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## **SUSTAINABILITY REPORT**

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**2012**

## OUR MISSION

Bci defines itself as a financial solutions Corporation which operates in all of the financial businesses and operations permitted by the General Banking Law. It offers people products and services created by highly efficient operating processes and quality excellence, with ongoing technology innovation, prudent risk management policies and demanding ethical standards which must be adhered to by all the people who work in its companies. Within this framework, and to meet its objectives and policies, the Corporation commits to making sure such achievements are met, with a special focus on what it considers to be its four core pillars:

### SHAREHOLDERS

Business policies and decisions should always be aimed at increasing the equity that shareholders have invested in the company. The aim is for the return on their investment to be higher than the average of the banking sector, along with normal levels of risk for the Corporation's businesses and with maximum transparency possible of its conduct in accordance with current laws, regulations and an ethical framework.

### CUSTOMERS AND SUPPLIERS

The products and services the Bci companies offer their customers should be of optimum quality, at competitive prices, innovative and suitably and timely meet their needs. It should always be considered that customers are the basis of the institution's success and commercial relations with them must therefore be maintained with a long-term vision.

Supplier relations should be of mutual benefit, loyalty over time and with high standards of quality, performance and transparency.

### EMPLOYEES AND THEIR FAMILIES

The Corporation must strive to ensure that all its employees have a dignified standard of living, stable work and opportunities of personal, professional and family development, properly motivating and rewarding good performance and individual and team effort, while providing the guidelines and regulations for a workplace of excellence and demanding professional and ethical behavior.

The Corporation defines itself as a family-focused company, which is committed to achieving that staff work in conditions commensurate with a suitable personal and family life.

### SOCIETY

The Corporation's commitment is to develop its businesses and activities in accordance with current legislation in Chile and in all branches overseas where it operates, fully abiding by the ethical principles that ensure respect of the rights and interests of others, pursuant to the guidelines established and accepted by society.

As a company, Bci is also interested in contributing effectively to maintaining a healthy environment and enhancing the country's social, cultural and economic wealth by supporting pertinent initiatives.

## OUR VISION

We aim to be regional leaders in innovation, customer closeness and satisfaction and to be renowned as the best company to work for and develop.



Having major goals is to believe in the future, it is to trust those who have a dream and support them so their drive generates good results. That has been our spirit: to open up to entrepreneurs and support them in the challenge of innovation and progressing in the market.

Together we have come far. We have issued over 7,500 loans to entrepreneurs and several of them have now already consolidated as small and medium-sized enterprises (SMEs). Every peso invested has been worthwhile, it has sown a bond of long-term engagement, and above all enabled many dreams to be fulfilled.

**Because we are different, because our customers' goals are also ours, because we want a more developed country in which people live better, we will carry on supporting enterprise in Chile and believing that a better future is possible.**

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**LUIS ENRIQUE YARUR REY**  
**CHAIRMAN**



# 01.

## OUR COMPANY

### PRESIDENT'S REPORT

**We have managed to get sustainable development fully embedded in the core business of Bci, which undoubtedly provides a broad outlook.**

The publication of our Sustainability Report for the ninth year running - which is also the fifth Communication on Progress (COP) of our commitment to the Global Compact's ten principles - has become an opportunity to have a look at the past, present and future. This helps us to understand how far we have come with ordering and addressing sustainability issues, and to appraise the Bank we want to be and the importance of sustainable development.

In hindsight, it can be seen that we have built our sustainability on solid bases, which now enable us to address it from a coherent and consolidated perspective. The level of our employees, the harmonious work environment we have, the high rapport with our customers and suppliers, and our active commitment to the community and the environment are widely renowned.

Some of the awards we received in 2012 confirm this: Bci was considered to be the most responsible company with the best corporate governance in Chile, according to the Business Monitor of Corporate Reputation (MERCOR) ranking; it was runner-up in the innovative company ranking of Universidad de los Andes; it was the third most transparent company according to the corporate transparency index; and it was in fourth place of the national corporate social responsibility ranking of PROhumana. For the second year running, we were also ranked as the best bank in Chile, according to the prestigious UK magazine The Banker.

Far from believing that everything has already been done and commensurate with the innovative spirit that distinguishes us, every year we strive to extend the boundaries of our sustainability, taking on unprecedented challenges that seek to mobilize the entire organization with enthusiasm.

In 2011, we set a milestone in Chile by embracing and making known 14 measures that made our customer relations fully transparent, establishing total rapport with one of the main demands society is making to institutions, above all financial institutions.

This year we took an important step by explaining the shared value concept in our business, thereby showing we play a major social role that is more important than merely making our business profitable. We want to carry on growing but at the same time hope that so do our thousands of entrepreneurs and small enterprises that have historically lacked the support of the banking sector. This is because we are convinced that our support of these projects will generate wealth and new jobs, which will help the country to grow and enhance the well-being of society as a whole.

<sup>1</sup> [www.thebanker.com](http://www.thebanker.com)



In keeping with the principles that underpinned the establishment of our bank over 75 years ago of being a bank that supports enterprise, in 2012 Bci Nace – an unprecedented initiative in the banking sector which for six years has supported the first steps taken by thousands of entrepreneurs – doubled the volume of loans accrued in all the previous years, supporting over 4,500 new entrepreneurs, which helped create about 16,000 new jobs.

We also generated new facilities for small and medium-sized enterprises (SMEs) and we are opening channels to finance microenterprises with the aim of supporting 50,000 of them by late 2014. Moreover, by means of our Renace program, which provides support to failed businesses but which always met their commitments, in the year we refinanced a hundred of them.

With these initiatives and complementary activities like our business events and diverse financial education action, we hope to become the creators of a social movement with a huge snowball effect. That is generating shared value.

Another of our strategic pillars, driving transparency and trust, is helping to provide a better service experience for our customers, which helps to establish lasting bonds with them. In 2012, we added four new commitments to the 14 transparency measures adopted the previous year to bolster the information and guarantees of our customers. We also made progress with the management of transparent conduct of our employees and started to develop transparency practices at our subsidiaries.

Likewise, we developed transparency and trust with our suppliers, which are mostly SMEs. Our concern for them was already evident in 2011 when we were the first company in Chile to receive the Sello ProPyme (Pro-SME Seal), which the government awards to companies that pay their suppliers in less than 30 days. In 2012, we enhanced this seal and reduced the average payment time to just two days, half the time of the previous year. We also launched a portal exclusively for suppliers of the Bank, where they can follow up on invoices and purchase orders, update their information or apply for tenders, among other initiatives.

At the same time, to become the bank with the best service experience, we created the Customer Experience and Corporate Image Management and a new management model was developed

for this purpose, which started to be put in place as a pilot plan at some of our branches. Another decision made for the benefit of our customers was to join our distribution channels into one single management, which will make product and service delivery more efficient and standardized.

To such end, in late 2012 we set a milestone by generating a distribution channel that uses digital mobile devices like smartphones, tablets and others. We believe that our ability to incorporate new information technology to the customer experience is generating a change in behavior, which was reflected by the increase in the non-traditional channel share of the retail banking loans from 20% in 2010 to 43% in 2012, with a forecast of this reaching 50% in 2013.

In terms of quality of working life, another of our strategic pillars, we are striving to get our employees to have high satisfaction at Bci by means of a culture, benefits and opportunities that further their professional and personal development. One of the main achievements in the year was the launch of the Bci+1% program, in which we motivate our employees to come up with proposals to improve the conditions of everybody. Moreover, we are proud about the start-up of the senior cashier program, which enabled 21 people of 50 to 70 years to work at our branches. Likewise, 20 employees with disabilities were hired through our Bci sin Límites (Bci without Limits) program. We were also distinguished by the government in 2012 for being the company that trained the most employees by means of the National Training and Employment Department (SENCE) tax concession, particularly for using the pre-contract training modality.

Our commitment to the community and environment - the final pillar in our sustainability strategy - has enhanced the support of senior citizens and children at social risk, and sponsorship of the Enseña Chile educational program, and cultural initiatives including the construction of the Municipal Theater in Constitución. Our economic contribution to social initiatives thereby doubled 2009 through 2012 to over Ch\$3 billion in donations.

The highlight in the environmental area was the first year of operation of the first ecological branch in the Chilean banking sector, built pursuant to Leadership in Energy and Environmental Design (LEED) certification, and which in 2012 also became the first building in South America to secure Passivhaus energy efficiency certification.





On reviewing its performance, it was evident that this branch used 51% less electricity and released 78% fewer emissions compared to a US branch established as the baseline by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) standard. We will add two more LEED-certified buildings to this branch by 2014, and step up action for greater energy efficiency.

For all these reasons and others you will learn about in this Sustainability Report, I am convinced that we have made

difference a virtue. What is important is that our sustainability performance is clearly commensurate with that vision that has been the hallmark of our banking business for decades. That is the best indicator that we have managed to get sustainable development fully embedded in the Bank's core business, which undoubtedly provides a broad outlook. We will carry on thinking big to establish new differences that help us to build a better Bank of the future and a better Bank for society.

**LUIS ENRIQUE YARUR REY**  
BCI PRESIDENT

## SCOPE OF THE REPORT

For the ninth year running we have drawn up this document in which we report on our social, economic and environmental performance. Our Sustainability Report 2012 also includes the progress with the Bank's vision in the year, i.e., customer experience and shared value.

The information contained in this report covers the 2012 calendar year and quantitative data of previous years to guarantee the comparability principle. Moreover, it is our fifth Communication on Progress (COP) in accordance with the principles of the United Nations Global Compact, to which we adhered in 2007.

As in previous years, the methodology used to prepare this report was based on the Global Reporting Initiative (GRI) G3.1 guidelines and the Financial Sector Services Supplement.

To define the report content in 2012, as in the past we consulted executives and employees and reviewed press articles in the year. We also conducted a broad survey for this report, which included an online questionnaire for employees and suppliers and we held a workshop with customers. Such activities enabled us to identify the most material issues for these stakeholders.

They were also consulted about the structure they expect for the Sustainability Report based on the areas they deemed most important. According to this, the chapters of this report are: customers and suppliers, quality of working life, corporate governance and ethics, community commitment, environmental performance, and economic performance.

To assure the transparency and traceability of the information, this document was drawn up by an external consultant specialized in the GRI guidelines. In Appendix 2, we list all the written sources of information used to prepare the report as well as the people involved in providing and validating the indicators.

The technical data and calculations made to prepare each quantitative economic, social and environmental performance indicator included the entire Bci Corporation and are based on procedures of internal regulations. The financial and economic information is expressed in Chilean pesos, unless indicated otherwise. This area is covered in more detail in the Annual Report, which has been delivered with this Report for nine years.

1,000 printed copies of this Sustainability Report are available in Spanish, and the English version will be delivered by E-mail in PDF format to those stakeholders who request it.

Complementing this, a website will be set up to make this process more didactical for interested parties and a summary will be published in Spanish.

Moreover, to guarantee access to the information, this report as well as previous versions can be reviewed on our website ([www.bci.cl](http://www.bci.cl)). Based on all the foregoing, we have self-classified this report as Level B.

<sup>2</sup> The Global Pact principles appear in Appendix N°1, page 130.

<sup>3</sup> [www.globalreporting.org](http://www.globalreporting.org)



## 2012 TARGETS & 2013 COMMITMENTS

| AREA                           | 2012 TARGETS  |   |
|--------------------------------|---|---|
| <b>CORPORATE GOVERNANCE</b>    | Secure third-party certification for the criminal risk prevention model.  | ✓ |
| <b>CORPORATE ETHICS</b>        | Implement the regulatory compliance process of the current internal regulations update program.   | ✓ |
|                                |   | ✓ |
|                                | Enhance segmented and mass communications   | ✓ |
| <b>QUALITY OF WORKING LIFE</b> | Launch the Bci Sin Límites (Bci Without Limits) manual internally.  | ✓ |
|                                |   | ✓ |
|                                | Segment benefits to employees.  | ✓ |
|                                | Strengthen the internal culture focusing on happy employees.  | ✓ |
|                                | Segment internal communications and focus on employee experience.   | ✓ |
| <b>CUSTOMERS</b>               | Increase the customer portfolio by more and better ways of informing of the benefits of checking accounts and credit cards, and entering into partnerships with leading organizations on environmental and senior citizen issues. | → |
|                                | Continue the Financial Peace of Mind program, extending it beyond the Nace program..  | ✓ |
|                                | Disseminate the Shared Value program, with the priority on enterprise.  | ✓ |
|                                | Seek new transparency measures based on information, consultancy and education.   | ✓ |
|                                |   | ✓ |
| <b>SUPPLIERS</b>               | Put CSR criteria in place for supplier assessment.  | → |
|                                | Develop and implement CSR events for suppliers.   | ✓ |
|                                | Increase supplier satisfaction in the CSR area.   | ✓ |
|                                | Design and fully implement the supplier portal.   | ✓ |
|                                | Fully comply with the policy-defined deadline (seven business days) for supplier payment.   | ✓ |
| <b>COMMUNITY</b>               | Maintain the society awareness plan regarding senior citizens and their high-risk situation, focusing on regions.   | ✓ |
|                                |   | ✓ |
|                                | Continue the different culture plan, particularly with activities in regions.   | ✓ |
|                                | Expand the corporate volunteer plan to meet the needs of the foundations supported by Bci.  | ✓ |
| <b>THE ENVIRONMENT</b>         | Put improvements in place to mitigate the carbon footprint of the corporate headquarters.   | → |
|                                | Assess how Bci's carbon footprint is calculated.  | ✓ |
|                                | Follow up on the consumption of the sustainable bank branch to assess the long-term sustainable construction plan.  | ✓ |

## PERFORMANCE

## 2013 COMMITMENT

|  |  |
|--|--|
| The criminal risk prevention model secured external certification from the Feller Rate risk rating agency in December.   | Drive and innovate the operation of the Board of Directors.  |
| The innovative website Normativamás, the official source of regulations of the Bci Corporation, was launched in late 2012, which helped to implement the regulatory compliance process.  | Implement an ethics dialogue management platform for leaders and their teams.<br>Put a feedback and assessment system in place for the content of the Code of Ethics.<br>Boost the internal communication channel “¿Qué Hago?” (What Should I Do?) |
| Ethics discussions were implemented in staff meetings of leaders and their teams, attended by 185 leaders.   | Drive training on ethical values for employees.  |
| Six disabled employees were hired, taking the total to 20 throughout the Corporation.<br>Awareness workshops were held with employees and heads and the Employment Consultation Manual was released.   | Increase the Bci sin Límites program hiring rate to around 50%.<br>Hold awareness workshops and training on the Bci sin Límites program.   |
| A psychographical study was conducted to generate a new value offering for employees. Three segments were identified and a set of benefits focused on each group was developed.  | Launch a benefits package segmented for employees through a new portal.<br>Raise knowledge of the internal benefits.   |
| The employee experience model was enhanced for the people management strategy. Training plans were boosted for this, new recruitment models were developed and the “Flexible Work” program was updated.  | Extend the “Flexible Work” program to Bci employees.   |
| Besides the formal meetings the Bank organizes with each of the areas and units of the Corporation, the “Bci +1%” program was added, which aims to get employee proposals for continuous improvement and turn them into undertakings and solutions. They were all disseminated in internal pamphlets called “We listened and did it.”  |  |
| Different partnerships with organizations were assessed to boost our customer loyalty program focused on the environment and seniors, but they did not meet the standards Bci deems suitable, and work will continue on this in 2013. Nevertheless, progress was made with disseminating the benefits of carbon-neutral checking accounts and credit cards.                                  | Launch a new microenterprise service model.  |
| 48 talks were given in municipalities and four banking clinics (three of them in regions) in 2012. The special series “Financial Education for People” was launched, published in El Mercurio and Las Últimas Noticias newspapers, and on the mini-site Emol.com   | Launch products or services for the seniors segment.   |
| In 2012, Bci Shared Value led to the official launch of Bci Nace as a business line, which is a program created based on corporate social responsibility and in 2012 supported over 4,500 new entrepreneurs, generating 12,000 new jobs for the economy.   | Drive the Nace and Renace programs.  |
| Four new corporate transparency measures were put in place.<br>Bci developed an internal communication campaign and a competition for employees to get proposals for improvement.<br>A focus group was organized with customers on the concept of transparency.<br>Customer protection was enhanced and improvements to contracts and product information were promoted through the website. | Generate new transparency measures, including subsidiaries.<br>Strengthen transparency measures among employees.w  |
| Bci drew up and distributed a CSR self-analysis questionnaire to some suppliers.<br>Bci conducted 4,622 reviews or commercial appraisals of suppliers to assess the status of each of them on labor and social security issues.  | Implement CSR criteria for supplier evaluation, according to the results of the self-evaluation.   |
| Seven breakfast meetings were held with an average of 12 suppliers at each of them.<br>The Bci Outstanding Supplier Award continued, for which there were 128 entries.<br>The Bci External Supplier Employee Award was launched, and 300 entries were received   | Train and share sustainability practices with our main suppliers.  |
| The good practice pamphlet for suppliers was released.<br>The supplier satisfaction survey revealed that overall supplier satisfaction increased from 88% in 2011 to 90% in 2012.  | Drive the Outstanding External Supplier Employee Award at corporate level.   |
| The supplier portal was launched, on which 100 suppliers were operating at the end of 2012.  | Disseminate the supplier portal.   |
| Bci continued to improve its payment time by cutting it down to an average of 2 days in 2012 from the average of 4.39 days at the end of 2011.   |  |
| Monthly visits were made to the homes of Fundación Las Rosas; there was a 2 km walk for seniors; a collection to fund the foundation and the Christmas celebration. A seminar was also organized on active and healthy ageing with the attendance of 200 people.   | Increase employee participation in corporate volunteer activities, particularly in the regions.  |
| As part of the master reconstruction plan for Constitución, launched due to the earthquake and tsunami in 2010, Bci committed to providing financing for the restoration of the city's Municipal Theater.<br>Four concerts were organized for the Easter Island pianist Mahani Teave in Iquique, La Serena, Talca and Valdivia.  | Boost members of Corporación Crédito al Menor by 25%.  |
| Bci volunteers participated in 11 initiatives with the foundations it supports, attended by 408 volunteers.  |  |
| Bci started to define an environmental strategy.   | Develop a corporate environmental strategy.  |
| As part of the environmental strategy, the decision will be made whether the Corporation will once again measure its carbon footprint and how it will reduce its emissions and mitigate their impact.  | Measure and compensate for the carbon footprint of all events attended by over 300 people.   |
| In addition to LEED certification, the Vitacura branch secured Passivhaus certification, which guarantees that the building has low energy consumption. It therefore became the first building in Chile and South American with this certification.<br>Follow-up was made of real consumption and it all had efficiencies in regard to a US model branch.                                    | Secure LEED certification for two buildings under construction.  |





## CORPORATE PROFILE

Bci was established in 1937 to provide financial solutions to the productive sector in Chile. Renowned from the outset for the special focus on developing products and services aimed at individuals and SMEs, its commitment to innovation and customer-focused management have made it the third largest private bank in Chile in the last few years with consolidated assets of Ch\$17,926,578,000 for the year ended December 31, 2012 and the highest ever market share of 16.46% as of the same date.

Bci has 388 branches in the country, including a branch in the Chilean Antarctic, a branch in Miami, representative offices in Mexico City, Lima and Sao Paulo, and a business agent in Madrid.

In 2012, it obtained permission from the authorities in Colombia to open a representative office in that country and requested authorization from Chile's Superintendency of Banks and Financial Institutions (SBIF) to open another branch in Shanghai in China, which is scheduled to start up in 2013.

Besides this service platform, Bci has innovative and cutting-edge product and service distribution channels. These include Banca Móvil (mobile banking), which operates from smartphones and tablets and allows for transactions like cash advances in installments and obtaining simple loans. There are also specific business unit websites and customer contact lines by means of corporate Facebook and Twitter accounts.

In 2012, Bci added the shared value concept to its management, by means of which the Corporation intends to include a social value offering to its business, which will help the real improvement of the well-being and growth of the population and the Bank's progress. This initiative was focused on developing solutions for entrepreneurs, a segment that has always been a corporate priority and which is characterized by its large capacity to generate employment, create new economic opportunities and make a contribution to the country's growth and development.

At the close of 2012, Bci had a workforce of 10,531 employees: 5,961 women and 4,570 men. As of the same date, there were 489,816 customers with checking accounts in Bci.

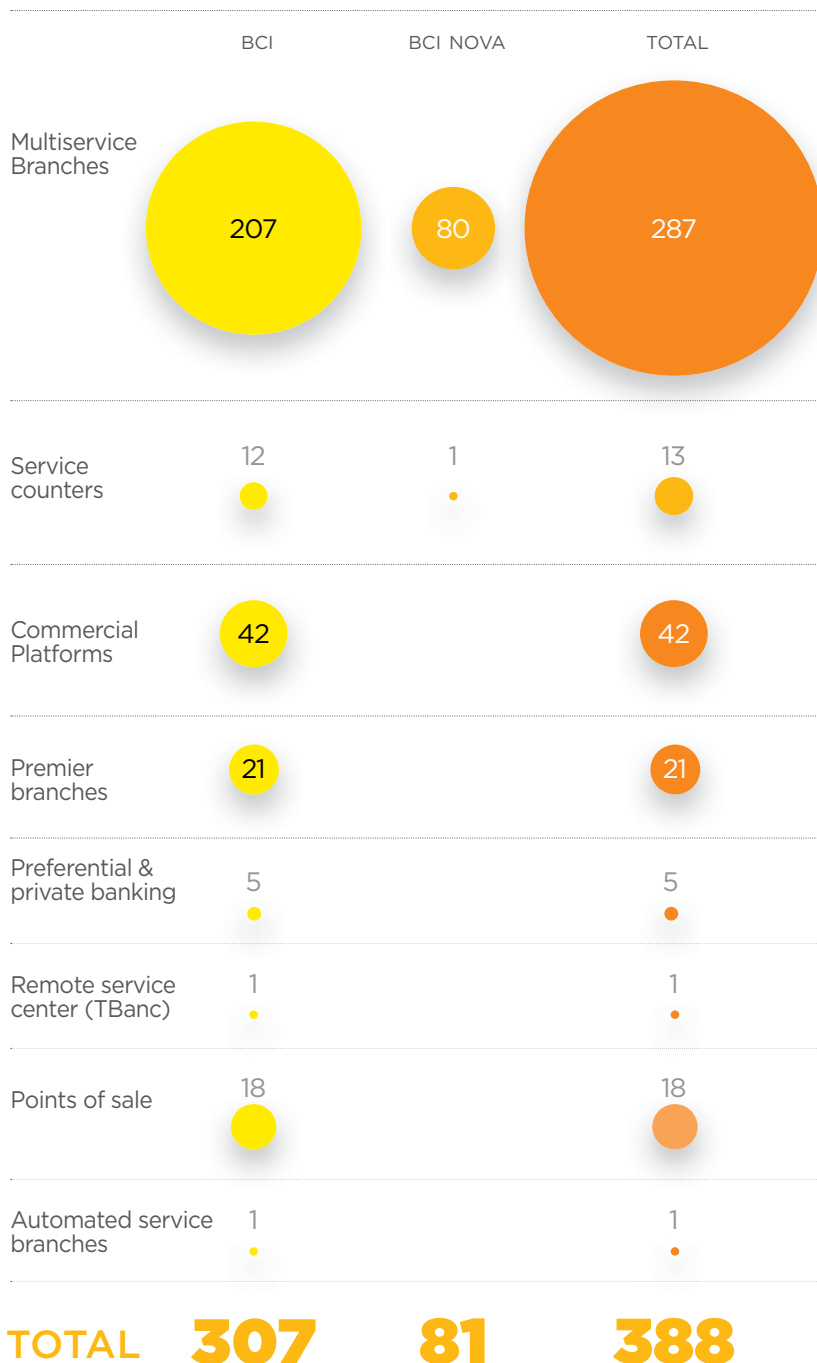
<sup>4</sup> Bci's establishment was authorized by Treasury Decree N° 1683 of June 1937 to operate as a banking corporation.

<sup>5</sup> [www.sbif.cl](http://www.sbif.cl)

\* Excludes the representative offices overseas.

## BCI & BCI NOVA CONTACT POINTS

The Bci service platform is especially designed to quickly and efficiently meet all its customers' needs. By means of a process of constant technology upgrades, the aim is to provide a unique service experience of excellence at each of the contact points.



|   |  |
|---|--|
| <b>MULTISERVICE BRANCHES</b>              | They provide a comprehensive service, attended by executives and there are loan, investment, factoring and entrepreneur support specialists, among others.   |
| <b>SERVICE COUNTERS</b>                   | Contact points to solve transactional and treasury matters. They have ATMs and basic automated enquiry services.   |
| <b>COMMERCIAL PLATFORMS</b>               | They have the personalized and exclusive service of specialist executives, who meet the needs of certain customer segments.                                  |
| <b>PREMIER BRANCHES</b>                   | They are exclusive to personal banking customers. They are small and provide a commercial and transactional service and are supported by automated services. |
| <b>PREFERENTIAL &amp; PRIVATE BANKING</b> | Branches for wealthy customers.  |
| <b>REMOTE SERVICE CENTER (TBANC)</b>      | This provides 24-hour 7-day a week telephone and Internet services.  |
| <b>POINTS OF SALE</b>                     | Contact points which mainly handle personal banking customers. They have sales and after-sales services.   |
| <b>AUTOMATED SERVICE BRANCHES</b>         | They have autonomous electronic services to make deposits, withdrawals, cash and deposit checks, cash and request cashier's checks, and obtain certificates. |



## SUBSIDIARIES

Besides the Bci Bank and Bci Nova, the Corporation also has a further nine subsidiaries:

- » **Bci Factoring S.A.**
- » **Bci Corredores de Bolsa S.A.**
- » **Bci Securitizadora S.A.**
- » **Bci Corredora de Seguros S.A.**
- » **Bci Administradora General de Fondos S.A.**
- » **Bci Asset Management Administradora General de Fondos S.A.**
- » **Bci Asesoría Financiera S.A.**
- » **Servicios de Normalización y Cobranzas / Normaliza S.A.**
- » **Análisis y Servicios S.A. Proservice**

## REMOTE CHANNELS

To respond quickly and efficiently at all times, and to adapt its business model to the new behavior, practices and transactional tools of its customers, Bci has developed remote distribution and service channels. Some of the most important are:



### WEBSITE **WWW.BCI.CL**

In 2012, the Corporation updated this portal to make navigation easier and enhance the volume of information provided, as part of its interest in improving the customer experience and raising trust based on transparency.

### BCI MÓVIL

This channel provides access to the bank services from any mobile device and the same operations as on the corporate website. In November 2012, products officially started to be sold on this platform, and the process was very successful.

### TELECANAL (CALL CENTER)

This is the Bci call center. Its aim is to answer any customer enquiries, requests or problems. It also allows customers to request loans and resolve bank emergencies.

### TWITTER, FACEBOOK Y LINKEDIN

By operating on these social network sites, Bci aims to enhance customer and community relations by providing corporate information in real time, permanent interaction and posting job offers.



## MAIN PRODUCTS & SERVICES

Bci's financial products are aimed at people, micro, small and medium-sized enterprises and large corporations. The Corporation provides solutions to all these segments for loans, savings, investments and asset management. Some of these are:



## INTERNATIONAL PARTNERSHIPS & AGREEMENTS

### CORRESPONDENT BANK NETWORK

Bci has commercial relations with a network of more than a thousand correspondent banks worldwide to facilitate and optimize foreign trade operations for their customers.



### PARTNERSHIP WITH WELLS FARGO IN THE USA

Bci signed this agreement in 2011 to promote trade between Chilean and US companies. By means of this agreement, Bci provides its services to Wells Fargo customers who want access to the Chilean market. Wells Fargo does the same for Bci customers seeking development in the United States.



### COOPERATION AGREEMENT WITH BANCO INTERNACIONAL DE COSTA RICA

The aim of this agreement is to promote Chile's foreign trade in Central America and reciprocal investments, raising business opportunities for Chilean companies in the area. It also helps to make Bci the benchmark bank for companies in that region.



### COOPERATION AGREEMENT WITH BANCO DE CRÉDITO DEL PERÚ

By means of this agreement, Bci refers Chilean companies that invest in Peru and thereby have a local bank in that country to develop their operations. This referral process is also used for Peruvian companies that invest in Chile.



