

BANK OF CHILE  
Form 6-K  
October 30, 2017  
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**FORM 6-K**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Report of Foreign Private Issuer**

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

**For the month of October, 2017**

**Commission File Number 001-15266**

**BANK OF CHILE**

(Translation of registrant's name into English)

**Paseo Ahumada 251**

**Santiago, Chile**

(Address of principal executive offices)

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

Form 20-F  Form 40-F

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

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

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

Yes  No

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

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BANCO DE CHILE  
REPORT ON FORM 6-K

Attached Banco de Chile's Interim Consolidated Financial Statements with notes as of September 30, 2017.

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**BANCO DE CHILE AND SUBSIDIARIES**

**INTERIM CONSOLIDATED**

**FINANCIAL STATEMENTS**

**For the periods ended as of September 30, 2017  
and 2016 and December 31, 2016.**



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**BANCO DE CHILE AND SUBSIDIARIES**

(Free translation of interim consolidated financial statements originally issued in Spanish)

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

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For the periods ended September 30, 2017 and December 31, 2016

(Free translation of interim financial statements originally issued in Spanish)

(Expressed in million of Chilean pesos)

	Notes	September 2017 MCh\$	December 2016 MCh\$
<b>ASSETS</b>			
Cash and due from banks	7	1,200,281	1,408,167
Transactions in the course of collection	7	519,833	376,252
Financial assets held-for-trading	8	1,184,531	1,405,781
Cash collateral on securities borrowed and reverse repurchase agreements	9	65,761	55,703
Derivative instruments	10	1,087,557	939,634
Loans and advances to banks	11	592,767	1,172,917
Loans to customers, net	12	24,883,557	24,775,543
Financial assets available-for-sale	13	1,309,061	367,985
Financial assets held-to-maturity	13		
Investments in other companies	14	36,437	32,588
Intangible assets	15	33,925	29,341
Property and equipment	16	215,898	219,082
Current tax assets	17	22,184	6,792
Deferred tax assets	17	297,237	306,030
Other assets	18	494,114	462,185
<b>TOTAL ASSETS</b>		<b>31,943,143</b>	<b>31,558,000</b>
<b>LIABILITIES</b>			
Current accounts and other demand deposits	19	8,150,505	8,321,148
Transactions in the course of payment	7	334,535	194,982
Cash collateral on securities lent and repurchase agreements	9	192,295	216,817
Savings accounts and time deposits	20	10,395,287	10,552,901
Derivative instruments	10	1,208,223	1,002,087
Borrowings from financial institutions	21	1,242,438	1,040,026
Debt issued	22	6,351,278	6,177,927
Other financial obligations	23	117,840	186,199
Current tax liabilities	17	2,462	135
Deferred tax liabilities	17	28,515	24,317
Provisions	24	609,436	662,024
Other liabilities	25	272,933	292,026
<b>TOTAL LIABILITIES</b>		<b>28,905,747</b>	<b>28,670,589</b>
<b>EQUITY</b>			
<b>Attributable to Bank's Owners:</b>	27		
Capital		2,271,401	2,138,047
Reserves		563,069	486,208
Other comprehensive income		(10,748)	(19,921)
Retained earnings:			
Retained earnings from previous years		16,060	16,060
Income for the period		433,660	552,249
Less:			

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Provision for minimum dividends	(236,047)	(285,233)
Subtotal	<b>3,037,395</b>	<b>2,887,410</b>
<b>Non-controlling interests</b>	<b>1</b>	<b>1</b>
<b>TOTAL EQUITY</b>	<b>3,037,396</b>	<b>2,887,411</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>31,943,143</b>	<b>31,558,000</b>

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

Table of Contents**BANCO DE CHILE AND SUBSIDIARIES****INTERIM CONSOLIDATED STATEMENTS OF INCOME**

For the nine-month ended September 30, 2017 and 2016

(Free translation of interim financial statements originally issued in Spanish)

(Expressed in million of Chilean pesos)

	Notes	September 2017 MCh\$	September 2016 MCh\$
Interest revenue	28	1,401,571	1,446,143
Interest expense	28	(491,007)	(530,885)
<b>Net interest income</b>		<b>910,564</b>	<b>915,258</b>
Income from fees and commissions	29	350,554	327,648
Expenses from fees and commissions	29	(89,354)	(87,501)
<b>Net fees and commission income</b>		<b>261,200</b>	<b>240,147</b>
Net financial operating income	30	23,886	128,574
Foreign exchange transactions, net	31	54,117	7,131
Other operating income	36	25,207	23,474
<b>Total operating revenues</b>		<b>1,274,974</b>	<b>1,314,584</b>
Provisions for loan losses	32	(175,663)	(222,454)
<b>OPERATING REVENUES, NET OF PROVISIONS FOR LOAN LOSSES</b>		<b>1,099,311</b>	<b>1,092,130</b>
Personnel expenses	33	(305,079)	(311,234)
Administrative expenses	34	(236,827)	(236,802)
Depreciation and amortization	35	(26,180)	(24,915)
Impairment	35	(1)	(4)
Other operating expenses	37	(18,671)	(24,465)
<b>TOTAL OPERATING EXPENSES</b>		<b>(586,758)</b>	<b>(597,420)</b>
<b>NET OPERATING INCOME</b>		<b>512,553</b>	<b>494,710</b>
Income attributable to associates	14	4,340	3,373
<b>Income before income tax</b>		<b>516,893</b>	<b>498,083</b>
Income tax	17	(83,232)	(69,868)
<b>NET INCOME FOR THE PERIOD</b>		<b>433,661</b>	<b>428,215</b>
Attributable to:			
Bank's Owners	27	433,660	428,215
Non-controlling interests		1	

