dealers authorized by the law and those that the SVS indicates through a general norm.

Relevant Investors: an investor is considered relevant as long as his investment decisions are by themselves capable of significantly influence other parties' investment decisions, in relation to the securities in which the investment is made or in securities related to them.

SMA: Securities Markets Act number 18,045.

Addressee: is any person identified in this Code and its Exhibits that due to his position, activity or relationship has access to Privileged Information, and is bound by the Code.

Securities Registry: is the registry that the SVS maintains in relation to the publicly traded securities such as shares, bonds, quotas, agricultural and commercial products.



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SVS: Superintendence of Securities and Insurance.

Section 166 of the Securities Market Act: indicates that the following persons are presumed to have Privileged Information:

- A. Directors, Managers, administrators, principal executives and liquidators of the issuer or the institutional investor, as the case may be;
- B. Those persons indicated in paragraph A. above, that perform duties in the controlling shareholder of the issuer or the institutional investor, as the case may be;
- C. The controlling persons or their representatives, that conduct operations or negotiations towards selling the control, and



D. Directors, Managers, administrators, principal executives, financial advisors or operators of securities brokers, in relation with the information included in sub section 2 of Section 164 and that related to the securities placement that has been entrusted to it.

A. The principal executives and dependents of the issuers' or the institutional investors' external auditing firms, as the case may be;

B. The partners, administrative managers, principal executives and members of the grading committee of the risk rating companies that rate securities of the issuer, or the latter;

C. The dependents working under the same direction or direct supervision of the Board of Directors, Managers, administrators, principal executives or liquidators of the issuer or the institutional investor, as the case may be;

D. The persons rendering permanent or temporary advising services to the issuer or the institutional investor, as the case may be, as long as the nature of their services grant them access to such information.

E. The public officers dependent of the institutions overseeing the issuers of securities or funds authorized by law.

F. Spouses or domestic partners of the persons indicated in letter a) of sub section 1, and any other person residing in the same domicile.



CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Cristián Canales Palacios, 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/ Cristián Canales Palacios

Name: Cristián Canales Palacios

Title: Chief Executive Officer

Date: March 31, 2016



Exhibit 12.2

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: March 31, 2016



Exhibit 13.1

CERTIFICATION

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, 2015 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, Cristián Canales Palacios, 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: March 31, 2016

By: /s/ Cristián Canales Palacios

Name: Cristián Canales Palacios

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 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, 2015 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: March 31, 2016

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.



Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-201476 on Form F-3 of our reports dated March 31, 2016 relating to the consolidated financial statements of CorpBanca and its subsidiaries (the "Bank") (which report expresses an unqualified opinion and contains an explanatory paragraph relating to the translation of Chilean peso amounts into U.S. dollar amounts), and the effectiveness of the Bank's internal control over financial reporting, appearing in this Annual Report on Form 20-F of CorpBanca for the year ended December 31, 2015.

/s/ Deloitte
Santiago, Chile
March 31, 2016



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CORPBANCA
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Exhibit 15.2



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31 March 2016

Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549-7561

Dear Sirs/Madams:

We have read the statements made pursuant to Item 16F(a) - **CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT** of Form 20-F of CorpBanca's Annual Report on Form 20-F dated 31 March 2016, and we agree with the statements therein.

Yours truly,

/s/ Deloitte

Deloitte Auditores y Consultores Ltda.
Santiago, Chile

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