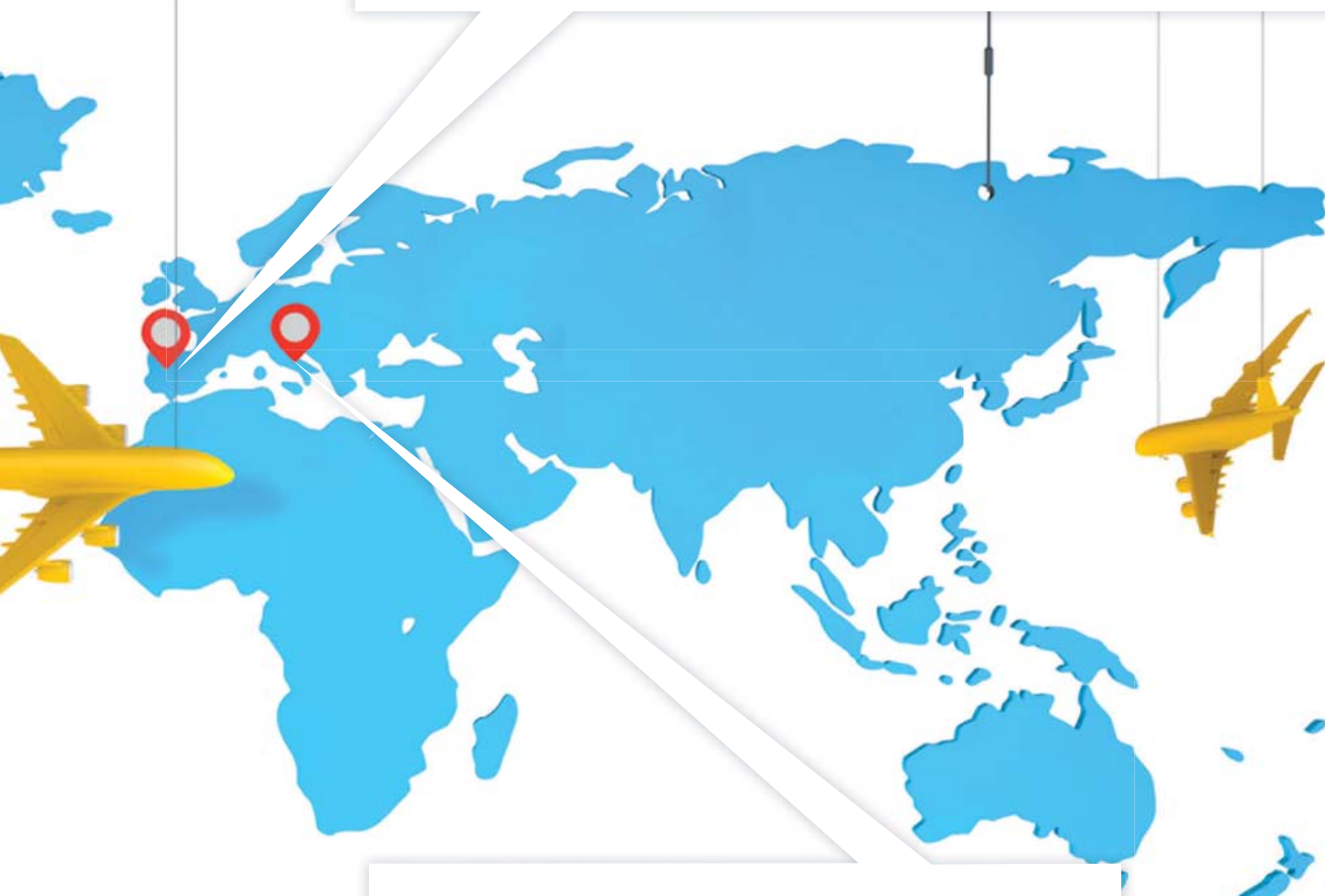
### COOPERATION AGREEMENT WITH BANCO CREDICOOP IN ARGENTINA

The aim of this agreement is to drive trade between Chile and Argentina by supporting Chilean companies that decide to set up in Argentina and Argentine companies seeking to do business in Chile.



### **PARTNERSHIP WITH BANCO POPULAR, SPAIN**

This partnership enables Bci to receive potential Spanish customers referred by Banco Popular and who operate in Chile; gain business from Spanish companies in Chile that are Banco Popular customers and provide a more efficient service to all Chilean companies with business in Europe. Under this collaboration agreement, Bci and Banco Popular each take on an executive from each other in their respective countries.



### **COOPERATION AGREEMENT WITH INTESA SAN PAOLO, ITALY**

The aim of this agreement is joint collaboration by both entities to best support Intesa's customers in Chile and those of Bci in Italy.

INTESA  SANPAOLO

## MEMBERSHIPS & VOLUNTARY AGREEMENTS

Sharing the Bank's experience of responsible management, driving debate on sustainable development and learning best practice in this area

are just some of Bci's objectives of belonging to sectorial associations, chambers of commerce and trade organizations. These include:

| AREA  | INSTITUTION  | WEBSITE  |
|---|--|--|
| ASSOCIATIONS                                  | Asociación de Bancos e Instituciones Financieras (ABIF)          | <a href="http://www.abif.cl">www.abif.cl</a>   |
|   | Asociación de Exportadores de Manufacturas y Servicios (Asexma)  | <a href="http://www.asexma.cl">www.asexma.cl</a>   |
|   | Asociación de Exportadores de Chile (Asoex)                      | <a href="http://www.asoex.cl">www.asoex.cl</a>   |
| CHAMBERS                                      | Cámara de Comercio de Santiago (CCS)                             | <a href="http://www.ccs.cl">www.ccs.cl</a>   |
|   | Cámara Chilena de la Construcción (CChC)                         | <a href="http://www.cchc.cl">www.cchc.cl</a>   |
|   | Cámara Chileno-Norteamericana de Comercio (Amcham)               | <a href="http://www.amcham.cl">www.amcham.cl</a>   |
|   | Cámara Oficial Española de Comercio de Chile (Camacoec)          | <a href="http://www.camacoec.cl">www.camacoec.cl</a>   |
|   | Cámara de Comercio Chileno-Argentina                             | <a href="http://www.camarco.cl">www.camarco.cl</a>   |
|   | Cámara Chileno-Alemana de Comercio                               | <a href="http://www.camchal.cl">www.camchal.cl</a>   |
|   | Cámara de Comercio Chileno-Brasileña de Santiago                 | <a href="http://www.camarachilenobrasilena.cl">www.camarachilenobrasilena.cl</a>                 |
|   | Cámara de Comercio Chileno-China                                 | <a href="http://www.camarachilenochina.cl">www.camarachilenochina.cl</a>                         |
|   | Cámara de Comercio Chileno-Francesa                              | <a href="http://www.chilefrance.cl">www.chilefrance.cl</a>                                       |
|   | Cámara de Comercio Chileno-Mexicana                              | <a href="http://www.cicmex.cl">www.cicmex.cl</a>   |
|   | Cámara de Comercio Chileno-Peruana                               | <a href="http://www.camarachilenoperuanadecomercio.cl">www.camarachilenoperuanadecomercio.cl</a> |
|   | Fundación PROhumana  | <a href="http://www.prohumana.cl">www.prohumana.cl</a>   |
| INSTITUTES, FOUNDATIONS & OTHER ORGANIZATIONS | AcciónRSE  | <a href="http://www.accionrse.cl">www.accionrse.cl</a>   |
|   | Instituto Chileno de Administración Racional de Empresas (Icare) | <a href="http://www.icare.cl">www.icare.cl</a>   |
|   | Fundación Generación Empresarial                                 | <a href="http://www.generacionempresarial.cl">www.generacionempresarial.cl</a>                   |
|   | Pacto Global Chile   | <a href="http://www.pactoglobal.cl">www.pactoglobal.cl</a>                                       |
|   | Mayday Network Chile   | <a href="http://www.maydaynetwork.cl">www.maydaynetwork.cl</a>                                   |

## STAKEHOLDER DIALOGUE



To permanently know the concerns, expectations and opinions of its customers, employees, shareholders, suppliers and society in general, Bci has designed dialogue channels with each of these stakeholders.

In 2012, feedback was generated with Bci's external companies by means of the Supplier Portal and the internal e-mail [Transparencia@bci.cl](mailto:Transparencia@bci.cl) was launched, designed to channel employee proposals and concerns on this issue. In addition to these systems, enquiry windows were added, which make available to users the new corporate website and the service satisfaction surveys conducted by Telecanal (Call Center) on ending customer contact.

Bci also consolidated its presence on social network sites. Regarding this, the bank set the objective in the year of generating new financial services for its customers without overlooking its digital service. To such end, the social network service was launched, which is a system that allows checking and prime account customers to get their account balances and latest movements via a direct message (DM) without leaving their social network.

These new services and the efforts made to find out the concerns of its customers and respond to them effectively led to an increase of 42,718 users of the Bank's Twitter, Facebook and LinkedIn accounts 2011 through 2012..

## SOCIAL NETWORK ACCOUNT USERS

|  | SOCIAL NETWORK<br>2011 | USERS<br>2012 |
|--|------------------------|---------------|
|  LinkedIn | 7.338                  | 15.964        |
|  Facebook | 9.926                  | 30.437        |
|  Twitter  | 7.699                  | 21.280        |
| <b>Total</b>   | <b>24.963</b>          | <b>67.681</b> |

## BCI STAKEHOLDER COMMUNICATION CHANNELS

| STAKEHOLDERS        | MASS INFORMATION CHANNELS   | SEGMENTED INFORMATION CHANNELS   | PARTICIPATIVE INFORMATION CHANNELS  |
|---------------------|---|--|---|
| <b>SHAREHOLDERS</b> | <a href="http://www.bci.cl">www.bci.cl</a> website<br>Annual Report<br>Sustainability Report<br>Shareholders' Meeting<br>Quarterly press releases   | Investor relations office, run by the planning and operating control management.<br>E-mail: <a href="mailto:investor_relations_bci@bci.cl">investor_relations_bci@bci.cl</a> , which receives queries from analysts and investors.                                   | Personalized meetings with institutional shareholders and the leading investors in the market.<br>Conference calls with analysts and investors.   |
| <b>EMPLOYEES</b>    | Bci portal/intranet<br>Annual Report<br>Sustainability Report<br>Contacto internal magazine<br>Newsletter.<br>Corporate e-mail.<br>Corporate TV channel.<br>CEO's Twitter account.  | Segmented corporate e-mail<br>Corporate TV channel   | <i>"Bci Te Escucha"</i> (Bci listens to you) program.<br><i>"Te Quiero Protegido"</i> (I want you protected) program.<br>Informative meetings<br>Area Meetings<br>Open-door policy<br>Listening to employees<br>Work environment questionnaires<br>Internal service quality surveys<br>Execution surveys                                |
| <b>CUSTOMERS</b>    | Website: <a href="http://www.bci.cl/personas/">www.bci.cl/personas/</a><br>Annual Report<br>Sustainability Report<br><i>Mirada Empresarial</i> television program (CNN-Chile).<br>CEO's Twitter account<br>E-mail: <a href="mailto:gerenciageneral@bci.cl">gerenciageneral@bci.cl</a> | Segmented and mass e-mails. Invitations to cultural, sports, recreational and informative events.<br>Text messaging (SMS) system for subsequent contact with an executive.<br>Direct Bci telephone number: 692 8000.<br>Customer service executives at all branches. | <i>Biclientes@bci.cl</i><br>Segmented and mass e-mails. Invitations to cultural, sports, recreational and informative events.<br>SMS system for subsequent contact with an executive.<br>Direct Bci telephone number: 692 8000.<br>Customer service executives at all branches.<br><a href="https://twitter.com/bci">twitter@bci.cl</a> |
| <b>SUPPLIERS</b>    | Suppliers' portal<br>Annual Report<br>Sustainability Report   | Suppliers' portal<br>Yearly supplier satisfaction survey.<br>Outstanding Supplier Award<br>Bci External Supplier Employee Award  | Monthly listen to the supplier meetings.<br>Quarterly listen to the supplier breakfast meetings.  |
| <b>SOCIETY</b>      | Website: <a href="http://www.bci.cl/accionistas/">www.bci.cl/accionistas/</a><br>Annual Report<br>Sustainability Report   | <i>Mirada Empresarial</i> television program (CNN Chile).<br>Invitations to cultural, sports, recreational and informative events.   | Corporate Reputation Ranking.<br>Most Admired Companies Ranking.<br>Most Respected Companies Ranking.<br>Corporate Image Surveys  |

# AWARDS & ACCOLADES

**Bci received various awards and accolades in different areas in 2012.**



## **BANCO OF THE YEAR IN CHILE THE BANKER**

In the traditional "Bank of the Year" award ceremony, the UK magazine The Banker – a publication of the Financial Times newspaper – distinguished Bci as the Bank of the Year in Chile. This accolade was based on the results of the annual survey of the 'top 1,000' banks in the world and it is one of the most important rankings in the industry.



## **FIRST PLACE IN THE 2012 MERCO RANKING**

Bci was awarded the "Most Responsible Company and with the Best Corporate Governance" in Chile in the Business Monitor of Corporate Reputation (MERCO) awards, the only reputation monitor verified in the world and with ISO 20252 certification. The Bank also obtained fourth place of "Companies with the Best Corporate Reputation in Chile," improving on seventh place in 2011



## **MORE FOR CHILE SEAL**

Chile's Ministry of Social Development awarded Bci this distinction for its constant participation in self-improvement and social integration projects. The distinction particularly highlights the Corporation's contribution to the Enseña Chile program and Fundación Las Rosas.

## **AWARD FOR THE COMPANY THAT TRAINED THE MOST IN CHILE IN 2012**

In the second version of the *Más Empresa* awards, the National Training and Employment Department (SENCE) distinguished Bci for being the company that trained the most employees in Chile using the tax concession.

## **AWARD FOR BEING THE COMPANY WITH THE MOST JOB APPLICATIONS IN THE LABOR FAIR**

This award by the labor website Trabajando.com was for the work by the recruitment and selection departments of Bci's corporate human resources management, which for the two days of such event received over 3,900 job applications.





**effie**  
awards  
chile

**EFFIE AWARDS, 2012,  
GOLD IN THE CONTINUOUS SUCCESS  
CATEGORY**

This is an award for campaigns that have had continuous success for three years running. The maximum gold award was given to Bci and the McCann Erickson advertising agency for the "Bci monologue communication platform." This is the leading marketing event in Chile and one of the most important in the world.

**2012 AIEP AWARD FOR YOUTH  
EMPLOYMENT**

Bci received this award from the AIEP Institute for being a "company that promotes youth employment" due to its mass job position recruitment and work contact programs..

**FIRST PLACE IN THE FAMILY CATEGORY  
OF THE QUEVEO AWARDS**

Fundación QueVeo distinguishes television content that promotes universal values like responsibility, solidarity and a spirit of self-improvement. This time, Bci was awarded first place in the family category for the spot promoting the shared value program.

**CORRESPONDENT SERVICE  
QUALITY AWARD**

Bci Factoring was ranked by its Factors Chain International (FCI) correspondents as the company with the best international factoring service quality in Chile and Latin America. In the 2012 FCI service quality ranking, Bci Factoring obtained first place in Latin America for export factoring and import factoring business. These results were published in the annual FCI meeting in Beijing, China.China.

**RUNNER-UP IN THE 2012 INNOVATIVE  
CORPORATE RANKING**

This ranking, made by Universidad de los Andes, assesses the ability of organizations to undertake systematic innovation.



PREMIO AFP DE CHILE  
**PLENUS**

#### PLENUS AWARD

Bci was runner-up in the Plenus Award given by the Asociación de AFPs de Chile for its initiatives to support senior citizens, like the partnership with Fundación Las Rosas and the Senior Employment Program.

#### THIRD MOST TRANSPARENT COMPANY IN CHILE 2012

Third place based on the Corporate Transparency Index, drawn up by the Faculty of Communications of Universidad del Desarrollo, Chile Transparente, the auditor KPMG and the consultancy firm Inteligencia de Negocios, which measures the quantity and quality of the information provided by companies.

#### 4TH SAFEST BANK IN LATIN AMERICA

According to the ranking by *Global Finance*.



#### 4TH PLACE IN THE 2012 CHILEAN CSR RANKING BY PROHUMANA

This ranking distinguishes the work of the 18 companies with the most outstanding CSR in Chile.

#### CITI PERFORMANCE EXCELLENCE AWARD

Bci received this award from Citi for its operating excellence with handling payments abroad. It received two awards for the quality of its processing of customer and inter-bank payment orders sent abroad. Both awards are given to banks whose payment processes generate minimal remarks in regard to the most demanding global standards.

#### "ABRIDORES DE ALAMEDAS" AWARD

Bci received this award from the cultural magazine Observatorio Regional for its contribution to the presence, consolidation and dissemination of cultural activities in the magazine circulation areas, i.e., the O'Higgins region and the Province of Ñuble in the Bío-Bío region.

#### SANTIAGO STOCK MARKET ACCOLADE

The Santiago Stock Market distinguished Bci for being part of the selective share price index (IPSA) 2011, on which Bci's shares were one of the 40 stocks most traded in the variable income systems of the stock market in that year. The aim of the award is to distinguish the most active institutions on the stock market.

#### AWARD FOR THE HIGHEST AMOUNT TRADED IN SIMULTANEOUS OPERATIONS IN 2011

Awarded by the Santiago Stock Market to Bci Corredores de Bolsa. This award distinguishes the most active institutions on the stock market in the year, which is large market-level recognition.

#### ONE OF THE BEST ANALYSTS FOR FORECAST ACCURACY

The Bloomberg platform ranked Bci Corporate & Investment Banking as one of the best analysts for economic activity and inflation forecast accuracy. This ranking considered the forecasts made by local, foreign and investment banks in 2012.



#### **BEST BALANCED FUND ADMINISTRATOR**

Bci Asset Management was distinguished as the best balanced fund administrator in the fourth version of the Platinum Performance Awards in Chile, organized by Fund Pro.



#### **SALMÓN AWARDS**

Three of Bci Asset Management's mutual funds won Salmon Awards for having one of the best risk-return performances in their categories in 2012. This recognition is given by the Asociación de Administradoras de Fondos Mutuos (AAFM) and the financial newspaper *Diario Financiero*. The award-winning mutual funds were Bci Global Titan, focused on global companies with a high market capitalization; Bci Gestión Global Dinámica 80 (APV), which adopts a balanced investment strategy with a limit of 80% in capitalization instruments; and Fondo Mutuo Bci De Personas, made up of debt instruments issued by institutions that operate in the domestic and foreign market.

#### **AWARD FOR DEVELOPING POSITIVE LABOR RELATIONS**

This is an award given by Fundación Carlos Vial Espantoso to the eight most outstanding companies for building internal trust. Bci received a special distinction for its constant work to improve employee quality of life.



#### **AWARD TO THE FINANCIAL SERVICES COMPANY WITH THE LOWEST WORK ACCIDENT RATE**

The National Safety Council held the 2011 award ceremony of the 54th version of the Annual Safety Competition, giving six awards to Bci, which included the National Safety Council Award for companies with the lowest work accident frequency rates in their categories. Bci has won this award for 16 years running.



#### **GREAT PLACE TO WORK**

Bci was once again selected as one of the 25 best companies to work for in Chile, and was ranked in 24th place out of a total of 84 companies participating. The survey was conducted for the third year running by the international consultant Great Place to Work.

#### **RISK PREVENTION EXCELLENCE AWARD**

Given by the Chilean Safety Association and ranking Bci above other brokers, banks and retail companies.

# A FIGHTER

.....  
**Víctor Sáiz**  
.....

Trying to find a better way to move around in my wheelchair inspired me to start my project: "Trum Handcycles".

Just after I entered the university to study industrial design, I built my first model. I realized that the freedom and happiness I experienced when using my "bicycle" was something that I wanted to share with others who are disabled. This motivation led me to become an entrepreneur.

I started to look for ways to finance the project, which was a process I found very tedious and difficult. I had to tell my story thousands of times. I could tell from the expressions that many people I spoke to doubted the practicality or even the possibility of my idea, or they just didn't understand. With Bci everything changed.

They loved my idea right away, and most importantly they understood that it could change thousands of lives. Bci was like a friend, and besides lending me the money I needed, they joined with me in becoming part of this dream of mine. They listened respectfully to the way I envisioned the business and they offered guidance and strategies to help me bring it to life.

I hope that my idea can be transformed into a profitable business, and in turn, generate a wealth of opportunities for handicapped people who are immensely efficient, committed and responsible.

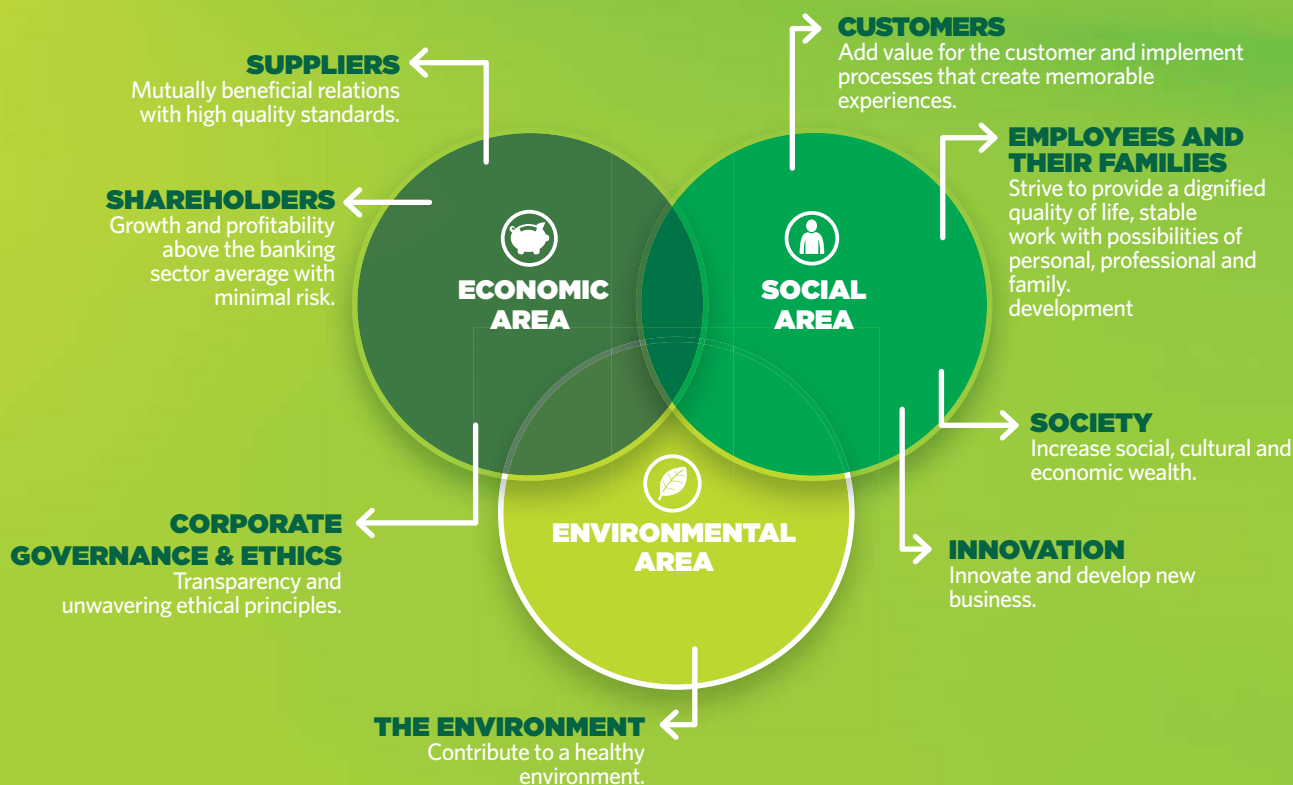
.....  
**GREAT ENTREPRENEUR BCI AWARD 2012**





# 02.

## SUSTAINABILITY MODEL



Bci seeks to enhance the economic, professional, moral and spiritual well-being of employees. These variables are therefore considered in its policies and action to fulfill its mission of becoming "regional leaders of innovation, customer closeness and experience, and be renowned as the best company to work for and develop."

In 2012, this commitment was bolstered with the inclusion of the shared value<sup>7</sup> concept as the way Bci will develop its business. The aim is to raise the competitiveness of the company

and in turn improve the economic, social and environmental conditions of the environment in which the company operates.

From this standpoint, the corporate social responsibility model has a totally strategic focus, as all the action undertaken by the Corporation in this area should be connected to its business. It therefore acknowledges the interdependency of the company and the environment and seeks to create value for the Corporation and the environment.

All the strategic targets defined in this action framework are therefore embedded in the Balanced Scorecard (BSC)<sup>8</sup>. By means of this change management and planning program, the Bank considers objectives, goals and evaluation systems in which all corporate areas participate. The Corporation thereby manages its sustainability model.

## AREAS OF ACTION

Bci strives to maintain close relations with the community and its surroundings by means of the principles of corporate social responsibility (CSR). To such end, in 2012 it incorporated the shared value concept, according to which it establishes a set of policies and practices it develops to support different issues of interest to the community and which generate value for the Bank and society<sup>9</sup>.

Regarding this and as a first step, two years ago Bci carried out a structured analysis that identified the economic, social and environmental impacts of the value chain, an analysis of the strengths, weaknesses, opportunities and threats (SWOT) of sustainability, and a review of current programs. This led to the design of a strategic work plan according to which the following areas of action were defined:



<sup>7</sup> Shared value refers to the set of policies and practices that raise the competitiveness of the company and at the same time improve the economic and social conditions of the communities in which it operates and legitimize it.

<sup>8</sup> A management model that helps Bci translate strategy into tactical objectives.

<sup>9</sup> The conceptual proposal of strategic social responsibility was presented by Michael Porter and Mark Kramer in their article "Company and Society," Harvard Business Review, 2006.





# INITIATIVE



.....  
**Ximena Ovalle / Trinidad Fernández**  
.....

A few years back, we were skiing in Canada when we suddenly saw a skier open his backpack and take out an object and instantly prepare an espresso coffee.

In that moment we thought we had to find a way to import that product to Chile. We contacted company that manufactured this product in France and in February of 2012 we came to the agreement that our business, Comercial Valle Lavanda Ltda, would be the exclusive representative of Handpresso in Chile.

We presented this business to Bci Nace, who showed confidence in us from the beginning. They supported us financially and they also helped with publicity in television and with exposure at their fair for large entrepreneurs. This quick and seamless process allowed us to receive our first imports at the end of March of the same year.

In the near future we will begin importing other innovative and ecological products, as always with the help of Bci, to whom we are very grateful.

# 03.

## CUSTOMERS & SUPPLIERS

### CUSTOMERS

By means of its network of 388 branches in Chile and a remote channel platform, which includes Banca Móvil (Mobile Banking) and the corporate Call Center, Bci offers financial solutions to the productive sector and individuals. With a modern organizational structure based on divisions and business units, in 2012 the Corporation enhanced its support of entrepreneurs as part of the shared value concept and continued to develop its customer experience model, based on which it aims to become the best bank in Chile and the region for service. Most of the initiatives seek to attain the bankarization of sectors that would otherwise have no access to the traditional financial system and facilitate the paperwork, making it clear, simple and quick.

388  
BRANCHES



| DIVISION                                  | DESCRIPTION   | BUSINESS UNITS  | MAIN 2012 HIGHLIGHTS  |
|---|---|---|---|
| <b>RETAIL BANKING</b>                     | Its service platform has over 5,000 employees, 380 branches in Chile and remote channels like the Call Center (Telecanal), the internet and mobile devices. This division offers solutions for loans, saving and protection of people, entrepreneurs and small businessmen.   | Personal and entrepreneurial banking<br>T-Banc<br>Bci Nova  | In 2012, retail banking had 15.7% growth of total loans. In the consumer area, this year-on-year increase was 13.6%, which positioned Bci as the bank with the highest market share.  |
| <b>CORPORATE &amp; INVESTMENT BANKING</b> | Established in 2011, the aim of this division is to provide innovative value-added financial services and products to large corporations, financial institutions and large capital and financial market investors. Its service model is based on customer closeness and knowledge and the ability to detect opportunities from the coordinated work of all its areas. | Corporate Banking<br>Corporate Finance<br>Sales & Trading<br>Private Banking<br>Bci Asset Management<br>Bci Corredor de Bolsa<br>Bci Estudios<br>International Area | The Corporate Finance area led the placement of corporate bonds in the Chilean market, while Private Banking and Bci Asset Management launched thematic mutual funds. The latter once again received FundPro Performance, Salmon and LVA Índices awards.        |
| <b>COMMERCIAL BANKING</b>                 | This division meets the financial needs of companies with sales of over UF12,000 a year, with a range of products and services it provides through the Bank's areas and channels, like branches in Chile and overseas, Bci's subsidiaries and representative offices.   | Wholesaler<br>Large corporations and real estate<br>Institutional<br>Companies and businessmen<br>Factoring<br>Leasing<br>Transactional banking                     | In 2012, Commercial Banking continued to enhance its SME support by developing innovative solutions especially designed for this segment. It launched Bci shared value, an initiative aimed at contributing to the country's development by driving enterprise. |



**For Bci, shared value is a sustainable way of doing business, which addresses an urgent need of society of financing new enterprise.**

## SHARED VALUE

From the standpoint of what Bci offers its customers, the big highlight in 2012 was the embedding of the shared value concept in its business strategy.

Based on the concept created by the US economists and academics Michael Porter and Mark Kramer, this initiative envisages the Corporation's businesses including products and services with a high social value and which seek to generate a real improvement of the standard of living of the population<sup>10</sup>.

Convinced of its strength in this area, Bci decided to focus this program on designing and developing innovative solutions aimed at entrepreneurs, a segment that has always been one of the corporate priorities. It is characterized by its large ability to generate employment, create new economic opportunities and make a contribution to the country's growth, which is a key aspect of the national challenge of making Chile a developed country by 2020.

For Bci, shared value is a long-term vision, a sustainable way of doing business that in practice addresses an urgent need of society of financing new enterprise, which is a modern vision of the role of the company and its economic and social contribution to the country's development.



This challenge arises from a diagnosis made by the Bank about the current business environment, whose main aspects are:

**The certainty that poverty and social development are not just the government's concern but are the responsibility of the whole of society and particularly companies.**

**A poor evaluation of companies and businessmen from the market standpoint.**

**Consumers increasingly more demanding and empowered, and who are demanding their right to a better quality of life.**

**Consumers increasingly more in tune with care of the environment and concern for their social surroundings.**

<sup>10</sup> The shared value model was created by the US economists and academics Michael Porter and Mark Kramer in 2002. The latter visited Chile in 2012 to give a talk to Bci's senior management.



**BCI SHARED VALUE:**  
**FULFILLING THE DREAMS**  
**OF OUR CUSTOMERS AND**  
**AT THE SAME TIME CONTRIBUTING**  
**TO THE COUNTRY'S ECONOMIC,**  
**SOCIAL AND ENVIRONMENTAL**  
**PROGRESS.**



## BCI NACE

One of the most important decisions made by Bci in 2012 as part of applying shared value was to convert the Nace CSR program into a new business line. This project arose in 2006 to make it easier for entrepreneurs to gain access to financing at an early stage. Up to 2011, it had benefitted 3,000 entrepreneurs with financial products equivalent to Ch\$30 billion.

In 2012, by gaining a corporate nature the commercial target was set of adding 4,000 new customers. By the end of December, the target had been achieved with 4,500 entrepreneurs served (which resulted in creating over 12,000 jobs, if you consider that each enterprise involves at least three jobs) and a loan volume of Ch\$35 billion.

For its execution in a business format, Bci modified the service processes of this segment to make them faster and more efficient, it created special financing lines, trained its commercial staff and modified its risk policies in this area, among other initiatives.

Bci Nace is currently the only program in the Chilean banking sector whose aim is to help entrepreneurs - be they customers of the Bank or not - fulfill their dreams from the outset of their enterprises. The program provides a checking account plan, support networks and special financing which considers working capital, leasing, factoring, state-secured loans and loans for foreign trade.