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		Ch\$	Ch\$
Net income per share attributable to Bank s Owners:			
Basic net income per share	27	4.36	4.31
Diluted net income per share	27	4.36	4.31

The accompanying notes 1 to 41 are an integral interim consolidated financial statements

Table of Contents**BANCO DE CHILE AND SUBSIDIARIES****INTERIM CONSOLIDATED STATEMENTS OF  
OTHER COMPREHENSIVE INCOME**

For the nine-month ended September 30, 2017 and 2016

(Free translation of interim financial statements originally issued in Spanish)

(Expressed in million of Chilean pesos)

	Notes	September 2017 MCh\$	September 2016 MCh\$
<b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>		<b>433,661</b>	<b>428,215</b>
<b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>			
Net gains (losses) on available-for-sale instruments valuation	13	2,956	(50,830)
Net gains (losses) on derivatives held as cash flow hedges	10	9,354	(22,535)
Gains (losses) on cumulative translation adjustment	27		(59)
<b>Subtotal Other comprehensive income before income taxes</b>		<b>12,310</b>	<b>(73,424)</b>
Income tax relating to the components of other comprehensive income that are reclassified in income for the period		(3,137)	17,609
<b>Total other comprehensive income items that will be reclassified subsequently to profit or loss</b>		<b>9,173</b>	<b>(55,815)</b>
<b>Other comprehensive income that will not be reclassified subsequently to profit or loss</b>			
Adjustment for defined benefit plans			
<b>Subtotal other comprehensive income before income taxes</b>			
Income tax relating to the components of other comprehensive income that will not be reclassified to income for the period			
<b>Total other comprehensive income items that will not be reclassified subsequently to profit or loss</b>			
<b>CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>442,834</b>	<b>372,400</b>
Attributable to:			
Bank's Owners		442,833	372,400
Non-controlling interests		1	
		<b>Ch\$</b>	<b>Ch\$</b>
Net income per share attributable to Bank's Owners:			
Basic net income per share		4.45	3.74

Diluted net income per share	4.45	3.74
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The accompanying notes 1 to 41 are an integral interim consolidated financial statements

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For the nine-month ended September 30, 2017 and 2016

(Free translation of interim financial statements originally issued in Spanish)

(Expressed in millions of Chilean pesos)

	Notes	Reserves		Other comprehensive income			Income Tax	Retained earnings			Attributable to equity holders of the parent MCh\$	
		Paid-in Capital MCh\$	Other reserves MCh\$	Reserves from earnings MCh\$	Unrealized gains (losses) on available-for-sale MCh\$	Derivatives cash flow hedge MCh\$		Cumulative translation adjustment MCh\$	Retained earnings from previous periods MCh\$	Income (losses) for the period MCh\$		Provision for minimum dividends MCh\$
<b>Balances as of December 31, 2015</b>		<b>2,041,173</b>	<b>31,809</b>	<b>358,807</b>	<b>52,418</b>	<b>22,951</b>	<b>59</b>	<b>(17,719)</b>	<b>16,060</b>	<b>558,995</b>	<b>(324,469)</b>	<b>2,740,084</b>
Capitalization of retained earnings		96,874								(96,874)		
Retention (release) of profits according to bylaws	27			95,467						(95,467)		
Dividends distributions and paid	27									(366,654)	324,469	(42,185)
Other comprehensive income:	27											
Cumulative translation adjustment							(59)					(59)
Cash flow hedge adjustment, net	27					(22,535)		5,408				(17,127)
Valuation adjustment on available-for-sale instruments (net)	27				(50,830)			12,201				(38,629)
Income for the period 2016										428,215		428,215
Provision for minimum dividends											(217,123)	(217,123)
<b>Balances as of September 30, 2016</b>		<b>2,138,047</b>	<b>31,809</b>	<b>454,274</b>	<b>1,588</b>	<b>416</b>	<b>(110)</b>	<b>16,060</b>	<b>428,215</b>	<b>(217,123)</b>	<b>2,853,176</b>	
Defined benefit plans adjustment			124									124
Capital increase in other			1									1

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companies											
Other comprehensive income:											
Derivatives cash flow hedge, net				(27,946)		6,707					(21,239)
Valuation adjustment on available-for-sale instruments (net)				(741)		165					(576)
Income for the period 2016								124,034			124,034
Provision for minimum dividends									(68,110)		(68,110)
<b>Balances as of December 31, 2016</b>		<b>2,138,047</b>	<b>31,934</b>	<b>454,274</b>	<b>847</b>	<b>(27,530)</b>	<b>6,762</b>	<b>16,060</b>	<b>552,249</b>	<b>(285,233)</b>	<b>2,887,410</b>
Capitalization of retained earnings		133,354							(133,354)		
Retention (release) of profits according to bylaws	27			76,861					(76,861)		
Dividends distributions and paid	27								(342,034)	285,233	(56,801)
Other comprehensive income:	27										
Derivatives cash flow hedge, net	27				9,354		(2,385)				6,969
Valuation adjustment on available-for-sale instruments (net)	27				2,956		(752)				2,204
Income for the period 2017									433,660		433,660
Provision for minimum dividends	27									(236,047)	(236,047)
<b>Balances as of September 30, 2017</b>		<b>2,271,401</b>	<b>31,934</b>	<b>531,135</b>	<b>3,803</b>	<b>(18,176)</b>	<b>3,625</b>	<b>16,060</b>	<b>433,660</b>	<b>(236,047)</b>	<b>3,037,395</b>