The objective of Bci Nace in 2013 is to carry on enhancing the support of entrepreneurs from an early stage and drive inclusive, social and environmental enterprise, with the understanding that by means of these projects the impact on the community can be even greater.



**Bci Nace is the only program in the Chilean banking sector whose aim is to help entrepreneurs fulfil their dreams from the outset of their enterprises.**

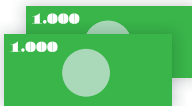
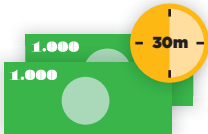

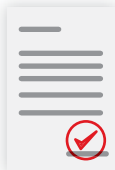

## **BCI NACE FEATURES**

|  |  |
|--|--|
| <b>SIMPLE REQUIREMENTS</b>                               | To gain access to Bci Nace, the company must be legally established, be registered in the Chilean Internal Revenue Service (IRS), have a least 18 months of invoicing and not be a successor company of the line of business. No financial or sales record is requested, just a business plan and an estimated cash flow. The project is assessed from zero.   |
| <b>VALUE OFFERING ARISING FROM A CO-CREATION PROCESS</b> | To develop the Nace offering, Bci held meetings with entrepreneurs and groups of this customer segment, like the company Cowork and the Asociación de Emprendedores de Chile (ASECH) to identify their real needs. Proposals arose from this process, like the Bci Empeñe loan, a special working capital line for those just starting up and a credit card with discounts for using hubs.   |
| <b>MULTICHANNEL STRATEGY</b>                             | Bci developed a website on which entrepreneurs can apply to Nace. This platform has various support tools, like the enterprise manual, information on legal and tax aspects of the enterprise, and an enterprise calculator so those interested can estimate the initial business investment before requesting the Bank for financing. Bci received 1,000 applications on this portal in 2012, which were then channeled by means of branches. |
| <b>BCI NACE IS MORE THAN FINANCING</b>                   | Bci aims to provide a support network to the entrepreneur segment, ranging from incorporation to university business incubators in the initial start-up stage to a permanent guidance plan with training and meetings to establish business contacts.  |
| <b>RISK MANAGEMENT</b>                                   | Bci constantly follows up on its project portfolio. The objective is to follow those cases that might deteriorate so they do not totally fail. In an imminent situation of this kind, the Bank encourages a quick crash so the entrepreneur can change the approach and start again.   |
| <b>FAST AND SPECIALIZED SERVICE</b>                      | The processes of raising financing for entrepreneurs take months. Bci Nace aims to shorten those times. The objective is for the program to give a reply in a similar timescale as that of the Bank standards. Regarding this, offices have been given tools so that for simple projects the request is answered as soon as possible.  |
| <b>EMPOWERED COMMERCIAL EXECUTIVES</b>                   | To make Nace a mass and transversal program throughout the Corporation, Bci decided to empower all the executives of its commercial line so they can efficiently resolve operations and give entrepreneurs a quick solution. To such end, the Bank developed special evaluation sheets enabling this sales force to approve loans of up to Ch\$10 million immediately.   |

## SME PRODUCTS & SERVICES

Commensurate with the shared value spirit, in 2012 Bci continued to make progress with consolidating its proposal for small and medium-sized enterprises (SMEs), the preferred business of the Bank according to the statement made by the Board of Directors in 2008. The aim of the Corporation in this area is to forge long-term relations with

SMEs to maintain the distinction of being “The SME Bank,” currently given it by its customers and most of the market. The main initiatives launched for this in 2012 were:

| INSTANT CASH   | INSTANT CASH FOR NON- CUSTOMERS   | MULTILINE   | TOTAL ADVANCE  | NEW SME WEBSITE  |
|--|---|---|--|--|
|                           |  |    |                               |   |
| An automatic financing line was created with offers of loans approved instantly for over 70% of customers. | This innovation gives a reply on financing to non-customers in just 30 minutes.   | This is working capital financing online 24 hours a day 7 days a week, with immediate availability of financing deposited in checking accounts. It is easy to process without paperwork or formalities. | This is a new factoring product, whose main feature is to advance the total amount of invoices submitted to Bci. | This cutting-edge platform ( <a href="http://www.bci/empresarios.cl">www.bci/empresarios.cl</a> ) is simpler, more direct, easier and faster to use. It enables the customer to finance, buy and/or pay, according to needs. |

## SMALL-SIZED ENTERPRISE A BUSINESS WITH PROJECTION AND A HIGH SOCIAL IMPACT

Small-sized enterprise is another business line that Bci really bolstered in 2012 and which really meets the shared value principles, although it does not form part of this program.

Small-sized entrepreneurs account for 90% of all companies established in Chile and for about 40% of formal employment. This business comprises enterprises with sales of up to UF2,400 a year, whose main feature is their unstructured management processes. This category, also called enterprise due to need or working independently, ranges from the neighborhood store owner to the taxi driver, including the stall owner in open-air markets, the hairdresser and furniture maker, the kinds of customers who are often the breadwinners of their families and who increasingly need simple financial instruments and a high service level.

In 2011 after two years of experience with handling this group, Bci redesigned the service model to reach a larger universe of potential customers. It gave up the traditional evaluations, which involved requesting formal background information, to focus on a kind of more innovative, empathetic rapprochement with the small-sized entrepreneur and always onsite.

Hence, in 2012 the Corporation developed a new small-sized entrepreneur service format, which is scheduled to be launched in early 2013 and is designed to be the key factor in achieving Bci's major objective of becoming the leading private bank serving small-sized enterprise in Chile by 2014. The executive onsite plays the main role in this system, who is in charge of generating trust with the customer and is responsible for applying in situ an evaluation test especially designed for this.

The highlights of this new form of engagement are (see diagram below):

It is estimated that this change in sales methodology will be fully operating at all Bci's branches in Chile in May 2013. By the end of the year, the Corporation's commercial target is to reach 21,000 new customers with its new small-sized enterprise banking. The aim is to reach 50,000 new customers by late 2014.

**Bci aims to become the leading private bank serving small-sized enterprise.**





## MAIN INITIATIVES

To make progress with the challenge of supporting SMEs, in 2012 Bci developed the following initiatives:

### BCI BUSINESS MEETINGS

Organized by the Bank, these are free meetings whose objective is to bring together in one place entrepreneurs and SMEs with businessmen, chambers of commerce and large purchasing companies to thereby generate new commercial contacts and possible business openings. In these meetings, entrepreneurs show their products and services and can also receive counseling and financing from Bci. Since they were created in 2008, they have brought together 2,687 companies (2,351 SMEs and 328 purchasing companies) and led to 16,051 meetings, in which business estimated to be over Ch\$200 billion has been done. In 2012, Bci held business meetings in Santiago and Antofagasta, attended by 584 companies and with 3,300 business meetings.

### BUSINESS MEETING HIGHLIGHTS 2008-2012

|                         |                      |
|-------------------------|----------------------|
| PARTICIPATING COMPANIES | 2,687                |
| MEETINGS SCHEDULED      | 16,051               |
| VOLUME OF BUSINESS DONE | \$200,000<br>BILLION |





### **PARTNERSHIPS WITH ENTERPRISE CENTERS, BUSINESS ASSOCIATIONS, UNIVERSITY BUSINESS INCUBATORS AND STATE BODIES**

As part of the launch of the Bci Nace program, the Bank entered into partnerships with university business incubators like those at the Pacífico, La Frontera and Desarrollo universities. With the latter it also organized training workshops aimed at Nace customers. In the education area, jointly with Pro-SME it also visited six regions of the country giving talks to entrepreneurs. It also has agreements with Chile's Economic Development Agency (CORFO<sup>11</sup>) and technical cooperation service (SERCOTEC<sup>12</sup>), and attended the 2012 version of the Catholic University-SME workshop, through which Bank customers can get advice from mentors to improve the performance of their businesses.

### **OUTSTANDING BUSINESSPERSON OF THE YEAR AWARD**

In 2012, Bci celebrated the 10th version of this award for the outstanding businessperson of the year in different categories with authorities and renowned businesspeople as the judges. The winner of this version of the Bci award was the disabled entrepreneur Víctor Sáiz, a customer of Nace and creator of the company Trum, through which he markets a bicycle for the disabled designed by him.

### **MIRADA EMPRESARIAL (BUSINESS AT A GLANCE) TV PROGRAM**

This TV program broadcasted by CNN Chile aims to help the development of SMEs by providing management analyses, experiences and tools. It is also an opportunity for Bank customers to make known their stories and promote their products and services.



### **RENACE PROGRAM**

The Renace Renewed Enterprise Support Program was created by Bci in 2006 as a way of giving a second chance to the business recovery of those customers and former customers of the Bank who, despite their business failure, always paid their debts.

As part of the CSR policies of the Corporation, this project aims to reinsert these entrepreneurs in the financial system by giving them special financing to recover and re-launch a business, for which it has a fund of Ch\$10 billion a year.

To grant this financing, the Bank makes a thorough assessment ranging from the reasons for failure and the experience gained by the entrepreneur from this, to the outlook of the new project the entrepreneur aims to start.

Candidates to be benefitted with this line are proposed by the commercial executives who attended them, based on their commercial history and that they always tried to pay their debts, which gives the program a large shared value component.

In 2012, Bci approved a hundred enterprises as part of this initiative. The Corporation's objective in 2013 is to drive Renace with a mass relaunch and greater involvement of employees of the different offices and higher profile of those who managed to recover due to the support received from the Bank.

<sup>11</sup> [www.corfo.cl](http://www.corfo.cl)

<sup>12</sup> [www.sercotec.cl](http://www.sercotec.cl)



## FINANCIAL EDUCATION

**To promote financial education in society and strengthen the concepts of saving and responsible debt, Bci developed the Financial Peace of Mind program.**

Designed as a vehicle through which the Corporation can establish long-term customer relations, the value proposal Bci offers entrepreneurs is not just limited to the development of financial products. It involves a kind of guidance in all the development stages of the enterprise, with the idea of meeting each of the needs that arise in its consolidation process.

In the light of this and based on the shared value principles, the aim of the Bank is to help create a sound enterprise ecosystem in Chile, which can meet the incubation, training, recognition, positioning and continual guidance needs of this segment.

To promote the financial education of people and strengthen the concepts of saving and responsible debt, since 2008 Bci has developed the Financial Peace of Mind program. This initiative considers mass training activities, which this year attempted to reach a larger public than that of Nace customers, than that at which this program was originally aimed. Such activities included:

### TALKS IN MUNICIPALITIES

Four talks a month a month were arranged, attended by 1,327 people, of whom 815 were women. Debt consolidation was one of the issues with the greatest interest. 90% of the participants in these workshops evaluated the topics discussed as good or very good, according to the satisfaction survey Bci conducted at the end of each training session.

### BANKING CLINICS

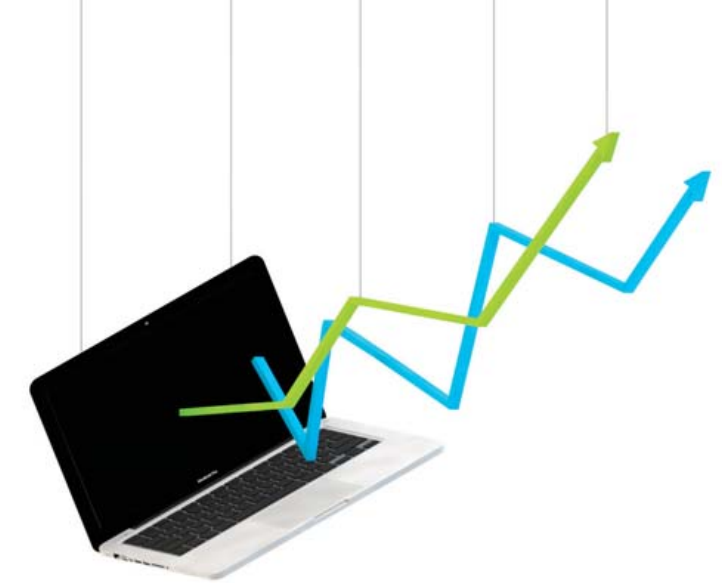
These clinics were held outdoors to give all those interested the chance of learning about responsible finance. In 2012, four of these events were held in Peñalolén, Villa Alemana, Coquimbo and San Bernardo and were attended by 1,157 people.

### WEBSITE [WWW.TRANQUILIDADECONOMICA.CL](http://WWW.TRANQUILIDADECONOMICA.CL)

This open access platform contains online courses on personal finance. They include courses on loans offered in the market and those that delve more into the features of credit cards and insurance.

### "FINANCIAL EDUCATION FOR PEOPLE" SPECIAL SERIES

This project was the greatest innovation of the Financial Peace of Mind program in 2012. It entailed the six-month publication of a fortnightly column in the El Mercurio and Las Últimas Noticias newspapers, whose content was designed by Bci and specialists from the Universidad del Desarrollo. The objective of the series was the mass, entertaining and



didactical dissemination of basic concepts of personal finance, like investment alternatives, financing, risk level and tax. The initiative also considered the development of a mini website on the Emol.com portal with information on these same topics.

The target set by the Corporation for 2013 is to reach even more people who will benefit from this program with fewer initiatives but with a larger reach.







## TRANSPARENCY

For Bci transparency is a key aspect of its objective of generating long-term customer relations based on trust and mutual benefit. That is why the Corporation has introduced transparency practices since 2005 as one of the core aspects of the organizational culture to become a benchmark on this issue in the Chilean banking sector.

In 2011, this work led to the implementation of 14 transparency measures aimed at enhancing information and guarantees given to customers, some of which was deemed to be cutting-edge in the sector. This effort, along with improvements Bci had been making to information provided to investors, particularly through the corporate website, resulted in the Bank gaining first place in the corporate transparency ranking made by the consultancy firm Inteligencia de Negocios and Universidad del Desarrollo.

In 2012, in addition to continuing to make progress with transparency towards customers, Bci focused on its employees with the aim of consolidating the concept of transparent conduct in the corporate culture and improving internal processes to make this pillar a more transversal feature of operations.

The following were the highlights of Bci's transparency performance in 2012:

#### **DISSEMINATION CAMPAIGN AND INTERNAL COMPETITION TO GET PROPOSALS FOR IMPROVEMENT**

By means of Transparency, a corporate communication channel, the Bank informed all its employees of the measures it is applying to enhance this conduct model. In June, it also summoned employees to participate in a brainstorming competition to improve transparency in processes and management. 240 proposals were received, two of which were finally awarded prizes, and there is now the challenge of putting them in place in 2013.

#### **FOUR NEW CORPORATE TRANSPARENCY MEASURES**

In addition to the 14 measures with which Bci ended 2011, four further measures were added in 2012:

- 1. CLEAR RATES**
- 2. IMMEDIATE REFUNDS**
- 3. MORTGAGES WITH INTEREST SAVINGS**
- 4. EDUCATIONAL BANKING VIDEOS**
- 5. FREE FINANCIAL COURSES AND CLINICS**
- 6. SERVICE CHANNELS AT ANY TIME**
- 7. COMPLAINT FOLLOW-UP**
- 8. ACCESS TO THE CEO**
- 9. CUSTOMER OMBUDSMAN**
- 10. COMMISSION STATEMENTS**
- 11. RETURN GUARANTEE**
- 12. PRO SMES**
- 13. CLEAR CONTRACTS**
- 14. LOAN COMPARISONS**

#### MEASURE

# 15

**PARTNERSHIP WITH  
CHILETRANSPARENTE**

#### MEASURE

# 16

**SPECIALIZED  
SERVICE FOR BCI  
INSURANCE**

#### MEASURE

# 17

**INVESTMENT  
COUNSELING**

#### MEASURE

# 18

**MORE INFORMATION  
ON THE EMERGENCY  
CREDIT LINE**



#### **FOCUS GROUP WITH CUSTOMERS ON THE CONCEPT OF TRANSPARENCY**

The objective of this initiative was to really find out the opinion and experience of users to thereby identify product and service improvements. In this same customer area, the e-mail address [bcitransparente@bci.cl](mailto:bcitransparente@bci.cl) was added to the communication channels developed to receive their queries and proposals, like the Internet Helpdesk, text messages (SMS) and Twitter to channel these concerns with greater efficiency. Likewise, we continued with the financial education action envisaged in the Financial Peace of Mind program (see more about this on page 40).

#### **REINFORCEMENT AND COMMUNICATION OF STRATEGIC SECURITY ISSUES**

We enhanced customer protection and drove improvements to contracts and product information through the website. We also disseminated the regulations of the SERNAC Financiero (consumer protection agency for financial matters).

The Bank's objectives for transparency in 2013 are to:

- » Include the concept of transparency in subsidiaries. Regarding this, in late 2012 we started to work with the insurance and investment areas and we hope to reach other areas, like for example stockbrokers, in the first half of 2013.
- » Continue driving employee transparency, re-editing the internal improvement brainstorming competition. A plan will also be developed to include transparency in training models and in the new employee induction process.





## THE CUSTOMER EXPERIENCE

Always in line with its aim of having stronger and longer-lasting customer relations, and enhancing the transparent management concept, Bci has set a challenge of becoming the best bank for service experience and services.

For the Corporation, this objective concerns really knowing the aspirations and dreams of its customers and attaining a bond with them that transcends mere commercial interaction and exceeds all expectations, exceeding the daily task of providing solutions for each need.

Commensurate with this, in 2012 Bci's work had four large milestones:

### 1. THE CUSTOMER EXPERIENCE AND CORPORATE IMAGE MANAGEMENT WAS CREATED

Esta nueva unidad le reporta directamente al Gerente General y tiene por finalidad reforzar la estrategia pro cliente del Banco y dar mayor visibilidad interna a todos los temas vinculados a este proyecto.

### 2. A NEW BUSINESS MODEL WAS DEVELOPED IN THE DIFFERENT INTERACTION CHANNELS,

which made changes to processes and technology, and the work environment, and all with the common aim of **"making dreams come true with relations of trust throughout the life of our customers."** In this context, the corporate website was redesigned to make it easier to use, and it was complemented with information and services, guaranteeing interaction through which users can send their enquiries, requests and complaints. Training was also boosted and the induction and selection systems were redesigned to align them with the common aim, to focus them on seeking service-orientated employees.



### 3. A NEW “CUSTOMER EXPERIENCE” MODEL WAS LAUNCHED AS A PILOT PLAN AT 26 BRANCHES, whose main pillars are:

#### PILLARS





- 1. GOLDEN RULES:** set of commitments regarding employees, the environment and process, which the branch must comply with every day and at all times.
- 2. SERVICE PROTOCOLS ACCORDING TO COMMUNICATION MEDIA:** rules that define how each branch position is to interact with the customer directly, by phone or e-mail.
- 3. WAITING MANAGEMENT:** transforming the wait into a positive experience by means of multiple interventions.
- 4. HOMEOWNER’S ROLE:** role of the branch head and business center assistant manager as an example and overseer of the best practice and experiences implemented in the branch.
- 5. HOST’S ROLE:** reinforce the role of the person who welcomes customers, redirects them and resolves issues in branches.
- 6. FLEXIBLE CHOREOGRAPHY:** definition of the activities of each position in the branch based on the customer flow there is at various times in the day.
- 7. EXPERIENCE MODULES:** in the environment, processes and employees of branches, according to the needs of significant customer clusters in such branch.

#### BRANCHES

- Macul (Branch and Business Center)
- La Concepción
- La Dehesa
- El Rodeo
- Bicentenario
- Las Tranqueras
- Las Condes (Branch and Business Center)
- Clínica las Condes
- Estoril
- Los Trapenses
- Padre Hurtado
- Juan Montalvo
- Luis Carrera
- Mall Plaza Alameda
- Moneda
- Padre Hurtado Norte
- Plaza San Pío
- Rosario Norte (Branch and Business Center)
- Subcentro Escuela Militar
- Santa María de Manquehue
- Cantagallo
- Luis Pasteur
- Camino El Alba
- San Carlos de Apoquindo
- Antofagasta (2 Branches and 1 Business Center)
- Concepción (2 Branches)

**4. DEFINITION OF FOUR EXPERIENCE CRITERIA** to focus all employee conduct towards the customer, considering that they are in charge of making the Bank's principles and values a reality on contact. These criteria are:

**EXPERIENCE CRITERIA**

| SAFETY   | PROXIMITY   | DILIGENCE   | IMAGE  |
|--|---|---|--|
| <p><b>ENSURE THEIR SECURITY</b></p> <ul style="list-style-type: none"> <li>» I am trustworthy.</li> <li>» I provide continuity in the transaction.</li> <li>» I ensure the equity of the client and the Bank</li> <li>» I act with transparency.</li> <li>» I ensure that customer information is safe-guarded.</li> </ul> | <p><b>BUILD AUTHENTIC RELATIONSHIPS</b></p> <ul style="list-style-type: none"> <li>» I get to know my clients and coworkers and take genuine interest in them.</li> <li>» I put myself in their place.</li> <li>» I take responsibility for their needs.</li> <li>» I always act with Bci's "attitude of service".</li> </ul> | <p><b>ASSESS AND EXECUTE</b></p> <ul style="list-style-type: none"> <li>» I follow through on promises with timely and appropriate actions.</li> <li>» I have the knowledge that I need.</li> <li>» I make life easier for clients and I keep them consistently informed.</li> <li>» My work is always impeccable, detailed and first rate without errors.</li> <li>» I am adept.</li> <li>» I anticipate what could happen.</li> </ul> | <p><b>PROJECT BCI'S VALUES IN EVERY ACTION</b></p> <ul style="list-style-type: none"> <li>» I act with integrity, respect and excellence.</li> <li>» I care for my personal image and the image of my team.</li> <li>» I maintain an impeccable work environment.</li> <li>» I take pride in being a part of Bci.</li> </ul> |
|   |    |    |   |





Due to these efforts, in 2012 Bci consolidated the growing level of customer satisfaction it has had since 2009, and which it measures with its own surveys focused on some of the distinctive aspects of its strategy. The highlight of this progress was the satisfaction with the account representative increasing from 79% to 82% 2011 through 2012 and the satisfaction with the loan process rising from 85% to 90% the fourth quarter of 2011 through the same period in 2012.

#### SATISFACTION WITH THE ACCOUNT REPRESENTATIVE

| YEAR       | 2010 | 2011 | 2012 |
|------------|------|------|------|
| PERCENTAJE | 78%  | 79%  | 82%  |

#### SATISFACTION WITH THE LOAN PROCESS

| FOURTH<br>QUARTER<br>2009 | FOURTH<br>QUARTER<br>DE 2010 | FOURTH<br>QUARTER<br>DE 2011 | FOURTH<br>QUARTER<br>DE 2012 |
|---------------------------|------------------------------|------------------------------|------------------------------|
| 78%                       | 89%                          | 85%                          | 90%                          |

#### NET SATISFACTION WITH THE BCI INTERNAL AREA SERVICE QUALITY

| H 1º.<br>2009 | H 2º.<br>2009 | H 1º.<br>2010 | H 2º.<br>2010 | H 1º.<br>2011 | H 2º.<br>2011 | H 1º.<br>2012 | H 2º.<br>2012 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 54%           | 57%           | 52%           | 68%           | 71%           | 72%           | 71%           | 74%           |

## NEW DISTRIBUTION CHANNEL STRATEGY

In 2012, after concentrating the distribution channel management in one single new management, Bci designed a strategy in this area to transfer its experience in a standardized way to the final customer and make product and service delivery more efficient.

The key aim of the model, whose full development is scheduled for 2015, is to take charge of the changes in customer behavior and customs with the use of the channels and help the business from the standpoint of optimizing resources. This is based on two realities detected by the Bank and seen as key factors in the Corporation's future sustainability:

- » The change observed as of three years ago in the way customers interact with the Bank. This situation leads to fewer users coming to branches and growing use of digital and mobile devices to perform transactions.
- » The steady increase in the costs of the traditional distribution models, compounded by the shortage of outlets for rent, the more costly hiring of staff due to the high employment rate and the expenses of adapting to new regulations.

Bci's new channel strategy raises the challenge of thoroughly knowing customer behavior towards the Bank and based on this information designing a segmented, efficient and economically attractive service model for the Corporation. To such end, in 2012 initiatives were carried out like:

**In 2012, Bci's retail banking sales through non-traditional channels accounted for 43% of the total. In 2010, that figure was 20%. The Bank forecasts that by late 2013 they will be 50%.**



- » Research to find out the so-called “customer route.” The aim of this study is to design service formats that mix different physical and digital channels based on the target segment.
- » A distribution channel via mobile devices, launched in November 2012, which includes smartphones, tablets and other similar digital devices. The initial results confirmed this platform as a key element in the strategy for 2015. In a month and a half it channeled Ch\$1 billion, a considerable figure if you consider that Bci sells Ch\$90 billion through the already consolidated Web support platform.

The targets set by the Corporation for its channel strategy in 2013 are to:

- » Develop new systems and devices through which customers can interact instantly with Call Center executives from their digital devices or remote channels. Click To Call with screens for chat from the web and mobile devices and the videobanking concept on ATMs are in this category.
- » Address the new corporate challenges of this new banking model with specific plans and programs: growing investment in technology, the definition of the new employee profiles and the creation of a storage and large data volume management system with its implications in terms of customer security and privacy.

## SUSTAINABLE PRODUCTS

To adapt its value offering to the emerging interests of its customers and at the same time make it consistent with the Bank's statements and guidelines on environmental care, in 2010 Bci launched an unprecedented Carbon Neutral Checking Account Plan. The product, which does not consider checkbooks, envisages the neutralization of the impact that making and maintaining it has by purchasing carbon bonds or planting trees in squares or parks in vulnerable sectors.

The Bci Carbon Neutral Card, the first of its kind in Chile and which is made from sustainable materials, was added to this service in 2010.

To continue reaching the widest sectors with these solutions, in 2012 Bci carried out three dissemination and positioning campaigns:

1. Customers who paid their vehicle registration fee in March with their Carbon Neutral Credit Card received a greenhouse gas (GHG) compensation certificate for 5 tons of CO<sub>2</sub>, which is the average car emission in a year.
2. As part of the Earth Day celebration, in April the benefits of the Carbon Neutral Credit Card were enhanced with a communication campaign.
3. In November, all cardholders were invited to sign up for their account statement to be sent by e-mail. For every ten customers that did so, the Bank pledged to plant trees in a sector of Patagonia. Due to this initiative, Bci finally managed to plant 305 trees in the area.

In late 2012, there were 110 Carbon Neutral Checking Account Plan customers. The Bank's objective in 2013 is to carry on enhancing this product with more dissemination and new features.



## SUPPLIER RELATIONS

Suppliers are a key factor in Bci's mission. The Bank aims to establish relations of mutual benefit and loyalty with them over time with dealings based on the highest quality standards and on principles like compliance and transparency. In 2012, national suppliers accounted for 98.2% and foreign suppliers for 1.8% of the 1,424 suppliers, 10% more than in 2011.

The Corporation classifies its suppliers into two categories: occasional suppliers and recurring suppliers. This latter group comprises 400 companies and on which the Bank focuses empowerment.

In line with Bci's ongoing focus on SMEs, particularly with the aim of supporting enterprise as part of shared value, the Corporation has driven measures and programs to support its suppliers since 2007.

In 2011, this work was distinguished by the Ministry of Economy, Development and Tourism awarding Bci the ProPyme (Pro-SME)

Seal, which is awarded to all those companies that pay their suppliers within 30 days. This is a reward for the effort made by the Bank on this issue and it ended 2011 with average invoice payment of 4.39 days based on a study made by PWC. Bci thereby became the first company to secure this seal.

In 2012, the work of the Corporate Procurement and Supplier Management, which is in charge of the Bank's strategy in this area, was mainly focused on bolstering the supplier interaction channels, recognizing their work of excellence and starting to align the performance of these external companies with the "customer experience" criteria defined by Bci.

**Bci focuses on Empowering the 400 recurring suppliers.**

Some of the highlights of the Corporate Procurement and Supplier Management's work throughout the year were:

#### LAUNCH OF THE SUPPLIER PORTAL

The pilot plan of this platform is aimed at the concept of self-service to speed up supplier queries, and direct and immediate feedback to the Corporation. By means of this website, suppliers can find out about the status of their invoices and purchase orders, make comments in a field called "Wall" and access informative and didactical material, like Bci's procurement policy and the activities considered in the Outstanding Supplier Award. In late 2012, around 100 suppliers were using this tool. The objective is for all the 400 preferential suppliers of the Bank to be using it by late 2013.

#### BREAKFAST MEETINGS AND DIRECT DIALOGUE

These meetings continued for the Corporation and suppliers to talk and listen to each other. In 2012, seven breakfast meetings were arranged, each of which with an average of 12 supplier company representatives.

#### BCI OUTSTANDING SUPPLIER AWARD

The Bank received 128 entries in 2012 for the successful four version of the Outstanding Supplier Award 2012, 38 more than in 2011.

#### BCI OUTSTANDING EXTERNAL SUPPLIER EMPLOYEE AWARD

Besides the traditional Bci Outstanding Supplier Award, in 2012 it added an incentive for the best external supplier employee. With this initiative the Bank aimed to distinguish the service excellence of supplier company employees. To such end, it asked the Bank's own employees to send in their candidates for the award categories defined based on customer experience criteria. About 300 entries were received, of which a panel of judges decided on four winners and two honorable mentions.



#### OUTSTANDING SUPPLIER AWARD WINNERS 2012

| CATEGORY                     | WINNER               |
|------------------------------|----------------------|
| OUTSTANDING TRACK RECORD     | MCCANN-ERICKSON S.A. |
| INNOVATION AND FUTURE VISION | ODIS CHILE LTDA.     |
| BEST CUSTOMER EXPERIENCE     | INDEXA S.A.          |
| CSR                          | QUALITZ              |
| ENTERPRISE                   | PRONTO HOGAR S.A.    |

#### OUTSTANDING EXTERNAL SUPPLIER EMPLOYEE AWARD WINNERS 2012

| CATEGORY      | COMPANY         | NAME                  |
|---------------|-----------------|-----------------------|
| APPROPRIATION | BLUE BYTE       | LORETO GATICA CHIARA  |
| EXCELLENCE    | SOLUSERVICIOS   | CRISTIÁN GUERRA AEDO  |
| COMMITMENT    | SOLUSERVICIOS   | RICARDO LEÓN VALDIVIA |
| PROACTIVITY   | B&S REDES LTDA. | FRANCISCO SANDOVAL    |

#### HONORABLE MENTION

| CATEGORY      | COMPANY        | NAME                      |
|---------------|----------------|---------------------------|
| APPROPRIATION | ASICOM AGF     | JOSÉ LUIS SILVA AGUILAR   |
| EXCELLENCE    | MCCORMIK CHILE | MARÍA ELIANA RUBILAR SOTO |





#### **GOOD PRACTICE PAMPHLET**

In line with the customer experience criteria defined by the corporation, in 2012 the corporate procurement and supplier management drew up a pamphlet with 10 good service practices and distributed it among all its recurring suppliers. The aim of the pamphlet, which included factors like behavior, aspect and attitude, was to improve the service of external supplier company employees to Bci internal and final customers.

#### **QUESTIONNAIRE FOR CSR SELF-ANALYSIS**

Bci drew up a questionnaire and distributed it to some of the supplier companies to help them determine their CSR application level. The objective of this project is to create supplier awareness of these issues and transmit the corporation's commitment to such matters, and all so responsible practices start to be considered increasingly more in corporate tender processes.

#### **PROPyme (PRO-SME) SEAL**

In 2012, the Bank received verified payment date certification (CPPV) from the Ministry of Economy, Development and Tourism, thereby updating the Pro-SME Seal obtained in 2011. Bci continued to improve its payment times and managed to reduce them on average to two days from the 4.39-day average in 2011. In the same area, the quantity of payments made to suppliers in 0 to 7 days increased from 92.7% to 95.1%. Moreover, it made 100% of the internal payments by means of SAP, undertook external strengthening of SAP use and operation with electronic invoicing, all of which will optimize the payment systems even more. The Bank also formally urged its largest suppliers to follow the example of the Corporation and make payment to their own suppliers more agile and faster.

#### **BCI ENCOURAGES ALL ITS SUPPLIERS TO INCREASE THE USE OF ELECTRONIC INVOICING**

To encourage the use of electronic invoicing by suppliers, Bci joined the corporate social tax responsibility (CSTR) program, driven by the Ministry of Economy and the Chilean Internal Revenue Service (IRS). This initiative will optimize cash flow, reduce costs, raise competitiveness and thereby provide more time to manage the company. This partnership with the Chilean IRS is in addition to the efforts made by the Bank to give small and medium-sized entrepreneurs that provide services to Bci tools to improve their own management and also enhance relations between both parties.

#### **MONTHLY LABOR AND SOCIAL SECURITY REVIEWS**

Bci made 4,622 commercial reviews or approvals in 2012 to assess the status of each supplier that has relations with the Bank. Should there be any breaches, they are sent a letter requesting regularization of the situation and if this continues it could lead to termination of contract.

These improvements increased the Corporation's results in the last supplier satisfaction survey conducted. The overall Bci supplier satisfaction increased from 88% in 2011 to 90% in 2012.









# weaving DREAMS

.....  
**Jorge del Carpio**  
.....

**Fibras Andinas (Andean Fibers) will launch the first camelid weaving operation in northern Chile. Peruvian alpaca weavings are known all across the globe. Our innovation was in replacing alpaca wool with ultra refined llama wool, which achieves maximum softness and minimal itchiness. Our biggest challenge was finding the capital necessary to make our dreams come true. We made sacrifices like selling our home and other properties in order to improve our odds to raise capital with private investors.**

**Then we accessed funds from Start Up Chile, which gave us the necessary push, but we still needed more capital to continue to grow. Finally we turned to Bci Nace who approved our loan in 14 working days. We invested the funds in a piece of land, buildings in the industrial sector of Arica, and used the rest as working capital. Bci played a fundamental role in our business' development thanks to their high quality financial support and their strong network of strategic partners and potential investors.**

**Our next step will be taking our products abroad, with our own commercial platform in the United States, something we hope to achieve working with Bci.**

# 04.

## QUALITY OF WORKING LIFE

Bci seeks to guarantee that its employees have the best value offering in the market regarding satisfaction with the organization and the possibility of reconciling their personal and work lives.



# WORKFORCE

Bci had a workforce of 10,531 employees for the year ended December 2012, a 4% year-on-year increase. One of the characteristics of this workforce is that women account for 56.6%, 62% of the Bci employees are 31 to 50 years, 47% are single and that the organization currently has 206 foreign employees, who are now working in Chile or at one of the Corporation's international offices.

Bci has been able to comprehend, accept and promote diversity in its workforce, understanding it as a source of creativity, innovation and multiple standpoints that help the organization better address the changing challenges and prepare it for challenges in the future.

Bci's mission statement clearly sets out that all employees shall have a dignified quality of life, a stable job and possibilities of personal, professional and family development. They shall also receive a salary that promotes good performance and shall work in a workplace of excellence.

This long-term vision determines the organizational culture of Bci and it is the basis of all the initiatives developed by the Bank to assure that its employees have the best value offering in the market regarding satisfaction with the organization and the possibility of reconciling their personal and work lives.

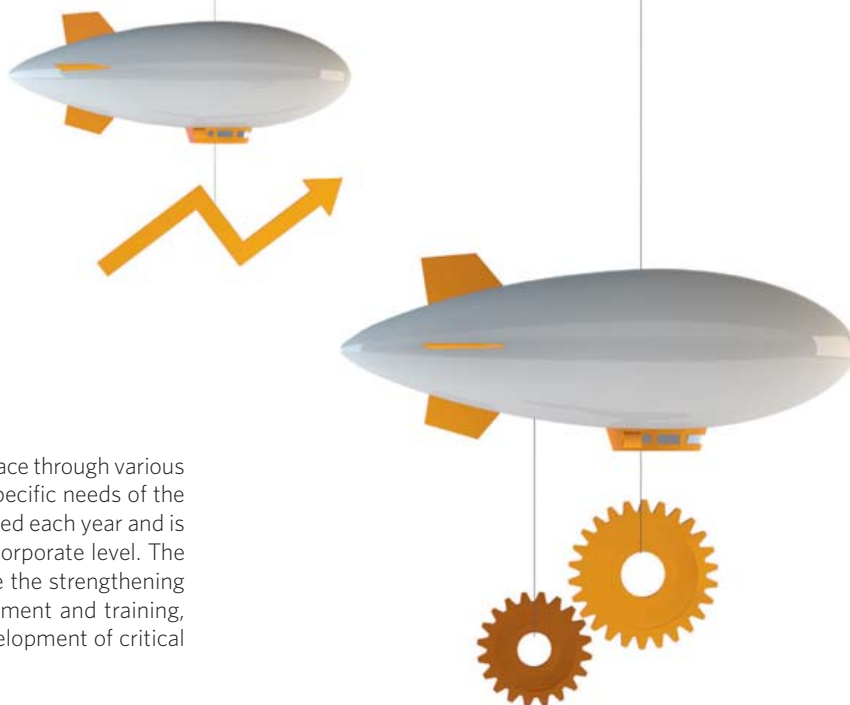
Convinced that to get satisfied customers and shareholders it is firstly necessary to have happy employees, in 2012 the human resources strategy was focused on enhancing the employee experience model. This vision is aimed at improving the well-being indicators of members of the Corporation by including action and policies that increase their benefits and development opportunities in the organization, meeting new needs and growing levels of diversity of the workforce and are an attractive tool to attract the best talent in Chile.

In this context, the main highlights in 2012 were the enhancement of the training plans, the development of new recruitment models and the updating of the "Flexible Work" model. Activities were also undertaken due to the 75th anniversary of the Bank and the corporate investment in people increasing from Ch\$15.357 billion in 2011 to Ch\$21.375 billion in 2012.

The future challenge set by the Human Resources Management is to carry on enhancing the internal culture with innovative initiatives to make the Corporation, as defined in its vision, the best company to work for and develop.

## TOTAL WORKFORCE





## DEVELOPMENT & TRAINING

Bci's training model is comprehensive and takes place through various training programs that meet the corporate and specific needs of the Bank's different managements. Such plan is updated each year and is complemented with new priorities that arise at corporate level. The most important areas of the training program are the strengthening of the organizational culture, leadership development and training, employee and customer experience, and the development of critical business competencies and skills.

Bci's objective is to reach all employees with at least one training activity during the year through any of the channels set up to such effect. These include in-person activities, the e-learning initiatives, the self-learning format and models which blend more than one modality like the blended format.

In this context, besides the training programs the Bank has developed for some years like the office head training, the Bank Branch School and Sales School, in 2012 other initiatives were driven:

### CORPORATE PROGRAMS

In addition to undertaking training modules that were aimed at socializing at corporate level the customer experience strategy adopted by the Corporation, in the year workshops were held on driving innovation competencies and focus on results and execution. In 2013, new workshops will be held to further develop employee competencies of impact and influence, teamwork and making the customer life easier.

#### Leadership

Initiatives and programs were undertaken to carry on driving the development of leaders aligned with Bci's values and principles, the leader profile and customer experience strategy. The main activities were the Leader Academy Phase 1, "First of All Leadership" induction, "This is How We Are" induction, management induction and leadership workshops, attended by over 400 leaders of different areas of the Corporation and which addressed issues related to the employee experience strategy, high performance teams according to Marcial Losada's model, performance management and reinforcement of basic legal aspects for the correct exercise of the head's role<sup>13</sup>.

#### Corporate & Investment Banking

Seven training programs were undertaken with Universidad Adolfo Ibáñez, an international seminar run by a professor at Babson College in the United States, and members of this management were invited to at least 15 specific seminars on finance.

#### Commercial Banking

Training was focused on the sales and negotiation model with the Harvard method. A job position training program was also implemented with an induction format for new employees entering commercial banking or from other managements.

#### Corporate Areas

All the Corporation's security guards were recertified. There was also certification of cashiers and customer service executives, an induction program for the information technology management and work with leaders of the operations management of commercial banking.

#### Certification of Brokers

As part of the new external certification required by the Securities Law of the Superintendency of Securities and Insurance for all executives, heads and investment managers who offer products with fixed or variable income, Bci developed special programs to prepare its employees for the calendar of exams this process involves and which ends in September 2013.

#### SENCE Award

In late 2012, Bci was distinguished by the National Training and Employment Department (SENCE) of the Labor Ministry as the company that most trained its employees using the tax concession. One of the aspects considered to get this award was the Bank's use of this grant in the pre-contract training modality. The aim of this process is to train people so they can perform certain functions or job positions in the Corporation. The program benefited 100 new employees in 2012.

<sup>13</sup> Marcial Losada is the founder and CEO of Meta Learning.

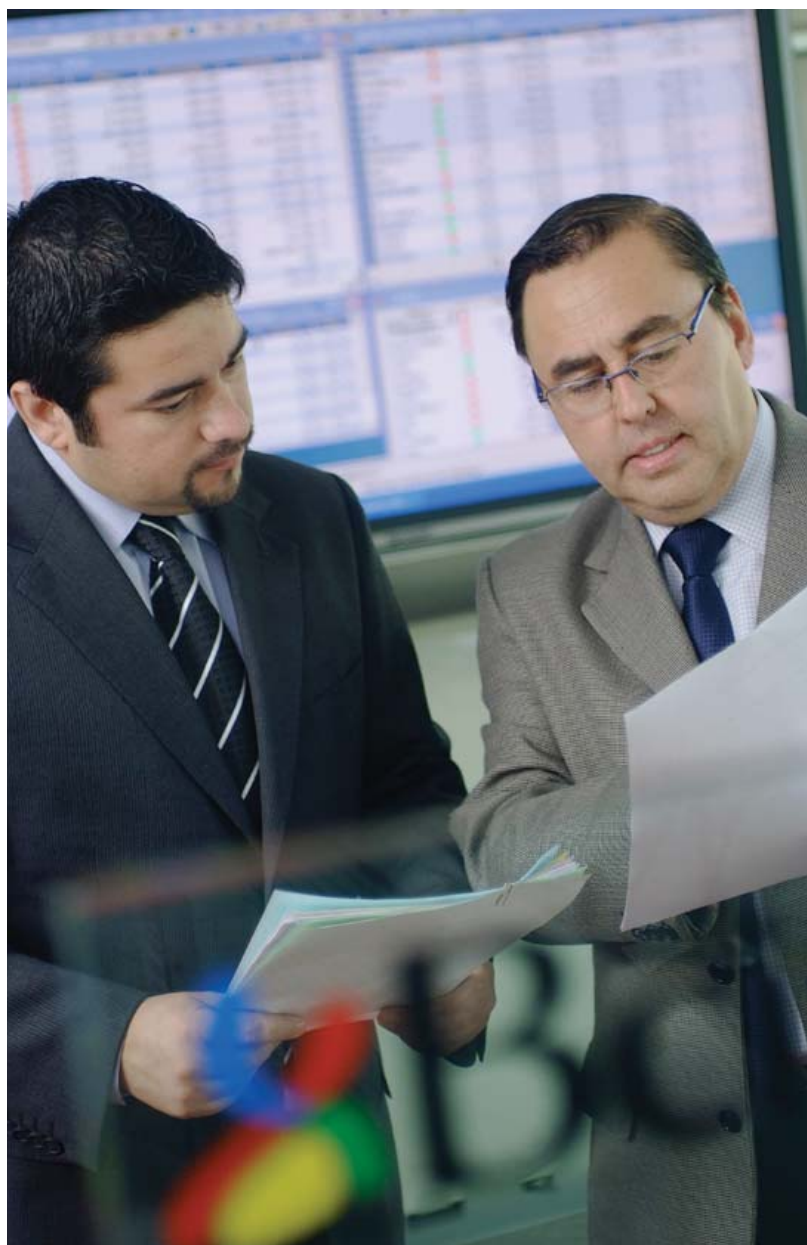
#### TRAINING INDICATORS

| YEAR                            | 2009 | 2010 | 2011 | 2012 |
|---------------------------------|------|------|------|------|
| TRAINING HOURS PER EMPLOYEE     | 52   | 49   | 49   | 50   |
| % OF SANTIAGO EMPLOYEES TRAINED | 89   | 93   | 91   | 92   |
| % OF REGIONAL EMPLOYEES TRAINED | 92   | 93   | 90   | 94   |

#### IN-HOUSE DEVELOPMENT

Bci has a policy of promoting the in-house development of its employees by means of internal competitions and with modalities like direct promotion. 1,319 employees benefited from the in-house mobility program in 2012.

|                              |             |       |
|------------------------------|-------------|-------|
| IN-HOUSE DEVELOPMENT PROGRAM | PROMOTION   | 810   |
|                              | DEVELOPMENT | 314   |
|                              | TRANSFERS   | 195   |
|                              | TOTAL       | 1,319 |







## BENEFITS & RECOGNITION

One of the main activities undertaken in 2012 was to make known the benefits programs Bci's employees have. At the same time, didactical, dissemination and knowledge initiatives were carried out to increase the use of tools available to them.

During the year a psychographic study was conducted to generate a new value offering for employees, which is aligned to the experience model. Due to this initiative, it was possible to gain better understanding of the multiple interests, motivations, expectations and needs of employees who are now part of the Corporation, expanding and improving even more the diverse range of benefits and agreements Bci has to meet the needs of its employees and their families.

Besides the action already carried out in 2012, employees will be given new initiatives to continue to enhance and drive Bci's distinctive value offering, and such action will be organized around the following pillars:

**TIMES,** This will include those initiatives to make the work schedule more flexible and work-family balance models.

**ACCOMPANYING YOUR FAMILY.** This pillar includes the action or contributions with which Bci aims to support employees in the important stages of their lives.

**MY INTERESTS.** This pillar includes workshops and courses on topics that are not related to the employee's work life but which are part of his or her interests.



In addition to the programs mentioned above, the following initiatives were carried out:

#### **FAMILY**

The highlight was the group sessions of the "I want you protected" program, beyond the free individual sessions it includes on psychological, legal and financial issues for employees and their families. In 2012, the initiative was carried out for work teams in branches and other units on issues like crisis management, bereavement and work stress. There were also talks on these same issues and others, like the education of children and time management, attended by employees and their families. This progress complemented the benefits the Bank has in this area, like the child care center, the allowance for taking care of children at home, the gift for the birth of a child and family allowances, among others.

#### **HEALTH**

One of the main advances was the enhancement of the complementary health insurance, by means of which for the first time employees were given the option of choosing the most suitable plan according to their needs. The health fairs and vaccination plan 2012 were also maintained.

#### **RECREATION**

Activities were organized for employees and their families. The highlight was the Mini Employee Day, which was celebrated at all branches and office buildings in 2012.

#### **75 TH ANNIVERSARY CELEBRATION**

The VI Bci National Olympic Games were held to celebrate its 75th anniversary. These included nine sports, with the participation of 7,000 people including employees and their families, and 800 sportspeople from throughout Chile. In the same area, the closing party of the Olympic Games and the celebration of 75 years were attended by more than 11,000 people. Each employee was given an anniversary bonus of Ch\$500,000 as part of this celebration.

In addition to the initiative mentioned, the Wellness area organized activities in the year to promote the benefits of the Bank, like the Christmas, Chilean tradition and real estate fairs.

To reinforce these initiatives, in 2013 the aim will be to raise knowledge of the benefits based on a dissemination model focused on anchoring ideas for each month of the year to thereby order the offering and provide greater employee recall.

### **BCI'S INVESTMENT IN EMPLOYEE BENEFITS 2011 - 2012 (IN THCH\$)**

|                          | 2011       | 2012       |
|--------------------------|------------|------------|
| <b>FIXED BENEFITS</b>    | 10,990,977 | 16,126,739 |
| <b>VARIABLE BENEFITS</b> | 1,756,907  | 2,501,051  |
| <b>TRAINING</b>          | 1,697,235  | 1,706,249  |
| <b>DEVELOPMENT</b>       | 912,045    | 1,041,572  |
| <b>TOTAL</b>             | 15,357,164 | 21,375,611 |





## RECOGNITION

To enhance the culture of recognition in the organization and thereby complement the annual employee award ceremonies, in 2009 the Bank launched the Bci Reconoce (Bci Recognizes) program as a way of fulfilling the first of Bci's "10 key factors of success," which is to "give thanks for a job well done and congratulate outstanding work."

The first of the measures included in Bci Reconoce in 2009 was the establishment of recognition ceremonies by area. That same year, the "recognition murals" were launched. In 2010, "online recognition" started up, a system to send employees recognition messages via this web platform based on some of the features of the "Bci employee profile."

A recognition kit was launched in 2012, which consists of a box with pins and recognition cards for bosses to distribute them among employees as a way of giving recognition for performance of excellence or specific conduct worthy of encouraging.

Likewise, the Bank not only started to distinguish acts related to the "Bci employee profile," but also behavior concerning the "experience criteria:" security, closeness, diligence and image.

The Corporation's objective in 2013 will be to consolidate the positioning of the new kit as a management tool of leaders and organize an in-house dissemination campaign highlighting the need of all employees making correct and responsible use of these incentives.

## LISTENING TO EMPLOYEES

Aware of the valuable contribution in terms of innovation that employees themselves can make to the success and sustainability of the business, Bci permanently drives opportunities to listen to and gain feedback from its workforce. In 2012, in addition to the formal meetings the Bank organizes with each of the areas and units, the "Bci +1%" program was added, which is an initiative aimed at getting employee proposals for continuous improvement to turn them into practice and applied solutions.

As part of this project, 1,059 meetings were held at corporate level in 2012 to listen to employees and these provided over 2,400 ideas for improvement and innovation. Most of these initiatives were put in place in the year and disseminated in 24 in-house pamphlets called "Escuchamos y lo hicimos" (We listened to you and did it).

### Bci launched the recognition Kit in 2012 as a management tool for leaders



## REMUNERATION & GENDER EQUALITY

The Bank is convinced that diversity enriches the decision-making process, drives internal innovation and provides a new problem-solving vision. It therefore protects, empowers and projects it as a differentiating element of the organization by means of its remuneration policy and in the formation of its management teams, among other aspects.

Bci's human resources management is based on a corporate policy of an objective compensation model according to merit, potential and performance, which excludes any consideration of gender, religion or other similar variable. These principles were reflected by the fact that in 2012 there were virtually no differences between the salaries of new male and female employees (comparison by job position), attaining average parity of 98.8% between them. This analysis considered around 1,780 employees who entered the company in 2012 to over 80 job positions of the Corporation.

### REMUNERATION BY JOB POSITION

| JOB POSITION              | 2011            |                    |                       | 2012            |                    |                       |
|---------------------------|-----------------|--------------------|-----------------------|-----------------|--------------------|-----------------------|
|                           | Nº of employees | Fixed remuneration | Variable remuneration | Nº of employees | Fixed remuneration | Variable remuneration |
| SENIOR MANAGEMENT         | 10              | 63%                | 37%                   | 10              | 68%                | 32%                   |
| MANAGERS                  | 70              | 81%                | 19%                   | 79              | 84%                | 16%                   |
| EXECUTIVES                | 6,379           | 85%                | 15%                   | 6,580           | 78%                | 22%                   |
| ADMINISTRATION & SERVICES | 3,699           | 95%                | 5%                    | 3,862           | 93%                | 7%                    |
| <b>TOTAL</b>              | <b>10,158</b>   | <b>89%</b>         | <b>11%</b>            | <b>10,531</b>   | <b>84%</b>         | <b>16%</b>            |

### BCI'S MINIMUM AVERAGE WAGE/MINIMUM LEGAL WAGE

| YEAR                       | 2012      | 2011      | 2010      |
|----------------------------|-----------|-----------|-----------|
| BCI'S MINIMUM AVERAGE WAGE | \$400,000 | \$400,000 | \$310,000 |
| MINIMUM LEGAL WAGE         | \$193,000 | \$182,000 | \$172,000 |
| RATIO (TIMES)              | 2.1       | 2.2       | 1.8       |

### WOMEN'S SHARE OF THE WORKFORCE AND SUPERVISORY POSITIONS

| YEAR | Total women in the workforce (%) | Women in supervisory positions |
|------|----------------------------------|--------------------------------|
| 2010 | 54.6%                            | 409                            |
| 2011 | 55.7%                            | 442                            |
| 2012 | 56.6%                            | 503                            |

**Bci enhanced the senior cashier program by means of which 21 senior citizens entered the organization**

### WORKFORCE BY AGE GROUP 2012

| AGE GROUP | 18 to 25 years | 26 to 30 years | 31 to 40 years | 41 to 50 years | 50 to 60 years | 61 years or older |
|-----------|----------------|----------------|----------------|----------------|----------------|-------------------|
| WOMEN     | 599            | 1.242          | 2.468          | 1.254          | 391            | 7                 |
| MEN       | 325            | 764            | 1.561          | 1.205          | 644            | 71                |
| TOTAL     | 924            | 2006           | 4.029          | 2.459          | 1.035          | 78                |

## RECRUITMENT

One of the focuses of the Recruitment and Selection Department in 2012 was to align the selection process to the experience strategy adopted by the Corporation to generate memorable experiences in candidates and assure new employees are aligned with Bci's values and principles. During the year various initiatives were therefore undertaken in the process stages, highlighting the implementation of the online evaluation tools, auto-filtering instances in the selection process, certification of supervisory positions to conduct interviews and the delivery of a welcome pack for new employees, among other activities.

The implementation of new initiatives will continue in 2013 to carry on having a set of processes and instruments to select the best candidates to meet the customer needs of the Corporation.

A further initiative launched in 2012 was the Senior Cashier Hiring program. This project started up two years ago as a pilot experience and was resumed in 2012. It initially started with 10 vacancies but had to be extended to 21, due to the success of applications in the campaign launched in the Bank.

The project envisaged hiring people of 50 to 70 years, mostly retired people or pensioners, as cashiers but with large abilities and a good will. Their selection firstly considered a focus group and then a personal interview and a technical evaluation. They finally received training and general health screening.

The Corporation was given the Plenus Award of the Asociación de Administradoras de Pensiones (AAFP) in 2012 for this initiative. Due to the success of the program, the aim in 2013 is to expand the offering even more to include new employees on this program and thereby continue to make an active contribution to employment issues.

Moreover, Bci drove the Different Recruitment Program, an initiative aimed at reaching passive candidates to turn them into applicants to the Bank by means of different and innovative dialogue. The main projects developed for this in the year were:

#### Visits to football games of the San José league

For five weekends, Bank-selected executives visited the Chicureo football pitches where this league is played to talk to spectators about Bci in a relaxed and entertaining environment. The results of this was that there were 44 visits, 140 business cards were delivered and resumes were received.

#### Presence in the Quilín Mall

For a few days in November, Bci set up a stand in the main lobby of a mall to invite possible candidates to apply to the recruitment and selection platform. This activity enabled the Bank to gain 58 applications for mass and technical job positions.

#### Hackathon

Bci had a stand at the "Angel Hacker" event, organized by the Asociación Chilena de Empresas de las Tecnologías de la Información and which attracted youngsters skilled at the new technologies and videogames. The Bank organized a QR code game with prizes, in which 58% of the attendees participated. This event was used to make contact and hold brief interviews of those interested.



Bci enhanced the recruitment of candidates and the positioning of the Corporation as a good company to work for through its TrabajaenBci account in the social networks. Consolidated as a brand, this platform informs about vacancies and provides information about the organization

| YEAR | Facebook follower | Twitter follower | LinkedIn contact | Registered on Jobsite | TOTAL   |
|------|-------------------|------------------|------------------|-----------------------|---------|
| 2011 | 219               | 1,149            | 848              | 69,241                | 71,457  |
| 2012 | 5,491             | 4,525            | 15,413           | 101,217               | 126,646 |

Besides this, there were 28 work fairs that Bci attended in the year, six of which were held in the regions. The Bank managed to capture over 5,000 applicants during these events, more than double it attained in 2011.

## CORPORATE TRAINEE

With the Corporate Trainee Program Bci aims to recruit young school leavers with high potential, excellent academic performance and group and leadership skills who are aligned with the organization's leader profile. Six new trainees entered the Corporation in 2012, with the number of trainees on this program increasing to 29 since it was established in 2007.

The sixth generation of trainees was selected from a group of 1,000 applicants by means of a rigorous and innovative selection process using the business case methodology to assess candidates, along with other onsite activities making them interact and show their leadership, analytical and teamwork competencies.

## PROFESSIONAL INTERNSHIPS

In 2012, Bci received 122 final year students to undertake their professional internship in the Corporation. Considering their little work experience, the profile of those selected for this program is mainly determined by their innovation and teamwork competencies.

To select candidates, in 2012 the Bank stopped doing in-person interviews and shifted to an online competencies test, which allowed for a more agile process.

94% of the youngsters who entered the company to do their internship showed interest in staying in the Corporation. The internship tutors or Bank supervisors who received them gave them a 93% satisfaction rating for their work. In 2013, the Bank aims to increase the places for this program to 182.



## FLEXIBLE WORK

The Flexible Work Program (TAM) was launched as a pilot experience aimed at people with specific work schedule needs. In 2012, it was decided to start the mass TAM process, with Bci's value offering including a flexible work schedule and location program, which will have different work modalities designed to meet diverse employee needs, interests and concerns, which are outlined below:

### WORKING FROM HOME

Under this system the employee works 45 hours a week Monday through Friday from home totally remotely with Bank equipment. To apply for this alternative there are requirements like compatibility with the job position and having more than one year of service in the job position. By late 2012, there were seven employees working under this system.

### MIXED WORK

This system allows employees to work from home for two full days or three half days (i.e., three afternoons or mornings). As with the working from home system, to apply for this option it is necessary to meet the requirements, like compatibility with the job position and having more than one year of service in the job position. There were 16 employees working under this system in 2012.

### FLEXIBLE WORK SCHEDULE

Flexibility concerns the time the employee enters and leaves work. The employee works 45 hours a week in the Bank but the times of entering and leaving work are advanced or delayed according to a range agreed on with supervisors. There were 48 employees working under this system by late 2012.

In 2012, this program was launched in the Human Resources, Customer Experience and Corporate Image managements.

The Human Resources Management aims to extend it to the entire Corporation in 2013, making it a program that all employees can access.



## BCI SIN LÍMITES

*Bci Sin Límites* (Bci Without Limits) arose from the Bank's valuation of the talent of those people with some degree of disability, and it is a hiring program aimed at giving them an opportunity of professional development in the Corporation.

In 2012, initiatives were undertaken in each of the action areas that promote successful integration and these included:

### HIRING

Six people with disabilities were hired in 2012, which means there are now 20 people on the program. This intake has increased the organization's disabled employee workforce by 54% and the number of areas with disabled employees by 40%, both compared to 2011.

### TRAINING AND AWARENESS

Two initiatives were carried out: employee and supervisor awareness workshops, given by a Bci employee team and specialists of the labor department of the Teletón (charity event for the disabled); and a consultation manual was drawn up on employment.

### WELL-BEING

The cases of some employees were reviewed to improve their quality of life with financial support to buy orthopedic equipment.

### SPORTS

During the Olympic Games that were held as part of the 75th anniversary of the Bank, Bci Sin Límites coordinated a demonstration of the Paralympic sport called goalball, in which firstly two teams of blind people played and then one team of blind people played against a team of blindfolded employees.

### HIRING OF THE DISABLED

Due to Bci's concern of continuing to offer work and development opportunities to people with some kind of disability, it worked on being an institution that stands out for hiring the disabled. As evidence of this, the National Disabled Department (SENADIS<sup>14</sup>) invited Bci to present its successful experience to businessmen in Punta Arenas to promote the hiring of the disabled in that area.

### ACCESSIBLE WORKPLACE

In 2012, work was undertaken to adapt a branch in Viña del Mar to the special requirements of a disabled employee. In 2013, the Bci Sin Límites program aims to increase the hiring rate to around 50%, continue disseminating the disability issue internally and strengthen Bci's positioning on this matter and secure the Chile Inclusive Seal given by the SENADIS to institutions that work for integration.



## OCCUPATIONAL HEALTH AND SAFETY

The health and safety focus in 2012 was on carrying out the corporate semi-annual "I feel healthy" program, through which the Bank seeks to organize and promote healthy lifestyles of employees and their families, and integrate healthy habits and good practice to their activities with a comprehensive approach.

This plan considered the four areas of action below, and initiatives were undertaken in each of them in 2012:

### HEALTHY HEART

1,157 exams were performed to find out the cardiovascular risk factors. This initiative was compounded with the organization of "Nutritalleres" (nutrition workshops), in which 2,970 people received counseling on a healthy diet. This initiative, along with the anti-smoking campaign, enabled the Bank to reduce medical licenses by 10% in the year.