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



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For the nine-month ended September 30, 2017 and 2016

(Free translation of interim financial statements originally issued in Spanish)

(Expressed in million of Chilean pesos)

	Notes	September 2017 MCh\$	September 2016 MCh\$
<b>OPERATING ACTIVITIES:</b>			
Net income for the period		433,661	428,215
Items that do not represent cash flows:			
Depreciation and amortization	35	26,180	24,915
Impairment	35	1	4
Provision for loans and accounts receivable from customers and owed by banks	32	208,947	211,572
Provision of contingent loans	32	1,051	(8,382)
Additional provisions	32		52,075
Fair value adjustment of financial assets held-for-trading		2,878	(1,995)
Changes in assets and liabilities by deferred taxes	17	12,239	(24,424)
(Gain) loss attributable to investments in companies with significant influence, net	14	(3,853)	(2,934)
(Gain) loss from sales of assets received in lieu of payment, net	36	(3,772)	(3,698)
(Gain) loss on sales of property and equipment, net	36-37	(597)	(101)
Charge-offs of assets received in lieu of payment	37	2,453	2,935
Other charges (credits) to income that do not represent cash flows		106	(12,663)
Change in the exchange rate of assets and liabilities		14,866	38,362
Net interest variation, readjustment and accrued fees on assets and liabilities		10,932	(119,886)
Changes in assets and liabilities that affect operating cash flows:			
(Increase) decrease in loans and advances to banks, net		580,146	312,463
(Increase) decrease in loans to customers		(383,672)	(580,338)
(Increase) decrease in financial assets held-for-trading, net		116	(352,907)
(Increase) decrease in other assets and liabilities		489	108,675
Increase (decrease) in current account and other demand deposits		(170,426)	(696,892)
Increase (decrease) in payables from repurchase agreements and security lending		(32,960)	31,169
Increase (decrease) in savings accounts and time deposits		(120,345)	661,175
Sale of assets received in lieu of payment or adjudicated		10,232	8,601
<b>Total cash flows from operating activities</b>		<b>588,672</b>	<b>75,941</b>
<b>INVESTING ACTIVITIES:</b>			
(Increase) decrease in financial assets available-for-sale, net		(936,168)	425,730
Purchases of property and equipment	16	(16,242)	(19,754)
Sales of property and equipment		625	122
Acquisition of intangible assets	15	(11,298)	(7,905)
Acquisition of investments in companies	14		(1,129)
Dividends received from investments in companies		921	1,079
<b>Total cash flows from investing activities</b>		<b>(962,162)</b>	<b>398,143</b>

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<b>FINANCING ACTIVITIES:</b>			
Redemption of letters of credit		(4,466)	(6,330)
Issuance of bonds	22	1,016,532	1,196,672
Redemption of bonds		(832,966)	(1,085,078)
Dividends paid	27	(342,034)	(366,654)
Increase (decrease) in borrowings from foreign financial institutions		202,213	(406,248)
Increase (decrease) in other financial obligations		(66,014)	(5,121)
Increase (decrease) in other obligations with Central Bank of Chile		(2)	(2)
Other long-term borrowings		8	17,796
Payment of other long-term borrowings		(2,079)	(20,035)
<b>Total cash flows from financing activities</b>		<b>(28,808)</b>	<b>(675,000)</b>

<b>TOTAL NET POSITIVE (NEGATIVE) CASH FLOWS FOR THE PERIOD</b>		<b>(402,298)</b>	<b>(200,916)</b>
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Effect of exchange rate changes		(14,866)	(38,362)
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Cash and cash equivalents at beginning of period		2,096,980	2,093,908
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Cash and cash equivalents at end of period	7	1,679,816	1,854,630
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	September 2017 MCh\$	September 2016 MCh\$
<b>Operational Cash flow interest:</b>		
Interest received	1,455,804	1,366,028
Interest paid	(534,308)	(570,656)

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

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**BANCO DE CHILE AND SUBSIDIARIES**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**1. Corporate information:**

Banco de Chile is authorized to operate as a commercial bank since September 17, 1996, being, in conformity with the stipulations of article 25 of Law No. 19,396, the legal continuation of Banco de Chile resulting from the merger of the Banco Nacional de Chile, Banco Agrícola and Banco de Valparaiso, which was constituted by public deed dated October 28, 1893, granted before the Notary Public of Santiago, Mr. Eduardo Reyes Lavalle, authorized by Supreme Decree of November 28, 1893.

Banco de Chile (or the Bank) is a Corporation organized under the laws of the Republic of Chile, regulated by the Superintendency of Banks and Financial Institutions (SBIF or Superintendency). Since 2001, it is subject to the supervision of the Securities and Exchange Commission of the United States of America (SEC), in consideration of the fact that the Bank is registered on the New York Stock Exchange (NYSE), through a program of American Depositary Receipt (ADR).

Banco de Chile offers a broad range of banking services to its customers, ranging from individuals to large corporations. The services are managed in the areas of corporations and large companies, medium and small companies and personal and consumer banking. Additionally, the Bank offers international as well as treasury banking services, in addition to those offered by subsidiaries that include securities brokerage, mutual fund and investment management, insurance brokerage, financial advisory services and securitization.

Banco de Chile's legal address is Paseo Ahumada 251, Santiago, Chile and its website is [www.bancochile.cl](http://www.bancochile.cl).

The Interim Consolidated Financial Statements of Banco de Chile, for the period ended September 30, 2017 were approved by the Directors on October 26, 2017.