### DIET

Counseling was given on a healthy diet by the companies in charge of the cafeterias, particularly regarding food preparation and compliance with the regulations. The nutrition workshops taught employees how to read the labels on foods.

### BCI TE ACTIVA (BCI GETS YOU MOVING)

Aimed at promoting physical activity, this program was marked by the holding of the Bci Olympic Games, in which over 800 sports employees participated. Other highlights were the "Paso a Paso" (step by step) well-being project, which promotes walking. As part of this plan, those interested were given a pedometer so they could set daily improvement targets, with the reference point being 15,000 steps per day that according to the WHO are recommendable for maintaining a healthy life. Healthy breaks were added to this initiative to reduce musculoskeletal conditions, and 1,800 people were trained in this program.

### WORK ENVIRONMENT

The work with the Labor and Health Ministries so the Bank can get the Healthy Work Promoting Place seal should be highlighted in this area. Regarding this, in 2012 a signature of commitment was signed by the Labor Bureau and T-Banc. The goal in 2013 is for Telecanal (Call Center) also to be able to apply where 600 people work.

These activities were complemented in the year with training on prevention, which also involved employee families, including two environmental workshops on sustainable vegetable gardens, talks on health and safety issues and a healthy walk on the San Cristóbal hill, in which 200 people participated.

## LABOR RELATIONS

There were six trade unions in the Corporation as of the end of 2012. With a total of 184 members, these organizations have collective contracts in force up to December 31, 2013 and a work agenda with the Bank which they develop jointly with the Labor Relations Management.

### TRADE UNIONS AT BCI

| COMPANY                  | NAME                                      | Nº OF MEMBERS |
|--------------------------|---|---------------|
| Bci                      | Region IV Trade Union                     | 5             |
|                          | National Trade Union                      | 151           |
|                          | <b>Total</b>                              | <b>156</b>    |
| Análisis y Servicios S.A | Empresas Análisis y Servicios Trade Union | 15            |
|                          | Iquique Trade Union                       | 1             |
|                          | Valparaíso Trade Union                    | 5             |
|                          | Viña del Mar Trade Union                  | 7             |
|                          | <b>Total</b>                              | <b>28</b>     |
| <b>Total</b>             |   | <b>184</b>    |



**The progress Bci made with banking security in 2012 once again consolidated it as the most secure Bank in Chile.**

#### ACCIDENT RATE (%)

| 2010 | 2011 | 2012 |
|------|------|------|
| 1.27 | 1.04 | 1.08 |

#### FREQUENCY RATE\*

| 2010 | 2011 | 2012 |
|------|------|------|
| 4.95 | 4.75 | 4.95 |

\*Frequency rate: number of people injured per million man-hours worked

Frequency rate = employees injured x 1 million hours worked



## BANKING SECURITY

To safeguard the integrity of its employees, customers and corporate facilities, Bci drives a proactive policy on banking security. Among other aspects, this entails the permanent addition of innovative offense prevention tools and ongoing training of the staff in charge of the functions at the Corporation.

Focused on anticipating and neutralizing unlawful acts, and in a context of the constant evolution of methods used by gangs engaged in bank robbery, the corporate work in this area is focused on three essential areas of action: the security of ATMs, the security of branches and internal security.

The progress Bci made with banking security in 2012 once again consolidated it as the most secure Bank in Chile. Some of the highlights were:

- » As of late 2012, 96.2% of the 1,350 ATM machines were armored. This process involved an unprecedented technology development plan and was undertaken as part of an agreement signed by the Chilean banking industry and Department of the Interior, pursuant to which banks committed to reinforcing 94% of their respective ATMs by October 31. It should be highlighted that Bci was the only bank in the country to achieve this target before the mentioned date.

- » Due to its modern monitoring control system, considered to be the most cutting-edge in Latin America, in 2012 Bci branches had the fewest bank robberies in Chile. Based on an extensive remote camera network, this enables the Corporation to make daily security audits to check whether branches are complying with the security protocols established, and based on this information draw up reinforcement plans or new procedures, whenever necessary.

- » In 2012, Bci's 430 security guards were trained in customer experience. The course lasted a week and complemented the ongoing training they receive on risk analysis, first aid, corporate regulations, legal aspects of doing their job, weapons and shooting, and personal defense.

One of the challenges Bci has set to exceed in this area in 2013 is to armor 100% of its ATMs with the new serrated locking system, developed by the Bank itself with the consultancy of an external company, and continue to innovate on prevention and neutralization to become the bank with the fewest bank robberies perpetrated in Chile.



## RECONVERSION OF JOINT MANAGEMENT-WORKER COMMITTEES

One of the material aspects of the work undertaken in 2012 with the joint management-worker committees was the reconversion the Corporation wants to drive for them to expand their role and thereby make them a key aspect of the corporate policies on well-being. The purpose is to stop talking about joint management-worker committees to start to instil a model of hygiene and safety work committees, which entails an increase in the number of members with the incorporation of sports delegates or volunteers and to expand the sphere of their issues of interest.

Bci's objective is for the new committees formed to arise with the structure of this new model and contribute from their areas to strengthening the employee experience strategy.

35% of the representativeness of Bci's joint management-worker committees is the outcome of applying Law N°16.744. In accordance with this, every workplace with more than 25 people must have a housekeeping, hygiene and safety organization formed by the company management and worker representatives. The latter must be elected by their same co-workers. There are many Bci offices and branches that do not have this number of people and the level of worker representation has therefore been similar in the last four years.

### JOINT MANAGEMENT-WORKER COMMITTEES

| YEAR                        | 2010 | 2011 | 2012 |
|-----------------------------|------|------|------|
| Nº OF COMMITTEES            | 20   | 21   | 25   |
| EMPLOYEES IN COMMITTEES (%) | 36   | 35   | 35   |

## WORK ENVIRONMENT

Due to all the programs undertaken to improve the quality of life of employees and increase their opportunities of professional and family development, in 2012 the internal insight survey consolidated the steady upward trend of employee satisfaction since 2009.

There was an increase from 93.3% in 2011 to 95.1% in 2012 in the overall employee satisfaction of being part of the Corporation and the work satisfaction rate rose from 91.7% to 92.9%.

This data led to the internal environment index, which is the level of employee well-being with the Corporation, increasing from 82.2% in 2011 to 83.8% in 2012.

### INTERNAL ENVIRONMENT SURVEY RESULTS

| 2010 | 2011 | 2012 |
|------|------|------|
| 81.1 | 82.2 | 83.8 |







# TECHNOLOGY

Richard Salas / Juan Guillermo Muñoz

Witoi is an online mall - it is a platform with a B2B model that groups small and large stores together in one web page. The idea emerged during our university studies when we realized that no centralized page existed where multiple stores could sell their products.

From the beginning, the support we have received from Bci has been fundamental for our growth. They provided us with a bank account that was perfect for entrepreneurs like us with no fees for the first few years. They also gave us credit lines, very useful, such as working capital when you are just starting and need to grow your business.

We are growing rapidly in Chile, and in a few months we hope to expand our services into the rest of Latin America, beginning with powerhouses of e-commerce like Brazil and Colombia. In the future, the support of Bci will continue to be vital to our business' success.

# 05.

## CORPORATE GOVERNANCE



In 2012, the Board focused on the self-evaluation system, risk analysis and management, on permanently adhering to applicable current regulations, and on the highest international standards on corporate governance.

### BOARD OF DIRECTORS

The Corporation Board's mission is to maximize the company's long-term value, safeguarding the interests of shareholders, customers, suppliers, employees and their families, and those of society. For this it must assure the company's future viability and competitiveness regarding current legislation and ethical duties set out in its Code of Ethics.

To such effect, the Board permanently analyzes and determines the main policies guiding the Bank's action. These include commercial development; budget management and equity standing strategy; portfolio diversification; financial, loan, operational and domestic and foreign market risk management; profitability, provision coverage, service quality and customer service; and the policies establishing the work conditions of employees of the Bank and its subsidiaries.

In an extraordinary Board meeting held in the second half of the year on October 16, 2012, the Board accepted the resignation of the director Juan Edgardo Goldenberg Peñafiel, who was not replaced. The Board, which shall remain in office until the first shareholders' meeting in 2013, comprises the following members:





**01.**

.....  
Lionel Olavarría Leyton  
CEO

**02.**

.....  
Luis Enrique Yarur Rey  
President

**03.**

.....  
Andrés Bianchi Larre  
Vice-President

**04.**

.....  
Alberto López Hermida  
Director

**05.**

.....  
Dionisio Romero  
Director

**06.**

.....  
Mario Gómez Dubravcic  
Director

**07.**

.....  
Francisco Rosende Ramírez  
Director

**08.**

.....  
Juan Manuel Casanueva Préndez  
Director

**09.**

.....  
José Pablo Arellano Marín  
Director

## DIRECTOR PROFILE

The Corporation's directors are elected based on their intellectual, professional and ethical attributes. Moreover, they are people who have been outstanding in their respective areas of action. Although there are no formal requirements for being on the Board, beyond what is laid down by law, the Board has traditionally been made up of professionals and businessmen who are unrelated to the controlling agreement or the Yarur family, with the only exception being the President.

### Luis Enrique Yarur Rey

#### President

Luis Enrique Yarur Rey

President

He holds a degree in law from Universidad de Navarra, Spain and a Master's degree in economics and business administration from the Instituto de Educación Superior de Empresas (IESE), Spain. He is currently the President of Empresas Juan Yarur S.A.C; Vice-President of the Asociación de Bancos e Instituciones Financieras A.G.; Member of the Business Advisory Council of the Centro de Estudios Superiores de la Empresa at Universidad de los Andes (ESE); Director of Bci Seguros de Vida S.A. and of Bci Seguros Generales S.A.; President of Empresas Jordán S.A.; President of Salcobrand S.A.; Vice-President of Viña Morandé S.A. and a director of Banco de Crédito del Perú. Prior to his current position, he was the CEO of Bci for 11 years.

### Andrés Bianchi Larre

#### Vice-President

He holds a degree in legal and social sciences from the Universidad de Chile and MA and Ph.D in economics from Yale University. He is a full member of the Academia de Ciencias Sociales, Políticas y Morales at the Instituto de Chile and a director of Empresas Copec S.A.. He was the Chilean Ambassador to the United States; President of the Chilean Central Bank, of the Dresdner Banque Nationale de Paris and Banco Credit Lyonnais Chile; as well as adjunct executive secretary of the Economic Commission for Latin America. He was a professor of economics at the University of Chile and the Catholic University, visiting professor at Boston University and visiting researcher at Princeton University in the United States.

### Alberto

### López-Hermida Hermida

#### Director

He is a certified public accountant from the University of Buenos Aires, Argentina, and from the University of Chile. He was a partner of Price Waterhouse Coopers, in which he held various management positions in Argentina, England and Chile, becoming a senior partner at the firm. He was the Director General of the Business School at Universidad de los Andes (ESE) from its establishment until January 2011.

### Dionisio

### Romero Paoletti

#### Director

He is President of the Board of Credicorp and Banco de Crédito-BCP and has been the CEO of Credicorp since 2009. He has been a director of the BCP since 2003, and was appointed Vice-President in 2008. He is the President of the Board of Pacífico Peruano Suiza Insurance and Reinsurance Company, and of El Pacífico Vida Insurance and Reinsurance Company. He is President of the Grupo Romero group of corporations, of Alicorp S.A.A., Compañía Universal Textil S.A., Ransa Comercial S.A., Industrias del Espino S.A., Palmas del Espino S.A., and Agrícola del Chira, among others. Likewise, he is Vice-President of Inversiones Centenario S.A. and a director of Banco de Crédito e Inversiones Bci, Hermes Transportes Blindados and Cementos Pacasmayo S.A.. He holds a degree in economics from Brown University, United States, and an MBA from Stanford University, United States.



*Andrés Bianchi Larre, José Pablo Arellano Marín and Francisco Rosende Ramírez are independent directors, as they meet the requirements laid down for this in article 50 bis of Law N°18.046 on corporations.*

#### BOARD OF DIRECTORS (for the year ended december 2012)

| NAME                          | POSITION        | DATE ELECTED     |
|-------------------------------|-----------------|------------------|
| Luis Enrique Yarur Rey        | President       | October 21, 1991 |
| Andrés Bianchi Larre*         | Vice-Presidente | April 24, 2007   |
| Alberto López-Hermida Hermida | Director        | April 17, 2001   |
| Dionisio Romero Paoletti      | Director        | March 3, 2010    |
| Francisco Rosende Ramírez**   | Director        | March 30, 2010   |
| José Pablo Arellano Marín**   | Director        | March 16, 2011   |
| Juan Manuel Casanueva Préndez | Director        | April 24, 2007   |
| Mario Gómez Dubravcic         | Director        | May 24, 2011     |

\* Elected with the votes of pension fund companies (AFPs)

\*\*Independent director

#### **Francisco Rosende Ramírez** Director

He holds a degree in business administration from University of Chile, MA in economics from the University of Chicago, United States. He was the Studies Manager of the Chilean Central Bank and member of the Free Competition Tribunal. He is the author of various books and numerous economic publications. Since 1995, he has been Dean of the Economic and Administrative Sciences Faculty of the Catholic University of Chile and is associate researcher at the Public Studies Center, in addition to being a columnist for the El Mercurio and El País (Uruguay) newspapers.

#### **José Pablo Arellano Marín** Director

He holds a degree in economics from the Catholic University of Chile, and MA and Ph.D in economics from Harvard University, United States. He is a director of companies and senior economist at CIEPLAN and tenured professor at the University of Chile. He was the CEO of CODELCO, Education Minister, National Budget Director and President of Fundación Chile.

#### **Juan Manuel Casanueva Préndez** Director

He holds a degree in civil engineering from the University of Chile. He is the President of Grupo Gtd and he is currently a director of Fundación Rodelillo and of the Corporación del Patrimonio Cultural. He is also a member of the Advisory Council of the Centro de Estudios Superiores at the Universidad de los Andes (ESE) and of the Business Council of the Centro de Empredimiento at Universidad del Desarrollo.

#### **Mario Gómez Dubravcic** Director

He holds a degree in business administration from the Catholic University of Chile, with post-graduate studies at Universidad de los Andes. He came to Bci in 1981 as an advisor to the head of the Finance Division and the same year was appointed the Chief Financial Officer. In 1983, he was appointed Division Chief and was responsible for creating all of the subsidiary and related companies. He was President of the Board of Fondos Mutuos Bci, of Asesoría Financiera Bci and of Artikos, a director of Corredora de Bolsa Bci, Servipag, Depósito Central de Valores, of Bci Factoring and Bci Securitizadora, of Bci Compañía de Seguros Generales y de Vida, of Bci Corredora de Seguros, of Bci Administradora General de Fondos, and Vice- President of the Board of Transantiago's financial administration. In 1998 he became the Commercial Manager of corporations and in 2006 the Commercial Banking manager. He has 31 years of experience in the industry and seniority in Bci.

#### **Lionel Olavarria Leyton** CEO

He holds a degree in industrial civil engineering from the University of Chile, and MA in economics and business administration from Instituto de Educación Superior de Empresas (IESE), Spain. He is currently President of the Chilean Association of Banks and Financial Institutions' CEO Committee; member of Visa's Latin American Consultancy Council; a director of Bci Seguros Generales S.A., Bci Seguros de Vida S.A., Empresas Juan Yarur S.A.C., Tuves S.A., and President of Bci Factoring. He was previously an engineering consultant in Chile and Spain, with positions of Controller of Chemical Bank, Spain, and Commercial Manager of Banco Santiago. He was the founding President of Redbanc S.A., President of Transbank S.A., Edibank S.A., Servipag S.A., a director of Parque del Sendero S.A., and Salcobrand S.A., President of Artikos Chile S.A., Banco Conosur, Bci Corredor de Bolsa S.A. and Bci Asesoría Financiera S.A., and a director of Financiera Solución (Peru). He was President of the Chilean Global Compact network. He has 37 years of experience in banking and 31 years of seniority at Bci, and has been the CEO since 1993.

## OPERATION

The Board of Directors convenes monthly<sup>15</sup> to review the management reports and results of the Corporation, and receive periodic information on matters analyzed and approved by the different Bank Committees.

Pursuant to what is set forth by law, these meetings are constituted by the absolute majority of the members and agreements are reached in accordance with the sole participation of the directors attending the meeting, and there are no matters for which a larger quorum is needed for their approval<sup>16</sup>. The chief executive acts as the secretary to the Board in ordinary and extraordinary board meetings, assisted by the Bank's general counsel. Details of the operation of the Board can be found in the Bank's by-laws and are available on the corporate website<sup>17</sup>.

In accordance with Law N°20.382 on corporate governance and the regulations enacted to date by competent regulators, Bci drew up and disseminated the "Manual on market information management and disclosure"<sup>18</sup>. The purpose of this is to assure fast and suitable communication of all necessary information, which vouches for transparency to the market and suitable disclosure to the public, investors and Bci's stockholders. The issues contained in this manual and the guidelines of the Code of Ethics prevent potential conflicts of interest in the operation of the Board.

### BOARD MEETING ATTENDANCE

(FOR THE YEAR ENDED DECEMBER 2012)

| DIRECTORS                         | 2010 | 2011 | 2012 |
|-----------------------------------|------|------|------|
| Luis Enrique Yarur Rey            | 12   | 12   | 12   |
| Andrés Bianchi Larre              | 12   | 12   | 12   |
| Alberto López-Hermida Hermida     | 12   | 11   | 8    |
| Dionisio Romero Paoletti          | 9    | 7    | 8    |
| Francisco Rosende Ramírez         | 7    | 12   | 12   |
| José Pablo Arellano Marín         | -    | 10   | 12   |
| Juan Edgardo Goldenberg Peñafiel* | 9    | 12   | 9    |
| Juan Manuel Casanueva Préndes     | 12   | 8    | 10   |
| Mario Gómez Drubravčić            | -    | 7    | 12   |

\* Juan Edgardo Goldenberg resigned as a Bci director in October 2012.

There were no changes in the year regarding the special powers vested in the President of the Board. Details of these are available in the 2010 report<sup>19</sup>.

The Board also holds extraordinary meetings if the management of the company's business so requires.

Further information about the Board's functions can be found in the 2007 corporate governance and CSR report, pages 30 and 31. ([www.Bci.cl/accionistas](http://www.Bci.cl/accionistas)).

<sup>15</sup> The Board also holds extraordinary meetings if the management of the company's business so requires.

<sup>16</sup> Further information about the Board's functions can be found in the 2007 corporate governance and CSR report, pages 30 and 31. ([www.Bci.cl/accionistas](http://www.Bci.cl/accionistas)).

<sup>17</sup> <http://www.Bci.cl/medios/BCI2/accionistas/pdf/Estatutos2011.pdf>

<sup>18</sup> <http://www.Bci.cl/medios/BCI2/accionistas/pdf/informativo/ManualPolíticasAdminMarzo2010.pdf>

<sup>19</sup> <http://www.Bci.cl/medios/BCI2/accionistas/pdf/memoria/InformeGCRSE.pdf>





## COMMITTEES AND THEIR OPERATION

The Board Committees comprise a variable number of directors and they convene regularly with different frequency. Their nature, functions and activities are determined by the Bank's needs and regulatory requirements.

The following Committees currently operate:

1. Board's Executive Committee
2. Directors' Committee
3. Corporate Risk and Finance Committee
4. Corporate Governance and CSR Committee
5. Compensation Committee
6. Ethics Committee

### Issues addressed by the Board Committees

Considering the need of examining and analyzing some issues in detail, the Bank has specialized committees comprising directors, which speed up decision-making and make the processes efficient. To such effect, the Board has delegated some of its functions to these executive bodies.

The following were the issues dealt with by the committees comprising directors in 2012:

#### Board's Executive Committee

It convenes twice a week. For the year ended December 31, 2012, it held 79 meetings, attended by Bank executives, consultants and the external auditors. The following issues were addressed:

- » It examined and approved major financial and loan operations involving high amounts.
- » It reviewed necessary action to implement regulatory changes, especially those related to consumer protection.
- » It analyzed the situation and evolution of Chile's economic sectors, and established the loan and financial exposure limits for each of them.
- » It examined before the Board meeting the letters sent by the Superintendent of Banks after his annual visit and the action to comply with his remarks.
- » It approved the annual branch plan and the opening, moving and closure of offices.
- » It analyzed and preliminarily approved the monthly balance sheets.
- » It vested general and special powers.
- » It approved credit write-offs and non-banking assets and determined the resources to be allocated to provisions and write-offs.
- » It reviewed issues, analyzed beforehand by the Directors' Committee, and approved transactions between related parties.
- » It approved the purchase and sale of real estate.
- » It authorized specific donations.
- » It examined and approved the international financing plan.
- » It authorized the issuance of standard, subordinated and international bonds.

- » It was informed of and analyzed the reports from the Special Accounts Management on the financial and payment situations of customers, natural people and corporations.
- » It approved general policies and their modifications, particularly those related to credit, market and operational risks and set different limits for these.
- » It approved the programs to transfer goods received or awarded in payment in 2011.
- » It set country risk exposure limits after analysis of the risk rating and other variables affecting external financing.

#### Directors' Committee

It convenes twice a month and held 19 meetings in 2012. The meetings were regularly attended by the controller and general counsel and, when needed, Bank executives, external consultants, auditors and risk rating agencies also attended. It addressed the following issues in 2012, among others:

- » It analyzed the annual report issued in January 2012 by the external auditors, with recommendations to improve the administrative and accounting procedures.
- » It examined and proposed to the Board the external auditors and risk rating agencies, which were put to the Ordinary Shareholders' Meeting.
- » With the participation of representatives of Deloitte, it thoroughly analyzed the 2012 audit plan for the Bank and subsidiaries.
- » With the attendance of representatives of the external auditors, it analyzed the 2011 audited individual and consolidated financial statements and consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS).
- » It reviewed and approved the annual management report sent to the Bank's President and to be presented in the Ordinary Shareholders' Meeting.
- » It analyzed and approved the activities undertaken by the Compliance Management regarding the prevention of asset laundering and criminal risk pursuant to Law N°20.393.
- » It examined and approved the modifications to the Audit Manual.
- » It analyzed and approved the annual operation plans of the Controllershship for 2012 and was regularly kept informed of progress in the year.
- » It regularly received and analyzed the Controllershship reports, particularly those related to risk management.
- » It analyzed the progress with the plans to comply with the remarks and revisions made during visits by the Superintendent of Banks and Financial Institutions, external auditors and the Controllershship.
- » It analyzed operations with related parties, which were submitted for the approval of the Board and/or Executive Committee, to be undertaken in market conditions.
- » With the participation of representatives of Fitch Ratings and Feller Rate, it was informed of how risk ratings are conducted according to international and local rating scales.
- » It was informed of and approved the results of the 2012 management self-evaluation process.
- » It appraised the legal risks based on the information provided by the Bank's general counsel.

- » It reviewed the hiring conditions of related companies that are usual suppliers of Bci.
- » It analyzed and followed up on the plans to implement the Foreign Account Tax Compliance Act (FATCA).
- » It appraised the results of the mortgage loan insurance tender, in accordance with the new regulation.
- » It analyzed a new methodology to estimate the internal equity limit.
- » It reviewed the reply proposal to the letter sent by the Superintendent of Banks, which contains the remarks of his annual review

### Finance and Corporate Risk Committee

It held 12 meetings in 2012 and addressed the following issues, among others:

- » It regularly analyzed the macroeconomic and market environment, inflation and monetary policy rate forecasts, exchange rate variations and their impact.
- » It appraised the evolution of the main financial risk indicators as a balance sheet strategy, which include liquidity indexes and strategy, financing and mismatch sources, hedges and investments, as well as trading positions and strategies.
- » It approved the new financial indexes and equivalent risk factors.
- » It analyzed and approved the consolidated liquidity stress model proposal.
- » It approved new policies on financial investments and risk management for the use of quantitative models
- » It assessed and approved the modifications to the liquidity and market risk regulatory performance factors of the banking ledger.
- » It was widely informed of and approved the investment instrument issuance management in the United States (144-A bond and commercial papers).
- » It analyzed the financial and risk situation of the large global markets, especially Europe and the United States, the effects and impacts these situations could have on Chile and the Bank, and the necessary prevention measures, particularly to safeguard suitable liquidity.
- » It was informed of the restructuring of the Special Accounts Management and its processes.

### Corporate Governance and CSR Committee

It held four meetings for the year ended December 31, 2012 and dealt with the following issues, among others:

- » It analyzed the activities and plans of the Communications and CSR Management for 2012.
- » It was informed about the self-evaluation process and results of the boards of subsidiaries.
- » It analyzed the management of donations and social contributions.
- » It analyzed the progress with the various CSR programs for customers, suppliers, and community commitment.



- » It was informed of the content of the corporate governance and CSR report
- » It reviewed the results of the evaluations made in 2012 by the Board of the Bank and the Boards of subsidiaries on different aspects related to their operation.
- » It appraised the results of the Business Monitor of Corporate Reputation (MERCOR), and of the annual Prohumana evaluation of the national CSR ranking

### Compensation Committee

It held two meetings in 2012, in which it reviewed the following issues:

- » It analyzed and approved the 2012 compensation strategy.
- » It assessed the progress and achievements of specific objectives in 2012.
- » It made workforce forecasts according to the business needs.



## DIRECTORS' PARTICIPATION IN THE MANAGEMENT OF BCI SUBSIDIARIES OR OF EMPRESAS JUAN YARUR S.A.C.

The positions held by Board members or the CEO of Bci in the management of the controlling company of the Bank or its subsidiaries are listed below.

| DIRECTOR                | POSITION       | COMPANY                            |
|-------------------------|----------------|------------------------------------|
| Luis Enrique Yarur Rey  | President      | Banco de Crédito e Inversiones S.A |
|                         | President      | Empresas Juan Yarur S.A.C.         |
|                         | President      | Empresas Jordán S.A                |
|                         | President      | Empresas Salcobrand S.A.           |
|                         | Vice President | Viña Morandé S.A                   |
|                         | Director       | Bci Seguros Vida S.A.              |
|                         | Director       | Bci Seguros Generales S.A.         |
| CEO                     | POSITION       | COMPANY                            |
| Lionel Olavarría Leyton | President      | Bci Factoring                      |
|                         | Director       | Empresas Juan Yarur S.A.C.         |
|                         | Director       | Bci Seguros Vida y Generales       |
|                         | Director       | Tuves                              |

## BOARD'S SELF-EVALUATION PROCESS

For the suitable operation of the Board of Directors, for the past seven years its members have undertaken a self-evaluation process. This process considers aspects like the degree of preparation with which directors attend meetings, the depth with which issues are dealt, how the Board's priorities and concerns are reflected in management's action and how the directors' commitment to the Bank's management is evident.

In 2012, the main issues addressed were the length of meetings, the time taken to analyze the monthly balance sheet, the adequacy and timeliness of the information provided, the way and time available to deal with the issues on the agenda, the formalities of meetings, the application of corporate governance principles and regulations, issues addressed and outstanding, follow-up on agreements, the relationship with the Bank's management and subsidiaries, and attendance of committees comprising directors.

## BOARD REMUNERATION

The Shareholders' Meeting held in March 2012 endorsed the remunerations structure for directors, effective as of 2009, as outlined below:

### Fixed monthly remuneration

150 monthly tax units (UTM<sup>20</sup>) for each member of the Board except the President, who shall receive a fixed remuneration of 650 UTM, according to his functions and complying with the special mandate the Board has vested in him.

### Attendance remuneration

This envisages a monthly remuneration of 5 UTM for each Board meeting, Executive Committee meeting of the Board, Corporate Governance and CSR Committee meeting, Finance and Corporate Risk Committee meeting and Compensation Committee meeting.

### Variable remuneration

0.4% of the net profit, considering the average profits in 2010, 2011 and 2012. The profit share will be divided by 10 with two tenths going to the President of the Board as President of the institution and complying with the mandate vested in him by the Board, and one tenth to the other directors.

These remunerations are understood to be notwithstanding the fees for special, permanent or transitory services provided by directors.

The total remunerations paid to the Board in 2012, considering fixed and variable amounts, amounted to Ch\$593,989,431.

## BOARD'S POLICY ON TRANSACTIONS WITH RELATED PARTIES

The Bank has a "Customary Policy"<sup>21</sup> which sets out what operations are deemed to be customary between Bci and its directors, senior managers, main executives, their spouses and relatives up to the second degree by blood, as well as all entities directly or indirectly controlled by them, pursuant to the Law on Corporate Governance<sup>22</sup>.

Moreover, and considering the legal requirements, the Board keeps a list of customary suppliers of products and services needed for the Bank's normal operation. It thereby established that the purchase of supplies or the use of services must be made in market conditions and that any operation other than customary supply or from a supplier not included on the authorized list, must be qualified and approved beforehand by the Board, after analysis and a report by the Directors' Committee.

<sup>19</sup> <http://www.Bci.cl/medios/BCI2/accionistas/pdf/informativo/PoliticaSobreHabitualidad.pdf>

<sup>20</sup> An official inflation-indexed monetary unit. 1 UTM is currently about Ch\$40,000

<sup>21</sup> <http://www.Bci.cl/medios/BCI2/accionistas/pdf/informativo/PoliticaSobreHabitualidad.pdf>

<sup>22</sup> Article 147 of Law 18.046

# **LIST OF RELATED COMPANIES APPROVED BY THE BOARD AS CUSTOMARY PRODUCT AND SERVICE PROVIDERS**

Redbanc S.A.  
 Nexus S.A.  
 Depósito Central de Valores S.A. (DCV)  
 DCV Registros S.A.  
 Transbank S.A.  
 Centro Compensación Automatizado S.A. (CCA)  
 Combanc S.A.  
 Servipag  
 Artikos S.A.  
 BCI Compañía de Seguros de Vida  
 BCI Compañía de Seguros Generales  
 Empresas Jordan S.A.  
 Bolsa de Comercio de Santiago  
 Archivert S.A.  
 Vigamil S.A.C.I.  
 Viña Morandé S.A.  
 Salcobrand S.A.