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## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued

**2. Legal regulations, basis of preparation and other information:****(a) Legal regulations:**

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

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

**(b) Basis of preparation:**

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

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

RUT	Subsidiaries	Country	Functional Currency	Direct		Interest Owned Indirect		Total	
				September 2017 %	December 2016 %	September 2017 %	December 2016 %	September 2017 %	December 2016 %
96,767,630-6	Banchile Administradora General de Fondos S.A.	Chile	Ch\$	99.98	99.98	0.02	0.02	100.00	100.00

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96,543,250-7	Banchile Asesoría Financiera S.A.	Chile	Ch\$	99.96	99.96			99.96	99.96
77,191,070-K	Banchile Corredores de Seguros Ltda.	Chile	Ch\$	99.83	99.83	0.17	0.17	100.00	100.00
96,571,220-8	Banchile Corredores de Bolsa S.A.	Chile	Ch\$	99.70	99.70	0.30	0.30	100.00	100.00
96,932,010-K	Banchile Securitizadora S.A.	Chile	Ch\$	99.01	99.01	0.99	0.99	100.00	100.00
96,645,790-2	Socofin S.A.	Chile	Ch\$	99.00	99.00	1.00	1.00	100.00	100.00

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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

**(c) Use of estimates and judgments:**

Preparing the Interim Consolidated Financial Statements requires the Bank's management to make judgments, estimations and assumptions that affect the application of accounting policies and the valuation of assets, liabilities, income and expenses presented. Actual results could differ from these estimated amounts. These estimates refer to:

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

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

During the period of September 30, 2017 there have been no significant changes in the estimates made.

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

Given the activities to which the Bank and its subsidiaries are engaged, the transactions of the Bank do not have a cyclical or seasonal nature. For this reason, specific breakdowns in these notes to the Interim Consolidated Financial Statements for the nine-month period ended September 30, 2017 are not included.

**(e) Relative Importance:**

In determining the information to be disclosed on the different items of the financial statements or other matters, the relative importance in relation to the financial statements of the period has been taken into account.

**(f) Reclassifications:**

There have not been significant reclassifications at the end of this period 2017.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**3. New Accounting Pronouncements:**

**3.1 Accounting standards issued by IASB:**

The following is a summary of new standards, interpretations and improvements to the International Financial Reporting Standards issued by the International Accounting Standards Board ( IASB ) which are not effective as of September 30, 2017:

**IFRS 9 Financial Instruments.**

On July 24, 2014, the IASB concluded its improvement project on the accounting for financial instruments with the publication of IFRS 9 Financial Instruments.

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

The designation of the classification, determining how financial assets and liabilities are accounted for in the financial statements and, in particular, how they are measured. IFRS 9 introduces a new approach to the classification of financial assets, based on the entity's business model for the management of financial assets and the characteristics of contractual flows.

In terms of impairment standard establishes a single model that applies to all financial instruments, thus eliminating a source of complexity associated with previous accounting requirements, which require a timely recognition of expected credit losses.

IFRS 9 introduces changes to the requirements for accounting hedge, and also new alternatives of strategies to use. The amendments means a substantial overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.



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This standard also established that the change in fair value that corresponds to own credit risk will be recorded in Other Comprehensive Income, thus reducing any eventual volatility that would be generated in the income of the entity as a result of its recognition. Earlier application of this improvement is permitted, prior to any other requirement of IFRS 9.

Mandatory adoption date is *January 1, 2018*. Early adoption is permitted.

Banco de Chile, as a securities issuer on the New York Stock Exchange ( NYSE ), carried out during the year 2016 an analysis of the conceptual differences between IFRS 9 and the current provisions contained in IAS 39. As a result, during 2017 it has been initiated the execution of a work plan for the implementation of the new standard in order to comply with the required for the preparation and presentation of the annual report 20F to the Securities and Exchange Commission ( SEC ). The Bank is currently in the process of designing and building impairment models and impact determination.

For the purpose of these financial statements, this rule has not yet been approved by the SBIF, an event that is required for its local application.

As of the date of issuance of these financial statements, has not been quantified the impact that will result from the adoption of this new standard.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**3. New Accounting Pronouncements, continued:**

**IFRS 15 Revenue from Contracts with Customers.**

In May 2014 was issued IFRS 15, which it has like purpose established the principles that will apply an entity to present useful information to users of financial statements about the nature, amount, opportunity and uncertainty of the income for ordinary activities and cash flows that it is related to a contract with a client.

This new standard replace the following current standard and interpretations: IAS 18 Revenue, IAS 11 Construction contracts, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real State, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue: Barter Transactions involving.

The new model will apply to all contracts with customers, except those that are inside to the scope of the others IFRS, such as leases, insurance contracts and financial instruments.

On April 12, 2016, IASB issued amendments to IFRS 15, clarifying requirements and providing a temporary relief to companies that are implementing the new standard.

In short the amendments clarify how:

- Identify a performance obligation (the promise to transfer a good or service to a customer) in a contract;
- Determining whether a company is the principal (the provider of a good or service) or an agent (the organization responsible for the good or service provided); and
- Determine whether the product of a license must be recognized at a point in time or over time.

The date of application of this new standard starts in *January 1, 2018*, early adoption permitted.

Banco de Chile and its subsidiaries are in the process of a detailed review of contracts that generate fee revenues in order to determine the impact of the adoption of IFRS 15. Based on the review process carried out to date, it is estimated that this standard will not have significant impacts.

**IFRS 16 - Leases.**

On January 2016 was issued IFRS 16, which has as purpose to establish principles to recognize, measurement, presentation and disclosure of leases contracts, for both lessee and lessor.