# PASSION



Carlos Fernández / Miguel Branada

My business partner and I have been friends since childhood when we played Super Nintendo together. We always wanted to start our own business – one that would be entertaining and challenging at the same time. Today our dreams have come true. Our project “Advergames” is a startup where we develop digital platform games for companies.

We began working with prototypes and independent projects long before closing deals with businesses. In this moment our challenge was that our sales cycle from sales pitch to concretion was longer than we planned for, understanding the importance of having working capital.

From this moment, we began to work with Bci Nace and received their help with this difficult step. We not only obtained the necessary finances, but we also received excellent customer service. Their representatives responded to our never-ending stream of questions about finances and they’ve always been there to help facilitate our operation. We are very thankful for Bci Nace’s constant support.

We hope to keep developing great games and mobile applications that change people’s lives and manage to entertain both young and old. We hope to do this of course, beside our faithful bank Bci.





## SENIOR MANAGEMENT

Bci aims to be the best Bank for customer experience in America, for which it has a top notch human team that is motivated and committed to meeting the needs of internal and external customers. It has cutting-edge technology for employees and users, and sound economic performance.



**01.**

Lionel Olavarria Leyton  
Chief Executive Officer

**02.**

Eugenio Von Chrismar Carvajal  
Corporate and Investment  
Banking Manager

**03.**

Ignacio Yarur Arrasate  
Commercial Banking Manager

**04.**

Antonio LeFeuvre Vergara  
Corporate Risk Manager

**05.**

Pablo Jullian Grohnert  
Human Resources Manager

**06.**

Pedro Balla Friedmann  
General Counsel

**07.**

Mario Gaete Hörmann  
Corporate Support Services  
Manager

**08.**

José Luis Ibaibarriaga Martínez  
Chief Planning  
and Financial Officer

**09.**

Rodrigo Corces Barja  
Customer Experience and  
Corporate Image Manager

**10.**

Ximena Kutscher Taiba  
Corporate Controller



06

07

08

09

10

AA+

# TRIBUTE

## An exemplary employee and affectionate friend

NICOLÁS DIBÁN SOTO<sup>†</sup>

1955 2012







The unexpected and premature death of Nicolás Dibán, who up to December 9 was the Retail Banking Manager and a member of Bci's General Steering Committee, deeply moved all of us at the Corporation.

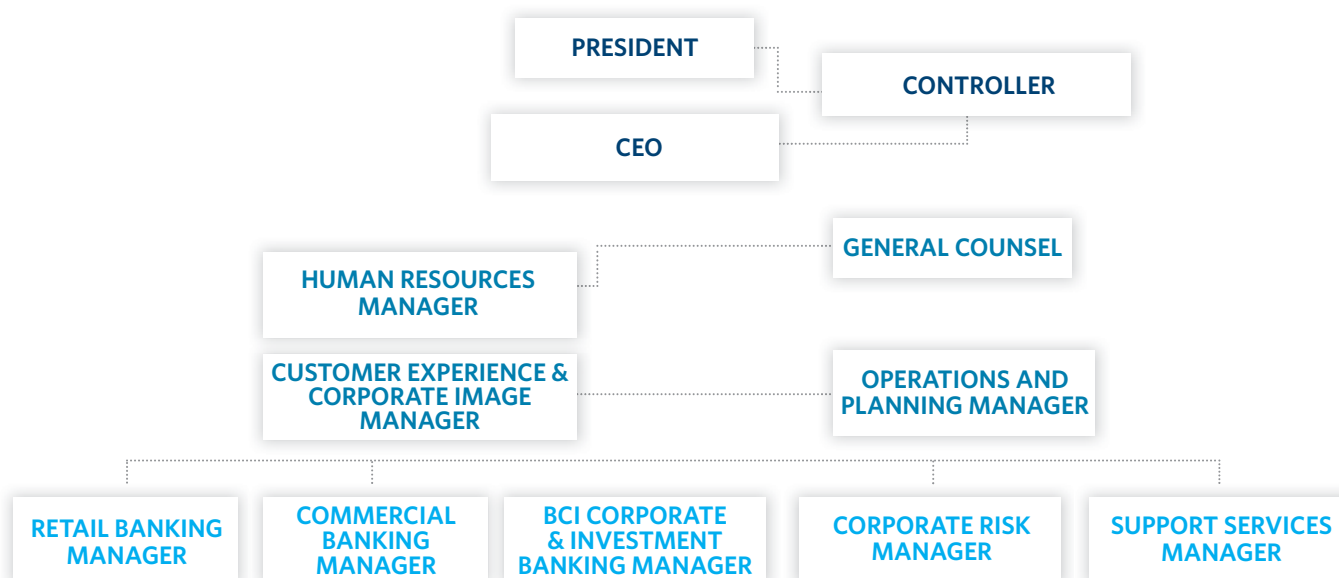
Nicolás joined the Bank in 1979 after graduating from the Universidad de Chile and initially worked as a company executive. He was then quickly and steadily promoted and after a short time was appointed branch manager. He subsequently became the human resources, corporate marketing and corporate risk manager. When Retail Banking was created in 2010, he was the manager. At the same time, Bci commissioned him to represent it in subsidiaries and in companies supporting the line of business.

Over the 33 years Nicolás was with us, he was always an outstanding professional, respected and admired for his exceptional talent, hard work and devotion. He was also a leader constantly concerned about the well-being and progress of his employees. However, above all Nicolás was a person with a huge human quality, authentic and deeply committed to the principles and values of our organization. He was also a happy, enthusiastic and generous man, who took on life's challenges wholeheartedly and wisely.

For all these qualities, he was probably the most loved boss by the staff of this Bank. He was an affectionate friend and loyal co-worker, father and exemplary husband. Nicolás Dibán will always be an unforgettable person for all those who were lucky and privileged enough to know and work with him. In his memory and as a tribute, the Bank's auditorium now bears his name.



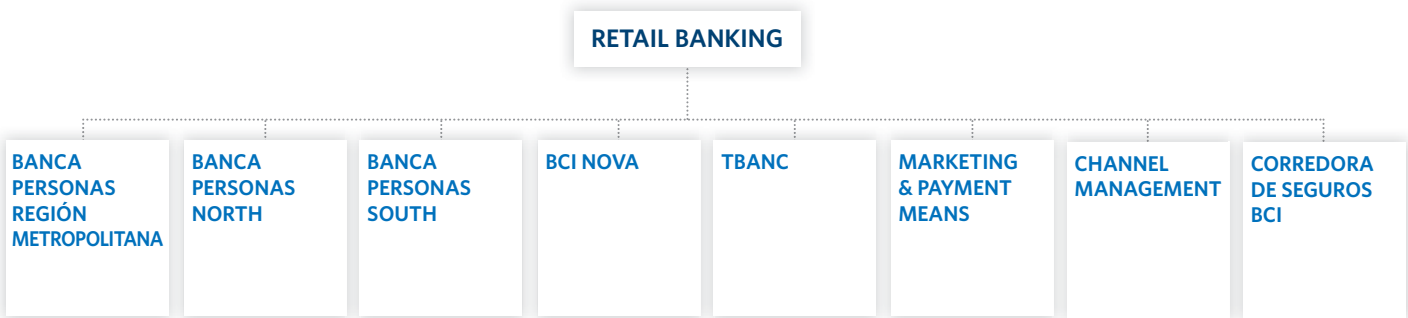
## SENIORS MANAGEMENT



**RETAIL BANKING**

This area is focused on individuals, entrepreneurs and small entrepreneurs with a wide range of loan, savings and protection products. Its products and services are available in 330 branches throughout Chile and different remote channels, like the Internet, Telecanal (Call Center), mobile devices and ATMs.

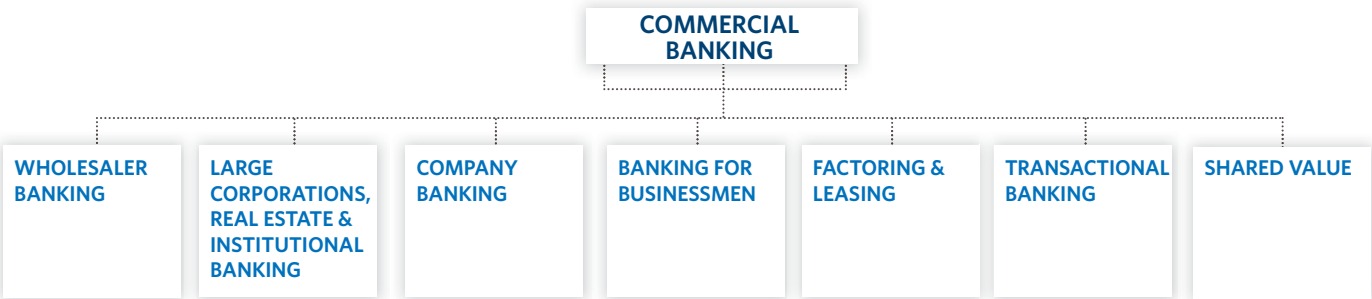
It offers customized services through its three business units: Banco de Personas y Emprendedores, TBanc and Bci Nova. It also has support services for marketing and corporate payment means and channels. This structure and over 5,000 employees empower innovation, customer closeness and experience.



**COMMERCIAL BANKING**

This area serves a target market mainly comprising corporations with sales of over UF 12,000 a year. Its products and services are available through the different areas and channels of the Bank, including branches in Chile and overseas, subsidiaries and representation offices. It offers financing in national and foreign currency, transaction services, payments and collection, factoring, leasing, financial advice, insurance, all kinds of money desk and derivative operations, foreign trade and investments.

This division covers different business units, which report to it directly: wholesale, large corporations and real estate, institutional, companies and businessmen. It also includes factoring, leasing and transactional banking. At the end of 2012, the commercial banking area had 39,248 customers with checking accounts.



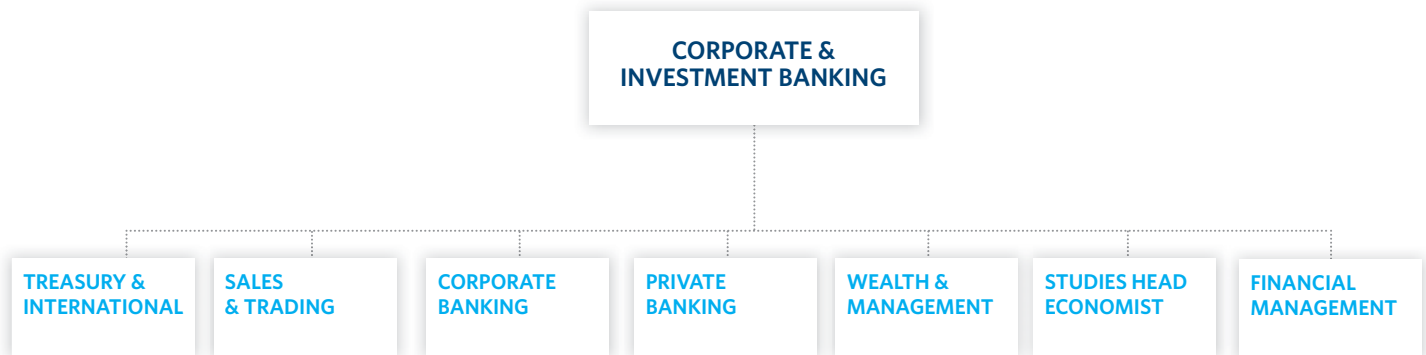
Banco comercial tiene 39.248 clientes con cuenta corriente al cierre del año 2012.



## BCI CORPORATE & INVESTMENT BANKING

Bci Corporate & Investment Banking is the outcome of a new business model launched in 2011 and which attained consolidation in 2012. This service model is headed by a corporate banking manager supported by a team of specialists with renowned market experience. The manager coordinates the relationship between the customer and the following business areas comprising the division: Corporate Banking, Corporate Finance, International Area, Sales & Trading, Private Banking, Wealth Management and Bci Estudios.

It is focused on large corporations, financial institutions, investors with large capital and the financial market with financial service needs of a high value. The aim of Bci Corporate & Investment Banking is to proactively offer comprehensive solutions to each customer by means of strategic planning per customer, in which all the specialist areas participate. It had 3,294 customers at the end of 2012.



## MAIN MANAGEMENT COMMITTEES

The management committees are the most important executive management tool for analyzing the operation of the business and assuring the achievement of corporate objectives. The aim of the main management committees is to generate necessary information, resolve and deliver the information to the Directors' Committees.

Bci's main management committees are the following<sup>23</sup>:

- Operating Risk Committee
- Bank Operating Risk Committee
- Information Security and Technology Risk Committee
- Regional Credit Risk Committee
- Corporate Credit Committee
- Corporate Credit & Investment Banking Committee
- Commercial Banking Credit Committee
- Steering Committee
- Strategic Planning Committee
- Asset Laundering Prevention Committee
- Ethics Committee
- Assets and Liabilities Committee (ALCO)
- Change Control Committee
- Default Committee
- Transparency Committee
- Customer Problem Solving and Management Committee

<sup>23</sup> To learn more about the function of each committee, see Bci's 2007 Corporate Governance and CSR report at [www.Bci.cl/accionistas](http://www.Bci.cl/accionistas)

## SHAREHOLDERS

Shareholder relations are managed by the Investor Relations Department and the New Business Development Unit handles investors and provides daily information. There is also updated information on the website. The Bank was the first in the industry to publish the monthly reports of the Superintendency of Banks and Financial Institutions on its website. The Bank's results are therefore available in the shareholder chapter within the first few days of every month. Conference calls are also made with foreign investors and ongoing direct relations are maintained with this stakeholder.

### SHAREHOLDERS' AGREEMENT

Shareholders related to the Yarur Family, who as of December 31, 2012 held 63.8% of the subscribed and paid-up shares of Bci, entered into a shareholders' agreement on December 30, 1994, which was updated on June 23, 2008.

Such agreement confirmed their will of maintaining the traditional unity and control of Banco de Crédito e Inversiones (Bci). Moreover, they reiterated their intention of preserving the principles on which its management is based.

Pursuant to what is set forth in article 14 of the Law on Corporations, the agreement is recorded in the Bank's Shareholders' Registry and available to other shareholders and interested third parties.



### MAIN SHAREHOLDERS

The following is a list of Bci's 25 main shareholders as of December 2012, along with the number of shares they hold and their percentage shareholding.

| NAME   | SHARES      | % SHAREHOLDING |
|--|-------------|----------------|
| Empresas Juan Yarur S.A.C                            | 56,876,476  | 53.73%         |
| Jorge Yarur Bascuñán                                 | 4,473,497   | 4.23%          |
| Inversiones BCP S.A.                                 | 3,876,865   | 3.66%          |
| Sociedad Financiera del Rimac S.A.                   | 3,677,935   | 3.47%          |
| Banco de Chile por cuenta de terceros no residentes  | 2,524,729   | 2.39%          |
| AFP Provida S.A.                                     | 2,426,684   | 2.29%          |
| Banco Itaú por cuenta de inversionistas              | 2,386,670   | 2.25%          |
| AFP Habitat S.A.                                     | 2,195,391   | 2.07%          |
| Inversiones Jordan Dos S.A.                          | 2,114,520   | 2.00%          |
| AFP Cuprum S.A.                                      | 1,747,108   | 1.65%          |
| Bci Corredor de Bolsa S.A. por cuenta de terceros    | 1,695,636   | 1.60%          |
| Inversiones Tarascona Corporation (Agencia en Chile) | 1,515,618   | 1.43%          |
| AFP Capital S.A.                                     | 1,386,865   | 1.31%          |
| Inversiones Millaray S.A.                            | 1,287,850   | 1.22%          |
| Banco Santander por cuenta de inv. extranjeros       | 1,231,371   | 1.16%          |
| Inmobiliaria e Inversiones Cerro Sombrero S.A.       | 1,161,440   | 1.10%          |
| Luis Enrique Yarur Rey                               | 1,033,979   | 0.98%          |
| Banchile Corredor de Bolsa S.A.                      | 666,581     | 0.63%          |
| Celfin Capital S.A. Corredores de Bolsa              | 655,771     | 0.62%          |
| Bolsa de Comercio de Santiago Bolsa de Valores       | 620,641     | 0.59%          |
| Modesto Collados Nuñez                               | 611,848     | 0.58%          |
| Larraín Vial S.A. Corredores de Bolsa                | 590,423     | 0.56%          |
| Inversiones VYR Ltda.                                | 563,349     | 0.53%          |
| Inmobiliaria e Inversiones Chosica S.A.              | 435,433     | 0.41%          |
| Inversiones Lo Recabarren S.A.                       | 334,405     | 0.32%          |
| Otros Accionistas*                                   | 9,764,182   | 9.22%          |
| Acciones suscritas y pagadas                         | 105,855,267 | 100.00%        |

\*Includes Bci employees who jointly hold 505,810 shares, equivalent to a 0.48% shareholding



## ETHICS

Ethics is a core aspect of the mission and corporate values of Bci. To such effect, the Corporation has a Code of Ethics<sup>24</sup> and a management structure that supports its application. Management of the Code includes training, analysis and follow-up on best practice within the company and there is a whistleblowing facility to receive enquiries and complaints regarding potential breaches.

Management in this area in the year was on driving the *¿Qué hago?* (What should I do?) campaign, improving induction courses, an external consultant conducting a general assessment of the Code of Ethics and reviewing the training content to assess the need of updating it.

## ETHICS COMMITTEE MANAGEMENT

The management of the Code of Ethics<sup>24</sup> is the responsibility of the Ethics Committee, which is made up of eight\* members and six of them are appointed by the President of the Bank for a three-year term. The other two rotating members are those given the Jorge Yarur Banna Award and they serve a two-year term. The Committee also has an executive secretary who is in charge of coordinating activities and receiving and answering queries.

### ETHICS COMMITTEE MEMBERS

Luis Enrique Yarur Rey / President

Lionel Olavarria Leyton / CEO

Ignacio Yarur Arrasate / Commercial Banking Manager\*\*

Eugenio Von Chrismar Carvajal / Bci Corporate & Investment Banking Manager

Pedro Balla Friedmann / General Counsel

### ROTATING MEMBERS

Patricio Mardones / Corporate Procurement and Supplier Manager (up to 2014).

Jorge Obregón Kuhn / Manager of Bank Branches (up to 2013).

### EXECUTIVE SECRETARY

Carlos Andonaegui Elton / Secretary-General Manager

(\*) Due to the death of Mr Nicolás Dibán there is an unfilled vacancy.






(\*\*) Mario Gómez Dubravac was replaced by Ignacio Yarur after being appointed a director of the Bank.

Two Ethics Committee meetings were held in April and September 2012, in which the main issues addressed were:

- » Inquiries and authorization requests to undertake other activities outside business hours.
- » It resolved queries about possible conflicts of interest.
- » Dissemination of Committee communiqués to employees.
- » It analyzed and approved the document "Our Contributions," which informs about the criteria for approving and making contributions to customer and non-customer institutions to finance social, educational, cultural, sports and environmental conservation projects, among others.
- » It stipulated that all employees or their families who currently have or in the future will have a direct or indirect relationship with suppliers of the Bank or any of its subsidiaries shall inform the Corporate Procurement and Supplier Management of this, which in turn shall inform the Ethics Committee, if applicable. If fitting and in accordance with regulations on related transactions, the respective operation may be analyzed by the Directors' Committee.
- » It agreed to reiterate that an employee or direct family member must never accept gifts or participate in social, training or business activities, which imply the intention of the offerer or receiver of influencing the employee or compensating him or her for any business or transaction undertaken with the Bank and/or subsidiary, be this before or after that operation is carried out.

## NORMATIVAMÁS WEBSITE

An innovative internal website called *Normativamás* was launched in 2012. On this portal it is possible to quickly find in a single place all the corporate information from policies to products, manuals, procedures, services, telephone directories, location of branches and other useful information.

-  **More Collaborative**
-  **More Communication**
-  **More Information**
-  **Simpler**
-  **More and Better Management**

<sup>24</sup> In force since 1996, and updated in 2005 and 2010.

<sup>25</sup> The Jorge Yarur Award is for seniority in the Bank, compliance and consistency of action.

## ¿QUÉ HAGO? PROGRAM

The *¿Qué hago?* (What should I do?) campaign, launched for the first time in July 2007, seeks to make Bci employees more aware of the ethical content governing the organization's dealings and at the same time raise the degree of knowledge of and number of queries on ethical matters.

This campaign was focused on generating new communication mechanisms in addition to the usual Ethics Committee meetings, so employees, besides consulting the Code, can ask, find out and know which principles apply for specific cases.

## ETHICS TRAINING

In 2012, improvements were made to the content and giving of ethics courses included in the Corporate Induction Program that Bci has undertaken since 2008. 45 in-person workshops were held in the year, attended by 2,757 employees.

|                    | 2010   | 2011  | 2012  |
|--------------------|--------|-------|-------|
| Nº OF WORKSHOPS    | 53     | 47    | 45    |
| Nº OF PARTICIPANTS | 1,230* | 2,020 | 2,757 |

\* The figure for new employees does not consider those in regions, as the ethics talk was only in-person in Santiago.

## QUERY AND WHISTLEBLOWING FACILITIES

There are three facilities permanently available to employees for them to make queries, blow the whistle or make complaints of an ethical nature:

- » The telephone line "Aló ¿Qué hago?"
- » The e-mail address [Que Hago@Bci.cl](mailto:Que Hago@Bci.cl)
- » Make queries directly to members of the Ethics Committee or its executive secretary.

These facilities received 66 queries or whistleblowing of an ethical nature in 2012, which were duly reviewed and answered.

## ETHICAL VALUES AND BUSINESS ETHICS PULSE STUDY

For five years Bci has participated in the Ethical Values and Business Ethics Pulse study, conducted by *Fundación Generación Empresarial* <sup>26</sup>. This insight survey addresses the values in companies by consulting all its personnel. In this analysis, the financial sector continued to be the best evaluated of all the industries, which confirms the results of the surveys in prior years. Bci's participation should also be highlighted as it was top of most of the categories evaluated at industry and general level.

1,081 Bci employees participated in 2012 and the results show that the values perceived as the most defined and experienced <sup>27</sup> are transparency, creativity and innovation, service and excellence.

### MAIN RESULTS OF THE ETHICAL VALUES AND BUSINESS ETHICS PULSE STUDY

**98%** said the company's values are clearly defined.

**92%** said that the values are present in the setting of the organization's targets and objectives.

**97%** considered that the communication of values is clear and direct.

**85%** felt represented by the values and ethical conduct of Bci.

**88%** considered that the brand is strengthened and protected by suitable ethical behavior.

<sup>26</sup> [www.generacionempresarial.cl](http://www.generacionempresarial.cl)

<sup>27</sup> Considered by over 90% of the interviewees.



**126 training sessions were held for 2,896 employees on asset laundering, financing of terrorism and bribery prevention.**

## **MONEY LAUNDERING, TERRORISM, FRAUD AND CORRUPTION PREVENTION AND CONTROL, AND REGULATORY COMPLIANCE**

Bci has an ongoing commitment to prevent and detect possible cases of asset laundering, financing of terrorism and corruption. The Code of Ethics lays down that: “the Corporation does not finance business or aims to have any commercial relationships with companies or individuals that do not abide by ethical standards, or with those companies or people that are aware of their participation in unlawful or degrading business, or that do not fully comply with current legal regulations.”

## **CRIMINAL RISK PREVENTION AND CONTROL**

The Corporate Compliance and Prevention Management<sup>28</sup> is in charge of detecting, overseeing and reporting unusual or suspicious operations that might be related to money laundering, financing of terrorism and bribery to comply with the principles and values of the Bci Corporation, and at the same time protect its reputation and equity.

Pursuant to Law N°20.393, which sets forth the criminal liability of companies for offenses of asset laundering, financing of terrorism and bribery, in 2010 Bci put a prevention and detection model of these offenses in place, appointing a Corporate Compliance Manager in charge of these issues.

In 2012, this Management was focused on continuing to enhance the technology tools and the procedures for monitoring transactions, products and services. It also constantly re-assessed the high-risk geographical areas, customers with risky activities, and new banking, segments and/or products and secured external certification for the criminal risk prevention model. Moreover, it worked on adjusting the Corporation’s procedures and systems to comply with international regulations such as the Foreign Account Tax Compliance Act (FATCA)<sup>29</sup>, the USA Patriot Act<sup>30</sup> and the regulation of the Office of Foreign Assets Control (OFAC)<sup>31</sup> of the US Department of the Treasury.

As part of the ongoing assessment of the risks of customers, products, branches, employees and supplier to determine the degree of exposure to risks of asset laundering, financing of terrorism and bribery, the creation of two new job positions related to the Compliance Management in regions was approved, i.e., the position of Compliance Executive in Temuco and Compliance Official in Iquique, which has decentralized this function and provides closer support to employees in the north and south of the country.

As a way of making the prevention and detection of these unlawful acts more efficient, Bci includes all employees in this by means of permanent training and dissemination so they are aware of the prevention policies and procedures and can play an active support role for the Corporate Compliance Management. In 2012, newsletters were prepared to make employees familiar with the concepts of criminal risk prevention and the whistleblowing facilities. 126 in-person training sessions and one virtual session were held, which addressed the prevention of asset laundering, financing of terrorism and bribery, and they were attended by 2,896 employees.

The different whistleblowing facilities<sup>32</sup>, established by the Corporate Compliance and Prevention Management, received three queries by telephone and 16 whistleblowing reports, which were resolved timely.

<sup>28</sup> This Management depends on the Risk Management and functionally reports to the Directors’ Committee.

<sup>29</sup> Act created in 2010 to prevent tax evasion of “US citizens” in the United States by using financial accounts held outside the country. It will come into force in 2013. For further information, see [www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-\(FATCA\)](http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-(FATCA)).

<sup>30</sup> Act created just after September 11, 2001. It increases the power of US authorities and courts to investigate, process and prevent acts of terrorism.

<sup>31</sup> The OFAC “manages and implements economic sanction programs, mainly against countries and groups of individuals, like terrorists and drug traffickers.” For further information, see: [www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-assets-Control.aspx](http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-assets-Control.aspx)

## FRAUD PREVENTION

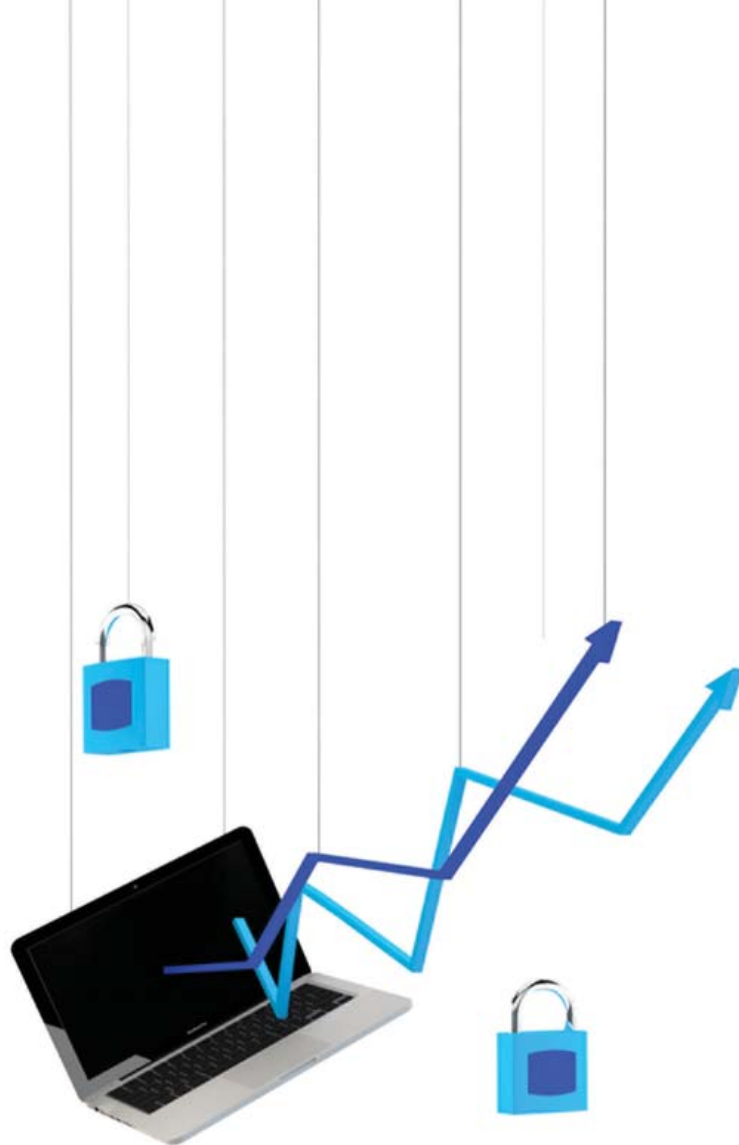
The Information Security Department, established in 2008 and which reports to the Computer Operation Management, is a unit that monitors and manages fraud prevention, and oversees financial transactions made throughout the Corporation's channels.

In 2012, it worked on preventing and mitigating the rising fraud attacks on the remote channels in Chile and overseas. The scope of the attacks that hit the domestic market required great effort and experience by the department to quickly implement risk patterns, validation rules and restrictions in line with the situation and contingencies. The effectiveness of these measures and the maturity of the Fraud Intelligence Model suitably protected customers, minimized complaints and kept the company ahead of the requirements of the regulatory and control authorities.

## REGULATORY COMPLIANCE

Regulatory compliance is the function that enables the Corporation to assess and manage the risk of non-compliance with the internal and external regulatory obligations to reduce the possibility of losses due to fines, damage to reputation and impact on customers and the community. This management is undertaken by means of updated policies and procedures that are available for employee compliance. This function also oversees compliance with the main obligations to identify opportunities of improvement and implement them timely.

In 2012, the Regulatory Compliance Management focused on complying with Law N°20.555 on the SERNAC Financiero<sup>33</sup> to provide customers a better service in accordance with local regulations.



<sup>32</sup> E-mail: [prevenciondeldelitoBci@Bci.cl](mailto:prevenciondeldelitoBci@Bci.cl), and telephone number: 26929200.

<sup>33</sup> Consumer Protection Agency for financial matters. For further information, see [www.leychile.cl](http://www.leychile.cl).



# THE WOOD OF THE FUTURE

.....  
**Silvana Ellena**  
.....