This new rule is no different to the previous rule, IAS 17 Leases, related to the accounting treatment for the lessor. However, related to the lessee, the new rule requires recognize the assets and liabilities, so eliminate the differences between financial and operating lease.

The effective date of application is beginning *January 1, 2019*. Early adoption permitted but only if IFRS 15 - Revenue from contracts with customers is also applied.

Banco de Chile and its subsidiaries are in the process of reviewing lease contracts in order to determine the impact of the adoption of this standard.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**3. New Accounting Pronouncements, continued:**

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

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

On December 2015 the IASB agreed that the amendments should apply in the future, allowing its immediate application.

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

**IFRS 2 Share-based payments.**

In June 2016, the IASB made amendments to IFRS 2 related to the classification and measurement of transactions of share-based payment.

The amendments address the following areas:

- Compliance conditions when share-based payments are settled in cash.
- Classification of share-based transactions, net of withholding of income tax.

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- Accounting for changes made to the terms of the contracts which modify the classification of cash-settled payments or settled in equity shares.

The date of application of these amendments is from *January 1, 2018*, early adoption permitted.

Banco de Chile and its subsidiaries will have no impacts on the consolidated financial statements as a result of the adoption of this standard.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**3. New Accounting Pronouncements, continued:**

**IFRS 4 Insurance contracts.**

In September 2016, the IASB issued an amendment to IFRS 4 Insurance Contracts to address concerns arising from the application of new pronouncements included in IFRS 9.

The amendment introduces the following two approaches to those entities that issue insurance contracts:

- An overlay approach, will give to all companies that issue insurance contracts the option to recognize in other comprehensive income rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new contract insurance rule is issued; and
- A postponement approach, will give to companies whose activities are mostly connected with insurances an optional temporary exemption to the application of IFRS 9 until 2021. The Entities who defer the application of IFRS 9 will continue applying the existing financial instruments standard.

Banco de Chile and its subsidiaries will have no impact on the consolidated financial statements as a result of the adoption of this standard.

**IAS 28 Investments in associates and joint ventures.**

In December 2016, the IASB issued the Annual Improvements to IFRS Cycle 2014-2016, which included the amendment to IAS 28. This amended to clarify that a venture capital organization or a mutual fund, investment trust and similar entities may choose to account for their investments in joint ventures and associates at fair value or using the equity method. The amendment also makes it clear that the method chosen for each investment should be made at the initial time.

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The date of application of these amendments is from *January 1, 2018*.

This change has no impact on the Consolidated Financial Statements of Banco de Chile and its subsidiaries.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**3. New Accounting Pronouncements, continued:**

**IAS 40 Investment Property.**

IAS 40 requires that an asset be transferred to (or from), investment property only when there is a change in its use.

The amendment, issued in December 2016, clarifies that a change in management's intentions for the use of a property does not provide, in isolation, evidence of a change in its use. An entity must, therefore, have taken observable actions to support such a change.

The date of application of these amendments is from *January 1, 2018*.

This change has no significant impact on the Consolidated Financial Statements of Banco de Chile and its subsidiaries.

**IFRIC 22 Foreign Currency Transactions and Advance Consideration.**

In December 2016, the IASB issued Interpretation IFRIC 22 Foreign Currency Transactions and Advance Consideration .

This Interpretation applies to a foreign currency transaction when an entity recognizes a non-financial asset or non-financial liability arising from the payment or collection of an early consideration before the entity recognizes the related asset, expense or income.

The IFRIC specifies that at the date of the transaction for the purpose of determining the exchange rate to be used in the initial recognition of the related asset, expense or income, it is the date on which the entity initially recognizes the non-monetary asset or non-monetary liability that Arising from the payment or collection of the anticipated consideration. That is, the related income, expenses or assets should not be re-evaluated with changes in the exchange rates between the date of the initial recognition of the early consideration and the date of recognition of the transaction to which said consideration relates.



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The date of application of these amendments is from *January 1, 2018*.

This interpretation has no impact on the Consolidated Financial Statements of Banco de Chile and its subsidiaries.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**3. New Accounting Pronouncements, continued:**

**IFRS 17 Insurance Contracts.**

In May 2017, the IASB issued this new standard for Insurance Contracts that will allow investors to better understand the risk exposure of insurers, their profitability and their financial position.

IFRS 17 solves the comparison problems created by IFRS 4 by requiring that all insurance contracts be accounted for consistently, benefiting both investors and insurance companies. Insurance obligations will be accounted by using current values, rather than historical cost. The information will be updated periodically, providing more useful information to the users of the financial statements

The date of application of these amendments is from *January 1, 2021*, early adoption permitted.

This standard will not impact on the consolidated financial statements of Banco de Chile and its subsidiaries.

**IFRIC 23 - Uncertainty over Income Tax Treatments.**

In June 2017, the IASB published IFRIC 23, Uncertainty over Income Tax Treatments, developed by the IFRS Interpretations Committee. This interpretation indicates what disclosures should be made when there is uncertainty about the treatment followed by the entity to determine the income tax payable.

When it is not clear how the tax law applies to a particular transaction or circumstance, or if a tax authority accepts the tax treatment of a company. IAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements in addition to the requirements of IAS 12 specifying how to reflect the effects of uncertainty in the accounting of income taxes.

The date of application of this interpretation is from *January 1, 2019*.

The Bank is evaluating the impact of this new interpretation.

**3.2 Accounting standards issued by the Superintendency of Banks and Financial Institutions ( SBIF ):**

On December 12, 2016, the Superintendency of Banks and Financial Institutions ( SBIF ) issued Circular No. 3,615, which establish that, as from 2017, the financial statements referred to as of June 30 of each year must be delivered to the SBIF with the respective review report of the interim financial information issued by its external auditors in accordance with the Generally Accepted Auditing Standards.

**4. Changes in Accounting policies and Disclosures:**

During the period ended September 30, 2017, there have been no accounting changes that may significantly affect these interim condensed consolidated financial statements.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**5. Relevant Events:**

a) On January 26, 2017 in the Ordinary Session No. BCH 2,853, the Board of Directors of the Bank of Chile resolved to call an Ordinary Shareholders Meeting to be held on March 23, 2017 with the purpose of proposing, among other matters, the distribution of the dividend No. 205 of \$2.92173783704 per each of the 97,624,347,430 shares, payable against net distributable income for the year ended December 31, 2016, corresponding to 60% of such income.

In addition, the Board of Directors resolved to convene an Extraordinary Shareholders Meeting to be held on the same date, in order to propose, among other matters, the capitalization of 40% of the Bank's net distributable income obtained during the fiscal year ending on December 31st, 2016, through the issuance of fully paid-in shares, without nominal value, determined at a value of \$73.28 per share, which will be distributed among the shareholders at the rate of 0.02658058439 shares per share and adopting the necessary agreements subject to the exercise of the options provided for in article 31 of Law No. 19,396.

b) On February 9, 2017 according to articles 19 et seq. of Law 19,913, the Financial Analysis Unit ( Unidad de Analisis Financiero ) that belongs to the Chilean Ministry of Finance imposed to Banco de Chile an administrative warning and fine of UF 500 on Banco de Chile in relation to the erroneous sending to that Unit, of the information contained in article 5 of the aforementioned law, for the period between April 2011 and June 2012.

c) On March 21, 2017, due to changes in the comprises of the Board of Directors of the subsidiary Banchile Securitizadora S.A. in the course of the last year and in accordance with the law and the bylaws, the Board of Directors was completely renewed.

In accordance with the is established in articles seventh and eighth of the by-laws, the following persons were unanimously elected as Directors: Pablo Granifo Lavín, Juan Alberdi Monforte, Eduardo Ebensperger Orrego, José Miguel Quintana Malfanti and Marcos Frontaura De La Maza, who remains in office for the statutory period of three-years term, that is, until the Ordinary Shareholders Meeting to be held in 2020.

d) On March 23, 2017, the Ordinary Shareholders Meeting approved the dividend No.205 corresponding to CLP\$2.92173783704 per share, payable against net distributable income for the year 2016. In addition, at the Extraordinary Shareholders Meeting held on the same date, agreed to capitalize 40% of the net distributable profit for 2016, through the issuance of fully paid-in shares with no par value, with a value of Ch\$73.28 per share.



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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**5. Relevant Events, continued:**

e) At the Ordinary Shareholders Meeting of this institution held on March 23, 2017, it was proceeded to the election of the Board of Directors, due to the end of the legal and statutory three years term with respect to the Board of Directors that has ceased in its functions.

After the corresponding voting at the aforesaid meeting, the following persons were appointed as Directors for a new three years term:

Directors:	Andrés Ergas Heymann	
	Alfredo Ergas Segal	(Independent)
	Jaime Estévez Valencia	(Independent)
	Jane Fraser	
	Pablo Granifo Lavín	
	Samuel Libnic	
	Andrónico Luksic Craig	
	Jean Paul Luksic Fontbona	
	Gonzalo Menéndez Duque	
	Francisco Pérez Mackenna	
	Juan Enrique Pino Visintainer	
First Alternate Director:	Rodrigo Manubens Moltedo	
Second Alternate Director:	Thomas Fürst Freiwirth	(Independent)

Moreover, in Ordinary Session No.BCH 2,856 held on March 23, 2017, the Board of Directors of the Bank of Chile agreed the following nominations and appointments:

President:	Pablo Granifo Lavín
Vice President:	Andrónico Luksic Craig
Vice President:	Jane Fraser
Board advisor:	Hernán Büchi Buc

f) On March 28, 2017, the Central Bank of Chile has communicated to Banco de Chile that the Board (Consejo) of such institution, in Special Session No 2051E, held on March 27, 2017, considering the resolutions adopted by the shareholders meetings of Banco de Chile of March 23, 2017, regarding distribution of dividends and the increase of capital through the issuance of fully paid-in shares corresponding to the 40% of the net income obtained during the year ending on December 31, 2016, resolved to take the option that the entirety of its corresponding surplus, including

the part of the profits proportional to the agreed capitalization, be paid to the Central Bank of Chile in cash currency, according to the letter b) of the article 31 of the law No. 19.396, regarding the modification of the way of payment of the subordinated obligation and other applicable legislation.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**5. Relevant Events, continued:**

g) On July 13, 2017, and regarding the capitalization of 40% of the net distributable profit for the 2016 fiscal year, through the issuance of fully paid-in shares agreed at the Extraordinary Shareholders Meeting held on March 23, 2017, Banco de Chile reported as essential fact the following;

(a) At the referred Extraordinary Shareholders Meeting, it was agreed to increase the capital of the Bank in the amount of CLP\$133,353,827,359 through the issuance of 1,819,784,762 fully paid-in shares, with no par value, payable against the net distributable profit of the fiscal year 2016 that was not distributed as a dividend, as agreed in the Ordinary Shareholders Meeting held on the same day.

The Superintendency of Banks and Financial Institutions approved the bylaws reform, through Resolution No. 260 of May 25 of this year, which was registered in the Commercial Registry of Santiago to fs.43,218 No. 23,646 of the year 2017 and published in the Diario Oficial of Chile (equivalent to the Federal Register ) of June 1, 2017.