Timberecco was founded in 2006 thanks to a Corfo initiative for technological innovation. The company turns recycled industrial and domestic plastics into plastic wood.

In 2010, we applied to Bci Nace for an entrepreneur loan. We applied as an early stage startup with a great idea, stable partners and promising prospects for growth. In less than 3 weeks, we were awarded the loan which permitted us to hire a technology consultant and obtain the necessary business and safety licenses required to operate legally.

Thanks to the support of Bci, Timberecco is now in a position to begin supplying the market with a unique product that is ecological, sustainable, environmentally friendly, and of high quality. In the manufacturing process Timberecco will recycle at least 80% of their plastic residuals, which would otherwise end up in a landfill.

In the near future we hope to open new plants that can transform waste into plastic wood, with the goal of strengthening the sustainability of our project.





# 06.

## COMMUNITY COMMITMENT

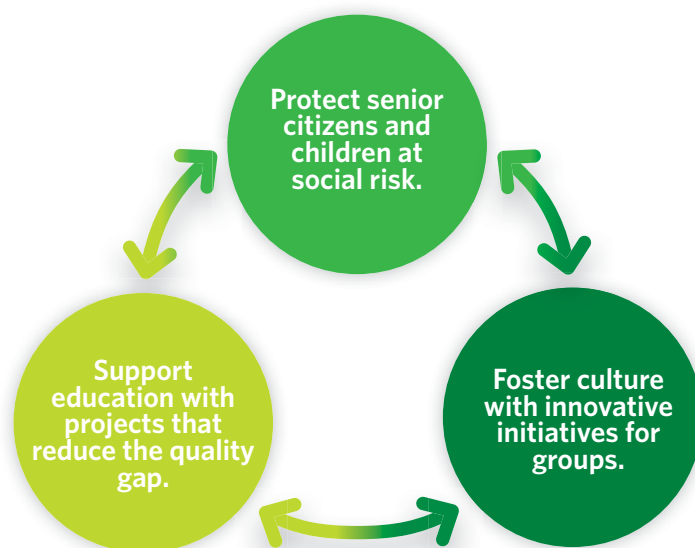




The objective of the Communications and CSR Management is to make a contribution to Bci's corporate reputation by designing programs that are aligned with its strategic objectives and generate value for stakeholders to fulfil its mission and vision.

The work Bci carries out in the community area is aimed at effectively contributing to increasing the country's social, cultural and economic wealth with initiatives that generate value for the community in general, with a focus on senior citizens and children, and which at the same time enhance the institutional reputation.

## COMMUNITY COMMITMENT PRIORITY AREA





## CORPORATE VOLUNTEERS

In 2011, Bci designed a new Corporate Volunteer Plan based on objectives like improving the work environment, sharpening the Bank's commitment to society and enhancing the leadership skills of the internal work teams.

Based on this plan, it established a Corporate Volunteer Strategy, which envisaged drawing up an annual work schedule with each of the three foundations supported by Bci, i.e., *Fundación Las Rosas*<sup>34</sup>, *Corporación Crédito al Menor (CCM)* and *Fundación Mi Parque*<sup>35</sup>.

## SUPPORTING SENIOR CITIZENS AND CHILDREN AT SOCIAL RISK

### FUNDACIÓN LAS ROSAS

The Foundation's mission is to **"give refuge, food and company to poor and helpless elderly people and assist them in their health and in their final encounter with the Lord, keeping them united with family and society in a dignified and active way."**

#### MONTHLY VISITS TO THE HOMES OF FUNDACIÓN LAS ROSAS

The aim of these visits was to enhance ties between the Bank's volunteers and the senior citizens of the institution. Visits were made once a month March through December, and on each occasion involved a group of about 10 volunteers with a leader.

#### 2 KM WALK FOR SENIOR CITIZENS

This walk took place on November 25 to contribute to the healthy life of the seniors cared for by this organization. Bank volunteers and family members participated, and they accompanied the residents of Fundación Las Rosas throughout the walk to give them support if needed.

#### FUNDACIÓN LAS ROSAS COLLECTION

To help with the annual collection of this institution, 11 Bci volunteers worked as collectors in the streets and another five organized the internal collection at the Bank.

#### CHRISTMAS CELEBRATION

The aim of this was to accompany the residents of four homes of the Foundation in the Metropolitan region at Christmas. The celebrations were organized on different dates and 45 volunteers participated.



<sup>34</sup> [www.fundacionlasrosas.cl](http://www.fundacionlasrosas.cl).

<sup>35</sup> [www.miparque.cl](http://www.miparque.cl)



## **CORPORACIÓN CRÉDITO AL MENOR (CCM)**

CCM was established by Bci employees in 1990 and aims to provide protection to poor girls whose rights have been violated.

### **TURN INTO AN EASTER BUNNY**

This activity was organized to provide a moment of joy and recreation for the girls of the CCM as part of the Easter celebration. It took place on April 27 at the La Pintana center of the institution and was attended by 24 Bank volunteers.

### **CHILDREN'S DAY CELEBRATION**

For this celebration, 54 volunteers accompanied the girls of the CCM on their traditional outing to Fantasilandia. This activity lasted seven hours and had the onsite supervision of a coordinator of Fundación Trascender.

### **MATHEMATICS WORKSHOPS**

These classes were undertaken in 10 sessions of an hour and a half each every Friday August through November. Eight volunteers participated in this extra tuition.

### **CHRISTMAS CELEBRATION**

This activity was organized to give the girls of the CCM the gifts they requested in their letters to Father Christmas. 116 volunteers participated, each of whom was registered to receive a letter and then fulfill the girls' wishes. 50 employees attended the celebration on December 19.

### **OUTING TO WATCH THE CIRQUE DU SOLEIL'S VAREKAI**

This initiative took place on December 22 and 50 volunteers participated, who accompanied the girls of the CCM throughout the presentation of the acclaimed Canadian company.

## **SEMINAR ON LIVING LONGER AND HAPPILY**

Bci and Fundación Las Rosas organized a seminar on active and healthy ageing to make the community aware of the value of senior citizens and their contribution to society.

200 people attended the seminar, with presentations by Alexandre Kalache, former Director of the World Health Organization (WHO) and President of the WHO Active Ageing Program, and Maribel Vidal, Vice-President and Director of Strategic Planning of McCann-Erickson.

**11 projects were carried out with the community in 2012, in which 408 volunteers participated.**





## FUNDACIÓN MI PARQUE

The objective of *Fundación Mi Parque* is to “create a new strategy of generating green areas in vulnerable sectors in Chile.” It promotes public-private partnerships for this and the empowerment of the beneficiary communities themselves.

### RECOVERY OF THE SAN BERNARDO SQUARE

To help the residents of *Villa Los Volcanes* in *San Bernardo* to recover the square in their neighborhood, 47 Bci employees with their friends and some family members went to this sector on June 2. Divided in teams, the Bci volunteers and others from *Fundación Mi Parque* planted trees, painted the public property and built facilities.

### RECOVERY OF THE PARQUE ORO OLÍMPICO IN COLINA

This initiative organized by *Fundación PROhumana* took place on November 17 with 32 volunteers, 17 Bank employees and 15 family members and friends. The work was organized into teams, each of which had a specific mission. What was striking about this initiative is that it was the first inter-company activity of corporate volunteers organized in Chile.



## COMMITMENT TO EDUCATION

### PARTNERSHIP WITH ENSEÑA CHILE

The aim of the Enseña Chile<sup>36</sup> program is to reduce the education gap by hiring professionals of excellence of different disciplines to teach in vulnerable schools for two years.

This model is inspired by the Teach For America<sup>37</sup> project, considered to be one of the largest providers of teachers for low-income sectors in the United States.

Bci has supported this initiative since it was launched in 2008 with an annual donation. It is also on its Management Council and provides volunteer hours for some of its activities. Executives of the Corporation also visited some of the schools in this program to give their life and self-improvement testimonials.

In four years this program has reached over 26,000 pupils in 70 schools, with 3,250 applicants and 177 teachers working in vulnerable schools. 132 teachers were authorized in 2012, and it is estimated that there are 18,000 beneficiary pupils.



<sup>36</sup> [www.ensenachile.cl](http://www.ensenachile.cl)

<sup>37</sup> [www.teachforamerica.org](http://www.teachforamerica.org)

<sup>38</sup> [www.presconstitucion.cl](http://www.presconstitucion.cl)

## DIFFERENT CULTURE

### MUNICIPAL THEATER IN CONSTITUCIÓN

As part of the development of the Master Reconstruction Plan for Constitución<sup>38</sup>, a public and private project to reconstruct that city which was seriously damaged by the earthquake and tsunami in February 2010, in 2011 Bci committed to providing financing to rebuild the Municipal Theater in Constitución.

The main progress in 2012 with each of the processes involved in this project were:

#### DESIGN

The Municipality of Constitución and Bci approved the budget submitted. The Bci Corporation also requested that the works have access for the disabled and comply with environmental conservation.

#### PERMITS & STUDIES

The building permit was approved in November and the hydrological study was commissioned to identify groundwater.

#### TENDER

The works will be tendered in September 2013 after approval of the financing by the Regional Council (CORE) in June.

According to the work schedule established by the parties involved, works should start on the new Municipal Theater in Constitución in January 2014 and end in December 2015.



## CONCERT FOR THE COMMUNITY

On December 1, 2012, Bci organized its traditional "Free Christmas Concert" in the Parque Araucano. This activity, which is part of the Corporation's "Different Culture" program and has been held every year since 2006, on this occasion had a special meaning, i.e., the celebration of the 75th anniversary of the Bank.

To commemorate this event, as the main work Bci decided to present one of the most acclaimed works in the repertory of international opera, "La Traviata" by the Italian composer Giuseppe Verdi. 5,000 people attended the opera, organized with the Municipal Theater.

Four concerts open to the community in Iquique, La Serena, Talca and Valdivia were also organized. This entailed a recital by the renowned Easter Island pianist Mahani Teave. 6,000 people attended.

## NOCEDAL YOUTH ORCHESTRA

Convinced of its social contribution in the educational and cultural areas, since 2002 Bci has supported the Nosedal Youth Orchestra, comprising 70 pupils in second grade of primary education to the final grade of secondary education at the Nosedal School in La Pintana.

The main objectives of the Nosedal Youth Orchestra program are to discover children with musical talent and give them the opportunity of developing their skills and having access to a top level cultural environment. They are also given an educational environment of good virtues, like order, discipline and perseverance. These virtues enhance the learning and practice of a musical instrument, which is proven to strengthen neuronal connections. The children transfer this ability to other areas of knowledge, improving their memory, concentration and skills in areas as diverse as language and mathematics.





## GUIDED ART TOURS

In its corporate headquarters the Corporation has a large collection of 60 Chilean paintings, 47 pieces of silver and 24 Mapuche ceremonial stones. To make known this valuable collection to as many people as possible, in 2012 the Bank continued its traditional "Guided Art Tours" but increased the frequency to one a month, and it conducted twelve tours in the year.

140 people, including customers, employees and general visitors, went on the tours and gave them a satisfaction rating of 98%.

**The social contribution in 2012 was double that of 2009**

## SOCIAL CONTRIBUTION

Bci's Donations Policy, created in July 2005, establishes that the funding provided by the Corporation for this purpose "must finance works or projects that generate social, educational and/or cultural wealth for a large number of people, preferably poor people."

Based on these guidelines, in 2012 Bci donated Ch\$3 billion to social, educational and cultural activities, which was a Ch\$101 billion increase on 2011. That was mainly due to the Bank's greater support of Fundación Las Rosas, Corporación Crédito al Menor and the Enseña Chile program, along with the large donation made each year to the Municipal Theater Corporation in Santiago.



### BCI'S SOCIAL CONTRIBUTION BY AREA (GIVEN IN MILLIONS OF CHILEAN PESOS)

| AREA         | 2009         | 2010         | 2011         | 2012         |
|--------------|--------------|--------------|--------------|--------------|
| EDUCATION    | 183          | 663          | 892          | 651          |
| CULTURE      | 764          | 1,075        | 1,368        | 1,562        |
| SOCIAL       | 466          | 493          | 649          | 857          |
| <b>TOTAL</b> | <b>1,413</b> | <b>2,232</b> | <b>2,899</b> | <b>3,072</b> |

Infórmese sobre la garantía estatal de los depósitos en su banco o en [www.sbf.cl](http://www.sbf.cl)

# FROM OUR ROOTS...

.....  
**Jaime Camposano**  
.....

I come from a long line of pisco producers, starting more than five generations back in 1850 with my great grandfather. When our lease with Pisco Control, which we held since the 80's, expired, I decided to develop a new pisco business.

My knowledge of winemaking and my business studies allowed me to undertake this project. I had the support of two important partners, Juan Carlos Ortúzar and Norman Dabner, who both contributed significantly with their knowledge of marketing and finance. By mid-2010, the Pisquera Tulahuén was born, and in June of 2011, we produced our first bottles of premium Wagar pisco.

At the beginning it was just a personal undertaking pushed through by our desire, and savings and personal loans. But it was thanks to Bci that we were able to take our project to the next level. With the support of Bci Nace, we have developed our exportation plans and increased our production. This support was fundamental in our growth. Thanks to it, we have been able to market, sell, and export our product to the U.S. and most of Western Europe, as well as domestically in Chile.

We were also supported by Vinoteca, an important distributor. For Pisco Wagar, our goal is to continue increasing our sales, to consolidate our position in current markets and enter new ones. Without a doubt, this will require us to invest in advertising and in increasing our production. In order to accomplish these goals we will of course rely on the assistance of our bank, Bci.







# 07.

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## ENVIRONMENTAL PERFORMANCE

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## ENVIRONMENTAL STRATEGY

In 2012, Bci reviewed its environmental practices and started to define an environmental strategy<sup>39</sup> aimed at including environmental aspects in its way of offering and executing its products, services and operations, always based on a vision of financial feasibility.

To such effect, the Bank commissioned an external consultant to come up with a proposal to establish the criteria to generate a new sustainable value offering commensurate with the commitment undertaken by the Corporation to the ecosystem.

The objectives Bci set to make progress with this project, whose main guidelines are expected to be defined in 2013, were:

- » Definition of the scope and objectives of an updated environmental strategy for Bci aligned with its institutional principles and values.
- » Identification of the areas of action and good practice regarding the environment issue at Bci. This purpose envisages drawing up a benchmark on environmental strategies in the local and international banking industry and gathering and updating primary and secondary data from Bci and other financial institutions. The idea is to define a baseline from this work from which to articulate the strategy.

This environmental strategy will order, update and reconsider the initiatives the Bank has developed in the environmental conservation area for nine years. In 2013, a decision will be made as to whether the Corporation will once again measure its carbon footprint, as it did for the last time in 2010, and how it will seek to reduce its emissions and mitigate its footprint.

The highlights in 2012 were the management of the ecological branch in Vitacura in its first year of operation, the new measures applied as part of the energy efficiency plan in the corporate headquarters, the Energy Efficiency Committee, and the progress made with the internal commitment program *"Despierta, el medio ambiente está en tus manos"* (Wake up, the environment is in your hands).

<sup>39</sup> At the end of the year the responsibility for achieving the environmental objectives was distributed among various managements and assistant managements.



## ECOLOGICAL BRANCH SECURES PASSIVHAUS CERTIFICATION

Bci's big environmental highlight in 2011 was the inauguration of its first ecological branch. This branch has had LEED<sup>40</sup> certification since it opened, which guarantees that it was built with environmental sustainability criteria, like energy efficiency, use of renewable energy, water management, administration of materials and resources used and the environmental quality of interiors.

The features making this branch unique in Chile are the high quality of its enclosure (or protective membrane allowing for thermal and acoustic control), the use of solar panels that provide 20% of the total power the facilities need, and its efficient interior and exterior lighting.

In its first year of operation in 2012, it secured German Passivhaus<sup>41</sup> energy efficiency certification. This standard guarantees that a building has low energy consumption for heating and cooling, and is a hermetic construction that prevents energy loss, among other aspects.

Bci received confirmation of this distinction in November, making it the first building in Chile and South America to secure Passivhaus certification.

The green branch in Vitacura became the first building in Chile and South America to secure **Passivhaus certification** for its low energy consumption.



<sup>40</sup> Leadership Energy & Environmental Design

<sup>41</sup> [www.passiv.de](http://www.passiv.de)



50.9%

SAVING IN KWH IN THE YEAR

## REAL CONSUMPTION

In terms of performance, in 2012 the branch attained energy efficiency in line with the levels originally forecasted due to an integral energy management concept.

Compared to the expected energy consumption of a US bank branch calculated with the ASHRAE<sup>42</sup> standard and used as the baseline, Bci's "green" branch had a 35% saving in kWh/year.

| CONSUMPTION                                   | 2012            |
|---|-----------------|
| Baseline consumption according to the US case | 34,681 kWh/year |
| Real consumption of Bci's ecological branch   | 22,507 kWh/year |
| Bci's ecological branch saving                | 12,174 kWh/year |
| Percentage saving                             | 35%             |

Concerning emissions, the branch had a 78% efficiency level in regard to the baseline performance of the US case.

| EMISSIONS                                   | 2012                              |
|---|-----------------------------------|
| Baseline emissions according to the US case | 11.9 Ton CO <sub>2</sub> e / year |
| Actual emissions of the Bci branch          | 2.6 Ton CO <sub>2</sub> e / year  |
| Emission reduction of the Bci branch        | 9.3 Ton CO <sub>2</sub> e / year  |
| Emission efficiency                         | 78%                               |

## LONG-TERM EFFICIENCY OUTLOOK

These levels of performance and cost optimization could be even better in the long term if the following elements are considered:

- » The presence in the European market of solar panels with 45% efficiency, three times higher than the panels installed at the Bci branch, which could raise the 12,174 kWh/year of energy saved in 2012 to 17,675 kWh/year.
- » The possible enactment in the next few years of the Distributed Generation Law, which is going through Parliament, and would enable the Bank to sell the energy surpluses produced at the branch to inject them into the Central Power Grid (SIC)<sup>43</sup>. This regulation would have a major impact in terms of benefits for the Bank, as the current Ch\$400,000 saving of this facility from the energy saving standpoint would add a further Ch\$600,000 a year from energy sales

Bci aims to take the necessary steps in 2013 to secure LEED certification for two buildings currently being built in Alcántara and Huérfanos streets. The Corporation's objective is to adopt the learning from the experience of the Vitacura branch and use it for these two new projects, which are scheduled to be inaugurated in 2013 and 2014, respectively.

The certification Bci wants for both cases are:

- » Edificio Alcántara: basic Leed Core & Shell certification.
- » Edificio Huérfanos: basic Leed New Building certification.

<sup>42</sup> The American Society of Heating, Refrigerating and Air-Conditioning Engineers

<sup>43</sup> [www.cdec-sic.cl](http://www.cdec-sic.cl)



## ENERGY EFFICIENCY

In 2012, Bci started to reap the rewards of the energy efficiency measures it adopted for the management of the corporate headquarters in 2011. The table below shows those initiatives with the greatest impact:

### CORPORATE HEADQUARTERS EFFICIENCY FROM INAUGURATION IN 2011 THROUGH LATE 2012

| INITIATIVE ADOPTED   | CONSUMPTION SAVING | EXPENSE SAVING | OTHER IMPACTS  |
|--|--------------------|----------------|--|
| Replacement of common fluorescent tubes in the parking lots with low consumption tubes.  | 56,680 kw/h        | \$4,800,000    | Better lighting and waste reduction.                   |
| Change of dichroic lamps on floors 16, 17 and 18.  | 27,055 kw/h        | \$3,200,00     | Better lighting and waste reduction.                   |
| Connection of coffee and water machines to a programmable logic controller (PLC) to control their operation times.               | 48,906 kw/h        | \$4,000,000    | Organization of the service and maintenance reduction. |
| Installation of two air conditioners in the Teleco and UPS rooms and a chiller with 70 tons of refrigerant for air conditioning. | 160,031 kw/h       | \$13,762,666   | Service continuity and improvement.                    |

Other initiatives were also put in place in 2012:

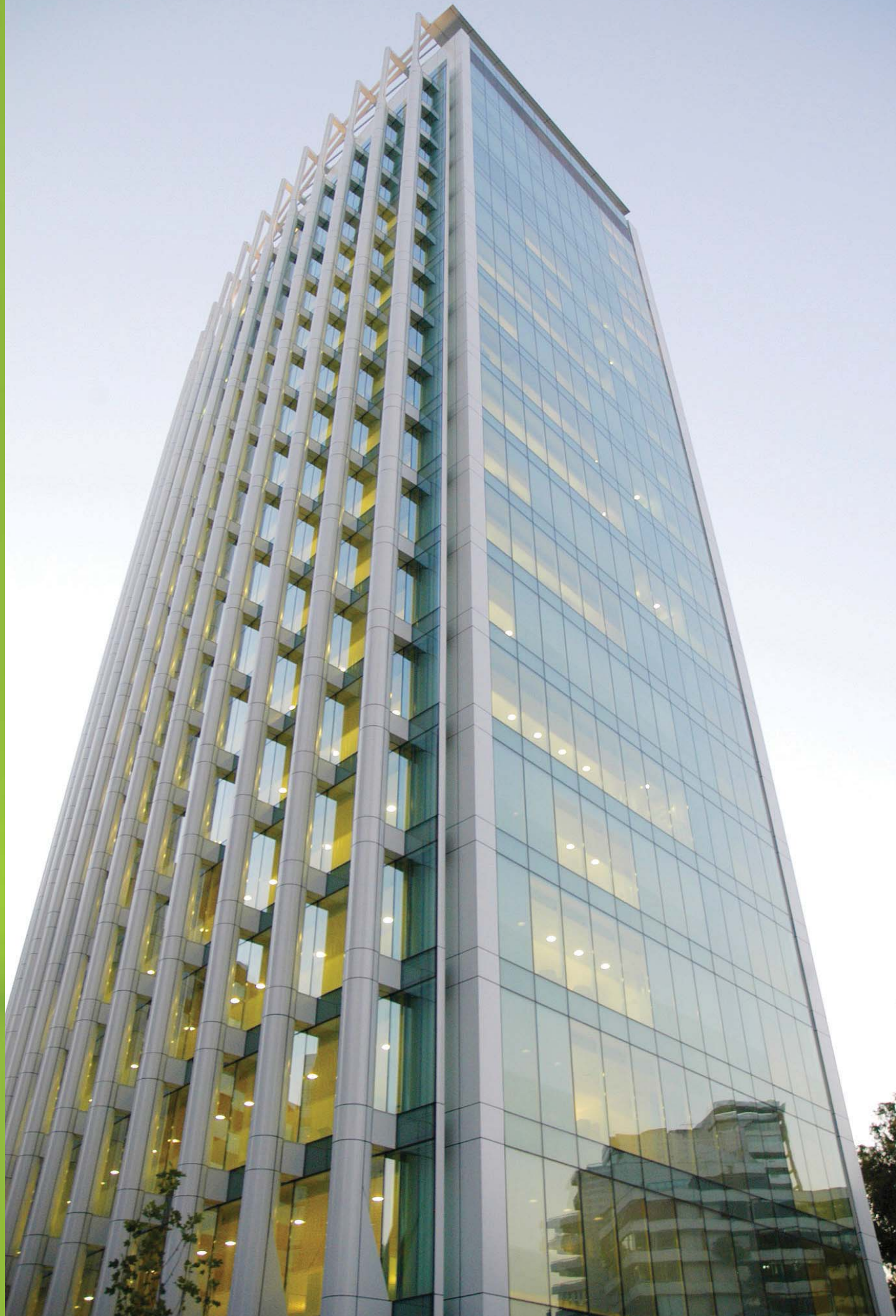
- » The 70-watt bulbs in the main hall on the first floor were replaced with low power consumption Chip LEDs. This measure attained a saving of 1,827 kWh in the first five months of operation.
- » The PL bulbs in the elevator halls were replaced with mercury and also with Chip LEDs. This attained a saving of 2,052 kWh in the first five months of use.
- » The 70-watt bulbs in the cafeteria and its access areas were replaced with low power consumption Chip LEDs, with a saving in the latter case of 1,621 kWh in the first five months of use.

## CORPORATE ENERGY EFFICIENCY COMMITTEE

To extend energy efficiency management to all the Corporation's buildings and analyze short, medium and long-term projects on this issue, in 2012 Bci created an Energy Efficiency Committee, in which the operating and administration units participate and which reports to the Support Services Management.

One of the challenges it must analyze in 2013 is the possibility of launching a program for remote control of the lighting systems and electrical installations at all branches in Santiago to optimize the energy expense, one of the most expensive items of the corporate budget.

Other proposals this Committee could assess in 2013 are for buildings in downtown Santiago to adopt some of the energy efficiency practices applied at the corporate headquarters and install solar panels in the latter building to generate own energy, and a green area on its flat roof.







## “DESPIERTA, EL MEDIO AMBIENTE ESTÁ EN TUS MANOS” PROGRAM

As a way of generating employee awareness of the need of taking care of the environment and involving them in specific action to such end, since 2006 Bci has undertaken the “Despierta, el medio ambiente está en tus manos” (Wake up, the environment is in your hands) program. By means of this initiative, employees can actively take part in measures to attain water, energy and paper savings.

The most important plans carried out in 2012 with this aim were:

### ENERGY SAVING

The Corporation launched a campaign to ask employees to turn off their computers at the end of their work day. According to an internal measurement, if the entire workforce adopts this good practice, it could give the Bank a saving of Ch\$3 million a year. Due to this campaign, 90% of the employees got involved in 2012. Employees were also asked in 2012 to turn off desk lamps at the end of the day only to avoid reducing the lighting the rest of their co-workers receive.

### PAPER CONSUMPTION

The waste paper collection program continued, with 54,219 tons of paper delivered to Fundación San José for subsequent recycling at the Sorepa plant in Pudahuel.

### WATER USE

An automated and adjustable garden irrigation system was installed at the corporate headquarters. The water from the cooling tower of this same building was reused in the summer to fill the reflecting pool on the flat roof and thereby stop using drinking water for this.

## ZERO EMISSION EVENTS

In 2012, Bci continued to compensate for the carbon footprint of all its events with over 300 guests. Aware of the environmental footprint these kinds of mass events can generate, the Corporation’s aim with this program is to compensate for the CO<sub>2</sub> emissions generated by them by planting trees and carrying out well-being initiatives in the communities around the reforested areas.




As part of this initiative, the Bank compensated for the emissions of the following nine mass events:

1. Annual Awards
2. Bci convention
3. Annual conference of an international speaker
4. 75th anniversary
5. Dinner for managers to celebrate the 75th anniversary
6. Bci Olympic Games
7. Community concert in Parque Araucano
8. Mahani Teave concerts in regions (four concerts)
9. 2 km walk for senior citizens

The analysis of these events considered the energy consumption of the activity, the quantity of greenhouse gas emissions during the transfer of attendees and the amount of waste generated at the end of the event. Based on these criteria, the carbon footprint measurement made in 2012 was 111 tons of CO<sub>2</sub>. This impact was compensated for by planting 2,000 trees through the organization Reforestemos Patagonia (Let’s Reforest Patagonia). 500 trees were planted in 2011 for this.

**Bci compensated for the carbon footprint generated by its mass events by planting 2,000 trees in Chilean Patagonia.**

### CONSUMPTION

| TYPE OF CONSUMPTION   | 2009  | 2010 | 2011  | 2012  |
|---|-------|------|-------|-------|
|  Paper consumption (millions of sheets*)             | 42.3  | 48.4 | 57.18 | 77.72 |
|  Water consumption (in thousands of m <sup>3</sup> ) | 195.5 | 205  | 192.8 | 216.7 |
|  Energy consumption (in megawatts)                   | 18.6  | 19.9 | 16.4  | 17.5  |

\* The greater paper consumption in 2012 was due to the increase in the workforce and to the mass printing of the new regulatory framework for customers.



# 08.

## ECONOMIC PERFORMANCE

At Bci, the Steering Committee, comprising managers who report to the CEO, is in charge of providing the strategic guidelines that guide the Corporation's economic performance, and coordinating and overseeing their implementation. This issue is also reported and monitored by the Board, particularly through its specialized Committees and by the Management Committees.

In 2012, Bci once again made major progress with outstanding overall performance in the banking industry. Net income was a new record of just over Ch\$271 billion, a 3.8% year-on-year increase compared to the 5.4% net income decrease of the rest of the banking industry. The Bank's market share climbed from 15.21% in 2011 to 16.46% in 2012, its highest share ever. The return on equity (19.1%), the second highest in the banking industry, was well up on the 14.65% in 2011.

Due to the higher net income and the continuance of the policy launched in 2009 of capitalizing about 70% of this, Bci's equity rose 16.2% to Ch\$1.42 billion at year-end.



## BANKING INDUSTRY PERFORMANCE

In late December 2012, the total loans of the banking industry exceeded Ch\$101 billion, a 14.3% year-on-year increase. The net income of the industry dropped 4.8% to Ch\$1.6 billion. That meant that the banking industry's return on equity was 14.5%, which was a decrease on the previous year (17.4%).

The banking industry shareholders' equity, mainly comprising base capital, subordinated bonds and additional provisions, was Ch\$14.6 billion as of November 2012, a 9.2% year-on-year increase.