The issue of the fully paid-in shares was recorded in the Securities Registry of the aforementioned Superintendence with No. 1/2017, dated July 11, 2017.

(b) The Board of Directors of Banco de Chile, in Session No. BCH 2,862, dated July 13, 2017, agreed to set as the date for issuing and distributing the fully paid-in shares on July 27, 2017.

(c) The shareholders who are registered in the Register of Shareholders of the Company at July 21, 2017 shall be entitled to receive the new shares, at the rate of 0.02658058439 fully paid-in shares for each share.

(d) The respective securities will be duly assigned to each shareholder, and will only be printed for those who subsequently request it in writing in the Stock Department of the Bank of Chile.



(e) As a result of the issue of fully paid-in shares, the Bank's capital is divided into 99,444,132,192 nominative shares, with no par value, fully subscribed and paid.

h) On August 24, 2017, Banco de Chile informed that in conjunction with Citigroup Inc. they have agreed to extend the validity of the Cooperation Agreement signed on October 22, 2015. In accordance with said extension, the validity of the Cooperation Agreement extends from 1 January 2018 until 1 January 2020, the parties being entitled to agree before 31 August 2019 an extension for two years from 1 January 2020. If this does not occur, the contract will be extended once for a period of one year from 1 January 2020 until 1 January 2021. The same renewal procedure may be used as often as the parties may agree.

The aforementioned extension also extends to the Global Connectivity Contracts, License and Master Services Agreement that Banco de Chile has signed with Citigroup Inc.

The Board of Directors of Banco de Chile, in session No. BCH 2,865 of August 24, 2017, approved the extension referred to above, in the terms set forth in articles 146 et seq. of the Chilean Corporations Act.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**6. Segment Reporting:**

For management purposes, the Bank is organized into four segments, which are defined based on the types of products and services offered, and the type of client in which focuses as described below:

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

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

**Treasury:** This segment includes the associated revenues to the management of the investment portfolio and the business of financial transactions and currency trading.

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

**Subsidiaries:** Corresponds to companies and corporations controlled by the Bank, though its management is related to the segments mentioned previously, the income is obtained individually by the respective subsidiary. The companies that comprise this segment are:

**Entity**

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

- Banchile Securitizadora S.A.
- Socofin S.A.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued**

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**6. Segment Reporting, continued:**

The financial information used to measure the performance of the Bank's business segments is not comparable with similar information from other financial institutions because each institution relies on its own definitions. The accounting policies applied to the segments is the same as those described in the summary of accounting principles. The Bank obtains the majority of the results for: interest, indexation and commissions, net of provisions and expenses. Management is mainly based on these concepts to evaluate the performance of the segments and make decisions about the goals and allocations of resources of each unit. Although the results of the segments reconcile with those of the Bank at the total level, this is not necessarily the case in terms of the different concepts, given that management is measured and controlled individually and not on a consolidated basis, applying the following criteria:

- The net interest margin of loans and deposits is obtained aggregating the net financial margins of each individual operation of credit and uptake made by the bank. For these purposes, the volume of each operation and its contribution margin are considered, which in turn corresponds to the difference between the effective rate of the customer and the internal transfer price established according to the term and currency of each operation.
- The capital and its financial impacts on outcome have been assigned to each segment based on the risk-weighted assets.
- Operational expenses are reflected at the level of the different functional areas of the Bank. The allocation of expenses from functional areas to business segments is done using different allocation criteria, at the level of the different concepts and expense items.

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

For the periods ended September 30, 2017 and 2016, there was no income from transactions with a customer or counterparty that accounted for 10% or more of the Bank's total revenues.

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## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued

**6. Segment Reporting, continued:**

The following table presents the income by segment for the periods ended September 2017 and 2016 for each of the segments defined above:

	Retail		Wholesale		Treasury		Subsidiaries (*)		Subtotal		Consolidation adjustment	
	September 2017	September 2016	September 2017	September 2016	September 2017	September 2016	September 2017	September 2016	September 2017	September 2016	September 2017	September 2016
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Net interest income	679,960	651,288	237,869	260,650	(5,213)	5,796	(3,576)	(3,255)	909,040	914,479	1,524	779
Net commissions income (loss)	139,742	126,258	32,719	30,741	(3,033)	(1,721)	100,359	90,519	269,787	245,797	(8,587)	(5,650)
Other operating income	26,058	82,526	29,236	21,864	30,661	39,322	20,910	18,141	106,865	161,853	(3,655)	(2,674)
Total operating revenue	845,760	860,072	299,824	313,255	22,415	43,397	117,693	105,405	1,285,692	1,322,129	(10,718)	(7,545)
Provision for loan losses (**)	(196,982)	(213,428)	21,398	(8,936)			(79)	(90)	(175,663)	(222,454)		
Depreciation and amortization	(20,564)	(18,798)	(3,331)	(3,721)	(108)	(131)	(2,177)	(2,265)	(26,180)	(24,915)		
Other operating expenses	(380,925)	(385,467)	(110,951)	(110,623)	(3,931)	(4,447)	(75,489)	(79,513)	(571,296)	(580,050)	10,718	7,545
Income attributable to associates	2,846	2,302	897	627	106	58	491	386	4,340	3,373		
Income before income taxes	250,135	244,681	207,837	190,602	18,482	38,877	40,439	23,923	516,893	498,083		
Income taxes												
Income after income taxes												

(\*) On December 30, 2016, it was informed the dissolution and merger of the subsidiary Promarket S.A. Therefore and for purposes of an adequate comparison of this disclosure, the figures for the retail segment for the year 2016 have been restated.

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(\*\*) As of September 30, 2016, the Retail and Wholesale segments include additional provisions allocated based on their risk-weighted assets.

The following table presents assets and liabilities of the periods ended September 30, 2017 and December 31, 2016 by each segment defined above:

	Retail		Wholesale		Treasury		Subsidiaries		Subtotal		Consolidation adjustment	
	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Assets	15,636,264	15,427,024	10,684,975	11,358,447	4,863,226	4,061,181	588,189	535,727	31,772,654	31,382,379	(148,932)	(137,201)
Current and deferred taxes												
Total assets												
Liabilities	10,126,709	10,249,668	10,028,271	10,268,861	8,434,769	7,874,356	433,953	390,453	29,023,702	28,783,338	(148,932)	(137,201)
Current and deferred taxes												
Total liabilities												

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## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued

7. **Cash and Cash Equivalents:**

(a) The detail of the balances included under cash and cash equivalents and their reconciliation with the statement of cash flows at the end of each period is as follows:

	September 2017 MCh\$	December 2016 MCh\$
Cash and due from banks:		
Cash (*)	624,385	665,464
Deposit in Chilean Central Bank (*)	356,398	118,501
Deposits in other domestic banks	6,701	8,433
Deposits abroad	212,797	615,769
Subtotal - Cash and due from banks	1,200,281	1,408,167
Net transactions in the course of collection	185,298	181,270
Highly liquid financial instruments	252,664	467,593
Repurchase agreements	41,573	39,950
Total cash and cash equivalents	1,679,816	2,096,980

(\*) Amounts in cash funds and in Central Bank are regulatory reserve deposits that the Bank must maintain as a monthly average.

(b) **Transactions in course of settlement:**

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

	September 2017 MCh\$	December 2016 MCh\$
<b>Assets</b>		
Documents drawn on other banks (clearing)	171,737	191,105
Funds receivable	348,096	185,147
Subtotal transactions in the course of collection	519,833	376,252

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**Liabilities**

Funds payable	(334,535)	(194,982)
Subtotal transactions in the course of payment	(334,535)	(194,982)
Net transactions in the course of settlement	185,298	181,270



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## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued

**8. Financial Assets Held-for-trading:**

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

	September 2017 MCh\$	December 2016 MCh\$
<b>Instruments issued by the Chilean Government and Central Bank of Chile:</b>		
Central Bank of Chile bonds	266,987	30,546
Central Bank of Chile promissory notes	282,500	393,019
Other instruments issued by the Chilean Government and Central Bank	329,197	58,781
<b>Other instruments issued in Chile</b>		
Bonds from other domestic companies		
Bonds from domestic banks	137	21
Deposits in domestic banks	286,690	896,534
Other instruments issued in Chile	809	672
<b>Instruments issued by foreign institutions</b>		
Instruments from foreign governments or central banks		
Other instruments issued abroad	265	385
<b>Mutual fund investments:</b>		
Funds managed by related companies	17,946	25,823
Funds managed by third-party		
Total	1,184,531	1,405,781

Under Instruments issued by the Chilean Government and Central Bank of Chile are classified instruments sold under agreements to repurchase to customers and financial instruments, by an amount of Ch\$6,568 million as of September 30, 2017 (Ch\$21,789 million as of December 31, 2016). Repurchase agreements have an average expiration of 3 days as of period-end (4 days in December 2016). Furthermore, are maintained instruments that guarantee margins for offset transactions of derivatives through Comder Contraparte Central S.A. for an amount of Ch\$20,166 million as of September 30, 2017 (Ch\$9,945 million as of December 31, 2016).

Under Other instruments issued in Chile include instruments sold under agreements to repurchase to customers and financial instruments, amounting to Ch\$120,056 million as of September 30, 2017 (Ch\$159,803 million as of December 31, 2016). The repurchase agreements have an average maturity of 8 days at the end of the period 2017 (10 days in December 2016).

Additionally, the Bank holds financial investments in mortgage finance bonds issued by itself in the amount of Ch\$16,110 million as of September 30, 2017 (Ch\$19,649 million as of December 31, 2016), which are presented as a reduction of the liability line item Debt issued .



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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, continued

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

(a) Rights for repurchase contracts: The Bank provides financing to its customers through Receivables from Repurchase Agreements and Security Borrowing, in which the financial instrument serves as collateral. As of September 30, 2017 and December 31, 2016, the Bank has the following receivables resulting from such transactions:

	Up to 1 month		Over 1 month and up to 3 months		Over 3 months and up to 12 months		Over 1 year and up to 3 years		Over 3 years and up to 5 years		Over 5 years		September 2016
	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016	September 2017	December 2016	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Instruments issued by the Chilean Governments and Central Bank of Chile</b>													
Central Bank bonds													
Central Bank promissory notes													
Other instruments issued by the Chilean Government and Central Bank													
<b>Other Instruments issued in Chile</b>													
Deposit promissory notes from domestic banks													
Mortgage bonds from domestic banks													

Bonds from domestic banks							
Deposits in domestic banks							
Bonds from other Chilean companies							
Other instruments issued in Chile	44,892	30,963	15,806	21,967	5,063	2,773	65
<b>Instruments issued by foreign institutions</b>							
Instruments from foreign governments or Central Bank							
Other instruments							
<b>Total</b>	<b>44,892</b>	<b>30,963</b>	<b>15,806</b>	<b>21,967</b>	<b>5,063</b>	<b>2,773</b>	