## ECONOMIC VALUE GENERATED AND DISTRIBUTED

The economic value generated by Bci in the year amounted to Ch\$1,392,496,000, which was a 13% year-on-year increase. In terms of economic value distributed, as shown in the table below the company generated value for its providers of products and services, its employees, shareholders, financial creditors, the community and the Chilean IRS. The increase was 30% for the community and 15% for employees.

| <b>ECONOMIC VALUE GENERATED <sup>1</sup></b>                 |                  |                  |
|--|------------------|------------------|
| (given in Ch\$ million)                                      | 2012             | 2011             |
| <b>a) Revenue</b>  | <b>1,392,496</b> | <b>1,237,287</b> |
| Revenue  | 1,385,937        | 1,228,805        |
| Income from investment in corporations                       | 6,559            | 8,484            |
| <b>ECONOMIC VALUE DISTRIBUTED</b>                            |                  |                  |
| <b>a) Operating costs</b>                                    | <b>(209,032)</b> | <b>(174,328)</b> |
| Administration expenses and others <sup>2</sup>              | (170,182)        | (136,807)        |
| Depreciation and amortization                                | (38,850)         | (37,521)         |
| <b>c) Employee salaries and benefits</b>                     | <b>(234,923)</b> | <b>(203,418)</b> |
| <b>d) Payment to providers of capital</b>                    | <b>(668,180)</b> | <b>(557,979)</b> |
| Shareholders (dividends)                                     | (86,073)         | (72,174)         |
| Financial resource providers <sup>3</sup>                    | (582,107)        | (485,805)        |
| <b>e) Payment to government (income tax) <sup>4</sup></b>    | <b>(55,847)</b>  | <b>(51,090)</b>  |
| <b>f) Superintendency of Banks contribution <sup>5</sup></b> | <b>(4,444)</b>   | <b>(3,824)</b>   |
| <b>g) Community contribution <sup>6</sup></b>                | <b>(4,163)</b>   | <b>(3,080)</b>   |
| <b>h) Economic value withheld <sup>7</sup></b>               | <b>215,907</b>   | <b>243,568</b>   |

### NOTES:

1. The figures are expressed in millions of Chilean pesos and were rounded up for readability.
2. Include VAT and land tax.
3. Refer to the liabilities for which Bci pays interest, like time deposits and loans.
4. Refers to income on taxable profits.
5. These are the resources provided by the Superintendency of Banks and Financial Institutions (SBIF) pursuant to article 8 of the General Banking Law.
6. These are donations made to different entities.
7. This is the net profit of each year.

## ECONOMIC VALUE DISTRIBUTED 2011

(given in Ch\$ billion)

Payment of  
providers of  
capital

**45.1%**

Economic value  
withheld

**19.7%**

Employee salaries  
and benefits

**16.4%**

Operating costs

**14.09%**

Payments to  
government  
Superintendency  
of Banks  
contribution

**4.1%**

**0.3%**

Community  
contribution

**0.25%**

## ECONOMIC VALUE DISTRIBUTED 2012

(given in Ch\$ billion)

Payment of  
providers of  
capital

**48%**

Economic value  
withheld

**16.2%**

Employee salaries  
and benefits

**16.9%**

Operating costs

**14.3%**

Payments to  
government  
Superintendency  
of Banks  
contribution

**4%**

**0.3%**

Community  
contribution

**0.3%**

## FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT

The main financial assistance that Bci receives from the Chilean government is the tax concession for training and employment (SENCE), income tax deductions and the fiscal credit for community donations.

### CREDITS 2010-2012

(given in Ch\$ million)\*

| ITEMS                                | 2012         | 2011         | 2010         |
|--------------------------------------|--------------|--------------|--------------|
| Credit for training expense          | 1,213        | 1,249        | 915          |
| Credit for donations                 | 1,779        | 1,250        | 881          |
| Credit for fixed asset purchases     | 15           | 20           | 24           |
| <b>Total government contribution</b> | <b>3,007</b> | <b>2,519</b> | <b>1,820</b> |





## 08.

FINANCIAL  
SUMMARY

| CONSOLIDATED BALANCE SHEET   | UNDER NEW REGULATIONS <sup>1</sup> |                   |                   |                   |                   |                   |                   |                   | CHANGE           |
|--|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
|  | 2006                               | 2007              | 2008              | 2008              | 2009              | 2010              | 2011              | 2012              | 2011/2012        |
| Transactions balances as of each year, expressed in millions of pesos. |                                    |                   |                   |                   |                   |                   |                   |                   |                  |
| Commercial and interbank Loans   | 4,629,372                          | 5,464,776         | 6,835,561         | 6,835,939         | 6,159,662         | 6,544,486         | 7,880,994         | 9,048,347         | 1,167,353        |
| Mortgage loans   | 963,071                            | 1,324,409         | 1,690,214         | 1,693,924         | 1,736,465         | 1,913,547         | 2,168,712         | 2,466,999         | 298,287          |
| Consumer loans   | 799,983                            | 911,749           | 1,003,813         | 1,008,781         | 1,041,979         | 1,174,581         | 1,400,739         | 1,620,457         | 219,718          |
| <b>Total loans</b>   | <b>6,392,426</b>                   | <b>7,700,934</b>  | <b>9,529,588</b>  | <b>9,538,644</b>  | <b>8,938,106</b>  | <b>9,632,614</b>  | <b>11,450,445</b> | <b>13,135,803</b> | <b>1,685,358</b> |
| Allowances for credit risk   | (66,850)                           | (85,650)          | (131,820)         | (131,984)         | (194,334)         | (249,328)         | (277,297)         | (299,373)         | (22,076)         |
| <b>Total Net Loans</b>   | <b>6,325,576</b>                   | <b>7,615,284</b>  | <b>9,397,768</b>  | <b>9,406,660</b>  | <b>8,743,772</b>  | <b>9,383,286</b>  | <b>11,173,148</b> | <b>12,836,430</b> | <b>1,663,282</b> |
| Financial Investments  | 845,762                            | 1,019,781         | 1,452,092         | 1,458,519         | 1,951,298         | 1,346,687         | 2,072,068         | 1,994,900         | (77,168)         |
| Other Assets   | 1,595,236                          | 1,394,074         | 1,946,512         | 1,897,758         | 2,426,452         | 2,465,311         | 2,864,445         | 3,095,248         | 230,803          |
| <b>Total Assets</b>  | <b>8,766,574</b>                   | <b>10,029,139</b> | <b>12,796,372</b> | <b>12,762,937</b> | <b>13,121,522</b> | <b>13,195,284</b> | <b>16,109,661</b> | <b>17,926,578</b> | <b>1,816,917</b> |
| NIBDS  | 1,543,020                          | 1,776,766         | 2,021,931         | 2,021,931         | 2,400,959         | 2,844,029         | 3,172,480         | 3,618,365         | 445,885          |
| Term deposits  | 4,026,275                          | 4,772,001         | 6,071,804         | 6,071,804         | 5,491,152         | 5,467,545         | 6,749,054         | 7,222,588         | 473,534          |
| Other obligations  | 2,609,680                          | 2,776,437         | 3,912,386         | 3,902,204         | 4,333,258         | 3,844,544         | 4,966,078         | 5,665,668         | 699,590          |
| Capital and reserves   | 467,446                            | 568,559           | 683,811           | 620,411           | 783,608           | 883,708           | 1,039,157         | 1,230,077         | 190,920          |
| Allowances for minimum dividends                                       | 0                                  | 0                 | (45,617)          | (45,617)          | (48,232)          | (66,623)          | (78,380)          | (81,377)          | (2,997)          |
| Net Income   | 120,153                            | 135,376           | 152,057           | 192,203           | 160,774           | 222,075           | 261,268           | 271,256           | 9,988            |
| Minority interest  | 0                                  | 0                 | 1                 | 1                 | 3                 | 6                 | 4                 | 1                 | (3)              |
| <b>Total liabilities</b>   | <b>8,766,574</b>                   | <b>10,029,139</b> | <b>12,796,372</b> | <b>12,762,937</b> | <b>13,121,522</b> | <b>13,195,284</b> | <b>16,109,661</b> | <b>17,926,578</b> | <b>1,816,917</b> |

<sup>1</sup> Under new accounting standards put in effect January 1, 2009 by the Superintendent of Banks and Financial Institutions.

| FINANCIAL INDICATORS   | UNDER NEW REGULATIONS <sup>1</sup> |            |            |            |            |            |            |            | CHANGE     |
|--|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
|  | 2006                               | 2007       | 2008       | 2008       | 2009       | 2010       | 2011       | 2012       | 2011/2012  |
| Bci Shares   |                                    |            |            |            |            |            |            |            |            |
| Price (nominal pesos)  | 15,852                             | 14,950     | 10,841     | 10,841     | 16,576     | 33,058     | 28,789     | 32,946     | 4,157      |
| Earnings per share (nominal pesos)                             | 1,215.38                           | 1,369.36   | 1,538.10   | 1,944.20   | 1,585.70   | 2,153.85   | 2,504.22   | 2,562.52   | 58         |
| Stock price / book value (times)                               | 3.35                               | 2.60       | 1.57       | 1.70       | 2.14       | 3.86       | 2.57       | 2.42       | (0.1)      |
| Stock price / earnings per share (times)                       | 13.04                              | 10.92      | 7.05       | 5.58       | 10.45      | 15.35      | 12.95      | 12.67      | (0.3)      |
| Market capitalization (in millions of pesos)                   | 1,567,134                          | 1,477,962  | 1,071,745  | 1,071,745  | 1,680,642  | 3,408,483  | 3,003,599  | 3,437,305  | 433,706    |
| Profitability and Efficiency                                   |                                    |            |            |            |            |            |            |            |            |
| Return on equity   | 25.70%                             | 23.81%     | 23.82%     | 33.44%     | 21.86%     | 21.37%     | 21.38%     | 19.10%     | (0.023)    |
| Capitalized earnings of previous year                          | 53.23%                             | 54.75%     | 54.72%     | 54.72%     | 69.44%     | 68.47%     | 67.50%     | 67.06%     | (0.004)    |
| Return on assets   | 1.37%                              | 1.35%      | 1.19%      | 1.50%      | 1.22%      | 1.68%      | 1.61%      | 1.51%      | (0.001)    |
| Efficiency (backstopping cost / operating income)              | 50.35%                             | 49.64%     | 44.76%     | 48.25%     | 44.71%     | 45.42%     | 44.93%     | 46.08%     | 0.012      |
| Assets per employee (million of pesos)                         | 983                                | 1,051      | 1,393      | 1,389      | 1,482      | 1,420      | 1,576      | 1,692      | 116        |
| Market share   |                                    |            |            |            |            |            |            |            |            |
| Loans  | 12.51%                             | 12.38%     | 13.30%     | 13.30%     | 12.76%     | 12.72%     | 12.94%     | 12.95%     | 0.0001     |
| Risk   |                                    |            |            |            |            |            |            |            |            |
| Allowances expences <sup>2</sup> (Loss provisions/total loans) | 0.85%                              | 1.00%      | 1.32%      | 1.32%      | 1.95%      | 1.53%      | 1.26%      | 1.30%      | 0.0%       |
| Allowances over total loans                                    | 1.27%                              | 1.32%      | 1.38%      | 1.40%      | 2.18%      | 2.50%      | 2.42%      | 2.28%      | -0.1%      |
| Activity indicators (number)                                   |                                    |            |            |            |            |            |            |            |            |
| Employees (Bci Corporation)                                    | 8,918                              | 9,541      | 9,185      | 9,185      | 8,848      | 9,346      | 10,220     | 10,595     | 375        |
| Branches and contact points                                    | 233                                | 282        | 326        | 326        | 332        | 365        | 378        | 388        | 10         |
| Checking Accounts  | 313,748                            | 345,820    | 373,043    | 373,043    | 397,764    | 425,233    | 449,700    | 489,816    | 40,116     |
| Electronic checkbooks  | 855,115                            | 893,961    | 959,580    | 959,580    | 1,107,366  | 1,115,633  | 1,215,527  | 1,208,989  | -6,538     |
| ATMs   | 628                                | 815        | 990        | 990        | 1,013      | 1,111      | 1,333      | 1,294      | -39        |
| ATM transactions (December of each year)                       | 3,218,465                          | 3,214,591  | 3,777,608  | 3,777,608  | 4,037,717  | 5,455,584  | 5,672,989  | 4,572,650  | -1,100,339 |
| Internet transactions <sup>3</sup> (December of each year)     | 8,984,343                          | 11,792,742 | 18,510,037 | 18,510,037 | 24,827,278 | 12,925,182 | 14,434,020 | 10,472,378 | -3,961,642 |
| Customers with internet access password                        | 242,641                            | 280,324    | 297,239    | 297,239    | 333,379    | 404,956    | 408,987    | 428,310    | 19,323     |

<sup>2</sup> Allowance expense is defined as the sum of the expenses of provisions for credit risk and credit contingency.

<sup>3</sup> Until the year 2009, transactions with or without authentication keys are considered. From 2010 forward, only transactions with authentication keys are considered.





.....  
**Cristián Wollerter**  
.....

**Our company Efizity was born as an innovative project that could improve energy efficiency by improving the quality and availability of information related to energy consumption.**

**We applied first to Start-Up Chile and were selected. With the program's resources we were able to develop the first version of our platform and test the market for adequate demand. Our project next went on to win an innovation competition organized by the Innovation Center of Un Techo Para Chile and Socialab, and we were also finalists in the Green Start-Up competition organized by Fundación Chile - UDD.**

**Our first interaction with Bci was during the Green Start-Up competition, where we were invited to present our project to them and analyze how we could implement our platform in the Bank's branch network. This is how Bci opened their doors for us, and to this day we continue working with the objective that they'll become our first customer in the commercial segment.**

**Bci Nace has provided us access to a variety of traditional banking products such as a checking account, certificates of deposit and credit. Bci understood from the beginning that in our development stage we needed support and flexibility, which they provided. And now, we look forward to continuing to work with Bci as we expand our business.**



# 09.

## GRI INDEX & GLOBAL COMPACT

- Fully reported.
- ◐ Partially reported.
- Not reported.

| GRI ELEMENT  | Reporting Level | Global Compact Principle | Page Number                                     |
|--|-----------------|--------------------------|---|
| <b>PROFILE</b>   |                 |                          |   |
| <b>1. STRATEGY &amp; ANALYSIS</b>  |                 |                          |   |
| 1.1. Statement from the most senior decision-maker of the organization.  | ●               |                          | 5 - 7   |
| 1.2. Description of key impacts, risks and opportunities.  | ◐               |                          | 5 - 7   |
| <b>2. ORGANIZATIONAL PROFILE</b>   |                 |                          |   |
| 2.1. Name of the organization.   | ●               |                          | 12  |
| 2.2. Primary brands, products and/or services.   | ●               |                          | 12 - 17   |
| 2.3. Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. | ●               |                          | 14 - 17   |
| 2.4. Location of the organization's headquarters.  | ●               |                          | 12 and 13                                       |
| 2.5. Countries in which the organization operates.   | ●               |                          | 12  |
| 2.6. Nature of ownership and legal form.   | ●               |                          | 12  |
| 2.7. Markets served.   | ●               |                          | 12 - 17   |
| 2.8. Scale of the reporting organization.  | ●               |                          | 12 and 13                                       |
| 2.9. Significant changes during the reporting period.  | ●               |                          | No significant changes in the reporting period. |
| 2.10. Awards received in the reporting period.   | ●               |                          | 20 - 23   |
| <b>3. REPORT PARAMETERS</b>  |                 |                          |   |
| <b>REPORT PROFILE</b>  |                 |                          |   |
| 3.1. Reporting period for the information provided.  | ●               |                          | 8   |
| 3.2. Date of most recent previous report.  | ●               |                          | 8   |
| 3.3. Reporting cycle.  | ●               |                          | 8   |
| 3.4. Contact point for questions related to the report or its content.   | ●               |                          | Flap  |
| <b>REPORT SCOPE &amp; BOUNDARY</b>   |                 |                          |   |
| 3.5. Process for defining report content.  | ●               |                          | 8   |
| 3.6. Boundary of the report.   | ●               |                          | 8   |
| 3.7. State specific limitations on the scope or boundary of the report.  | ●               |                          | 8   |
| 3.8. Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities.          | ●               |                          | 8   |
| 3.9. Data measurement techniques and the bases for calculations.   | ●               |                          | 8   |
| 3.10. Explanation of the effect of any re-statements of information provided in earlier reports.                                 | ●               |                          | 8   |
| 3.11. Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.  | ●               |                          | 8   |
| 3.12. Table identifying the location of the standard disclosures in the report.  | ●               |                          | 122 - 125                                       |
| 3.13. External assurance.  | ●               |                          | 8   |
| <b>4. GOVERNANCE, COMMITMENTS, AND STAKEHOLDER ENGAGEMENT</b>  |                 |                          |   |
| 4.1. Governance structure of the organization.   | ●               |                          | 70 - 73   |
| 4.2. Indication of whether the Chair of the highest governance body is also an executive officer.                                | ●               |                          | 74  |
| 4.3. Number of members of the highest governance body that are independent or non-executive members                              | ●               |                          | 74  |
| 4.4. Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.           | ◐               |                          | 89  |

| GRI ELEMENT   |   | Reporting Level | Global Compact Principle | Page Number   |
|---|---|-----------------|--------------------------|---|
| <b>4. GOVERNANCE, COMMITMENTS, AND STAKEHOLDER ENGAGEMENT</b> |   |                 |                          |   |
| 4.5.  | Linkage between payment for members of the highest governance body, senior managers, executives, and the organization's performance.                          | ●               |                          | 78<br>The Board has a fixed and variable remuneration depending on the company's profits. Payment of the senior management is related to meeting the BSC targets, which include social and environmental factors.   |
| 4.6.  | Processes in place for the highest governance body to ensure conflicts of interest are avoided.   | ●               |                          | 74  |
| 4.7.  | Processes for determining the qualifications and expertise of the members of the highest governance body.   | ●               |                          | 72  |
| 4.8.  | Internally developed statements of mission vision and values.   | ●               |                          | Flap  |
| 4.9.  | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance. | ●               |                          | The Corporate Governance & CSR Committee is responsible for identifying risks & opportunities in relation to the Bank's economic, social and environmental performance, and how to oversee performance.   |
| 4.10.   | Processes for evaluating the highest governance body's  | ●               |                          | 88  |
| <b>COMMITMENTS TO EXTERNAL INITIATIVES</b>                    |   |                 |                          |   |
| 4.11.   | Explanation of whether and how the precautionary approach or principle is addressed by the organization.  | ●               | P7                       | Regarding its commercial and financial activities, Bci does not generate direct material impacts on the environment. However, through financing projects, it may indirectly affect ecosystems. The entity therefore requests environmental impact studies (EIS) for projects whose investment is over UF 300,000 prior to the approval of financing, also with the condition of environmental certificates being provided by the pertinent authorities during the course of the project, thus maintaining a preventive focus that benefits the environment. |
| 4.12.   | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.         | ●               |                          | Throughout the report.  |
| 4.13.   | Memberships in associations.  | ●               |                          | 18  |
| <b>STAKEHOLDER ENGAGEMENT</b>                                 |   |                 |                          |   |
| 4.14.   | List of stakeholder groups engaged by the organization.   | ●               |                          | 8   |
| 4.15.   | Basis for identification and selection of stakeholders with whom to engage.   | ●               |                          | 18 - 19   |
| 4.16.   | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.   | ●               |                          | 18 - 19   |
| 4.17.   | Key topics and concerns that have been raised through stakeholder engagement.   | ●               |                          | 8   |
| <b>ECONOMIC DIMENSION</b>                                     |   |                 |                          |   |
| DMA   | Management Approach   | ●               |                          | 114   |
| <b>ECONOMIC PERFORMANCE</b>                                   |   |                 |                          |   |
| EC1   | Economic value generated and distributed.   | ●               |                          | 115 - 116   |
| EC2   | Financial implications of climate change.   | ●               |                          | The company has not considered conducting studies on this issue, but will assess this.  |
| EC4   | Financial assistance received from government.  | ●               |                          | 117   |
| <b>MARKET PRESENCE</b>  |   |                 |                          |   |
| EC5*  | Ratio of standard entry level wage compared to local minimum wage.  | ●               | P1                       | 61  |
| EC6   | Policy, practices and proportion of spending on locally-based suppliers.  | ●               |                          | 49  |
| EC7   | Procedures for local hiring and proportion of senior management hired from the local community.   | ●               | P6                       | All senior management positions are filled by Chilean professionals.  |
| <b>ENVIRONMENTAL DIMENSION</b>                                |   |                 |                          |   |
| DMA   | Management approach   | ●               | P 7, 8 and 9             | 107   |
| <b>ENERGY</b>   |   |                 |                          |   |
| EN3   | Direct energy consumption by primary energy source.   | ●               | P8                       | 113   |
| EN5*  | Energy saved due to conservation and efficiency improvements.   | ●               | P8, P9                   | 109, 111, 113   |
| <b>EMISSIONS, EFFLUENTS AND WASTE</b>                         |   |                 |                          |   |
| EN16  | Total direct and indirect greenhouse gas emissions.   | ●               | P8                       | 109, 113  |
| EN22  | Total weight of waste by type and disposal method.  | ●               | P8                       | 113   |
| EN28  | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.                    | ●               |                          | There were no fines or sanctions for non-compliance with environmental regulations.   |

| GRI ELEMENT   |   | Reporting Level | Global Compact Principle   | Page Number   |
|---|---|-----------------|----------------------------|---|
| <b>SOCIAL DIMENSION</b>                                 |   |                 |                            |   |
| <b>LABOR PRACTICES AND DECENT WORK</b>                  |   |                 |                            |   |
| DMA   | Management approach   | ●               | P 1, 3 y 6                 | 55  |
| <b>EMPLOYMENT</b>                                       |   |                 |                            |   |
| LA1   | Total workforce by employment type, employment contract, and region.  | ●               |                            | 55 y 62   |
| LA2   | Total number and rate of employee turnover.   | ○               | P6                         | -   |
| LA3*  | Benefits provided to full-time employees  | ●               |                            | 58 - 60   |
| <b>LABOR-MANAGEMENT RELATIONS</b>                       |   |                 |                            |   |
| LA4   | Percentage of employees represented by unions.  | ●               | P1, P3                     | 65  |
| LA5   | Minimum notice period(s) regarding operational changes.   | ●               | P3                         | Bci has no policy on this.  |
| <b>OCCUPATIONAL HEALTH &amp; SAFETY</b>                 |   |                 |                            |   |
| LA6*  | Percentage of total workforce represented in joint management-worker health and safety committees.  | ●               |                            | 67  |
| LA7   | Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities.  | ●               | P1                         | 66  |
| LA8   | Education programs in place for HIV or serious contagious diseases.   | ○               |                            | Not relevant  |
| <b>TRAINING &amp; EDUCATION</b>                         |   |                 |                            |   |
| LA10  | Average hours of training per year per employee.  | ●               |                            | 57  |
| LA11*   | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.                      | ●               |                            | 56 - 57   |
| LA12*   | Percentage of employees receiving regular performance and career development reviews.   | ●               |                            | 100% of employees   |
| <b>DIVERSITY &amp; EQUAL OPPORTUNITY</b>                |   |                 |                            |   |
| LA13  | Composition of management and governance bodies.  | ●               | P1, P6                     | 62, 72 y 73, 82 y 83  |
| LA14  | Salary ratio of women to men.   | ●               | P6                         | Bci makes no gender distinction. It therefore reports the ratio of local minimum wage compared to that of the Corporation.  |
| <b>HUMAN RIGHTS</b>                                     |   |                 |                            |   |
| DMA   | Management approach   | ●               | P 1, P2, P3, P4, P5 and P6 | Bci has different bodies and channels for upholding the rights laid down in law and in its Code of Ethics, such as the Ethics Committee, and "¿Qué hago?" telephone and e-mail facilities, among others.                                |
| <b>INVESTMENT AND PROCUREMENT PRACTICES</b>             |   |                 |                            |   |
| HR1   | Percentage of significant investment agreements that include clauses incorporating human rights concerns.   | ●               | P2                         | 100% of its suppliers, as set out in the supplier policy.   |
| HR2   | Percentage of significant suppliers and contractors that have undergone human rights screening.   | ●               | P2, P6                     | There were no remarks.  |
| <b>NON-DISCRIMINATION</b>                               |   |                 |                            |   |
| HR4   | Total number of incidents of discrimination and corrective actions taken.   | ●               | P1, P6                     | The Ethics Committee was informed of a series of situations involving failure to comply with or breaches of the Code of Ethics, in each case taking action to rectify the situations and proposing disciplinary action, when necessary. |
| <b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b> |   |                 |                            |   |
| HR5   | Incidents in which the right to exercise freedom of association and collective bargaining may be violated.  | ●               | P1, P3                     | Bci recorded no incidents in 2012.  |
| <b>CHILD LABOR</b>                                      |   |                 |                            |   |
| HR6   | Incidents of child labor, and measures taken to contribute to the abolition of child labor.   | ●               | P1, P5                     | Bci recorded no incident in 2012. Bci does not have employees in its workforce who do not comply with what is set forth in the labor regulations of Chapter II, articles 13 to 18 of the Labor Code.                                    |
| <b>FORCED LABOR</b>                                     |   |                 |                            |   |
| HR7   | Risk or incidents of forced labor, and measures to contribute to the elimination of all forms of forced labor.  | ●               | P1, P4                     | Bci complies with labor and civil laws.   |
| <b>SOCIETY</b>  |   |                 |                            |   |
| DMA   | Management approach   | ●               | P10                        | 97  |
| <b>COMMUNITY</b>  |   |                 |                            |   |
| SO1   | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting. | ●               | P1                         | 97 - 103  |
| <b>CORRUPTION</b>                                       |   |                 |                            |   |
| SO2   | Percentage and total number of business units analyzed for risks related to corruption.   | ●               | P10                        | 90 - 93   |
| SO3   | Percentage of employees trained in the organization's anti-corruption policies and procedures.  | ●               | P10                        | 90 and 91   |
| SO4   | Actions taken in response to incidents of corruption  | ●               | P10                        | 91  |

| GRI ELEMENT                          |   | Reporting Level | Global Compact Principle | Page Number  |
|--------------------------------------|---|-----------------|--------------------------|--|
| PUBLIC POLICY                        |   |                 |                          |  |
| SO5                                  | Public policy positions and participation in public policy development and lobbying.  | ●               | P10                      | The Code of Ethics provides all the guidelines that must be followed regarding Bci's government relations. |
| SO6*                                 | Total value of financial and in-kind contributions to political parties and related institutions by country.  | ●               | P10                      | Bci complies with the provisions of the law regulating this issue.   |
| ANTI-COMPETITIVE BEHAVIOR            |   |                 |                          |  |
| SO7*                                 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.   | ●               |                          | The national economic district attorney's office requested information from the banking industry.          |
| REGULATORY COMPLIANCE                |   |                 |                          |  |
| SO8                                  | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations related to society engagement (government, community, academic institutions, NGOs, etc.). | ●               |                          | There were no sanctions or significant fines in 2012.  |
| FINANCIAL SERVICES SECTOR SUPPLEMENT |   |                 |                          |  |
| SOCIETY PERFORMANCE                  |   |                 |                          |  |
| FS13                                 | Access points in low-populated or economically disadvantaged areas by type.   | ●               |                          | 40   |
| FS14                                 | Initiatives to improve access to financial services for disadvantaged people.   | ●               |                          | 34, 40   |
| PRODUCT RESPONSIBILITY               |   |                 |                          |  |
| DMA                                  | Management approach   | ●               | P1 and P8                | 30 - 31  |
| CUSTOMER HEALTH AND SAFETY           |   |                 |                          |  |
| PR1                                  | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.                | ○               | P1                       | Not relevant   |
| PRODUCT AND SERVICE LABELING         |   |                 |                          |  |
| PR3                                  | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.   | ●               | P8                       | Bci complies with all regulations and voluntary codes on this.   |
| PR4*                                 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.  | ●               | P8                       | There were no incidents of non-compliance in 2012.   |
| PR5*                                 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.   | ●               |                          | 47   |
| MARKETING COMMUNICATIONS             |   |                 |                          |  |
| PR6                                  | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.  | ●               |                          | Bci complies with all regulations and voluntary codes on this.   |
| PR7*                                 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.  | ●               |                          | There were no incidents reported in 2012.  |
| CUSTOMER PRIVACY                     |   |                 |                          |  |
| PR8*                                 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.  | ●               | P1                       | There were no incidents reported in 2012.  |
| COMPLIANCE                           |   |                 |                          |  |
| PR9                                  | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.   | ●               |                          | There were no incidents reported in 2012.  |
| FINANCIAL SERVICES SECTOR SUPPLEMENT |   |                 |                          |  |
| PRODUCT PORTFOLIO                    |   |                 |                          |  |
| FS1                                  | Policies with specific environmental and social components applied to business lines.   | ●               |                          | See indicator 4.11   |
| FS2                                  | Procedures for assessing and screening environmental and social risks in business lines.  | ●               |                          | See indicator 4.11   |
| FS3                                  | Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.   | ●               |                          | See indicator 4.11   |
| FS4                                  | Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.  | ●               |                          | There are no formal training processes on this policy.   |
| FS5                                  | Interactions with clients/investors/business partners regarding environmental and social risks and opportunities.   | ●               |                          | 19   |

\* Additional indicator







.....  
Aldo Labra  
.....

Our idea originated in 2009 after seeing that the processes for obtaining high-purity copper had become significantly less efficient over the past 25 years. Today, copper must be reprocessed, sometimes multiple times before achieving the final product.

We began thinking about how to close this operational gap and reduce costs. We developed a new way to reach the physical and electrical homogeneity of copper using anode-cathode technology. With this concept in mind Innovaxxion was born. We participated in the II World Class Suppliers Program, a special initiative led by Codelco and BHP Billiton, and we were one of the selected projects.

The project was also awarded a grant from Innova Chile, which provided us with new funding, but we began to require financial support from a bank. After knocking on doors, we realized how difficult it was to receive support for startup projects from banks. However, Bci Nace welcomed us with open arms, believing in us, in our project and supporting and guiding us from the beginning.

Our ultimate goal is to become a world-class reference for exporting knowledge and high technology for mining, a goal that we hope to fulfill always with the support of Bci.

# 10.

## APPENDICES

### APPENDIX 1

#### GLOBAL COMPACT

In 1999, Kofi Annan, the former Secretary-General of the United Nations, urged companies to help build sustainable development by embracing ten universal principles on human rights, labor regulations, the environment and transparency. The Global Compact network was established in Chile in 2004.

By late 2012, the Global Compact Chile network had 74 members and 17 partnerships. Its members include organizations of different sizes and from diverse sectors of society.

The Global Compact Chile network comprises commissions whose objective is to form work groups to develop issues underpinning the 10 Principles, i.e., labor relations, the environment, education and transparency. Each work group is attended by representatives of the member organizations, according to their issues of interest or work areas and each session addresses issues that are generally guided by a guest speaker. It also has a schedule of seminars, workshops and talks, with the participation of experts from the academic and business worlds.

Since adhering to the Global Compact Chile network in 2007, Bci has participated actively, with CEO Lionel Olavarria chairing the Chilean network in the 2010-2011 period and who is now on the board of the organization as past President.

#### PRINCIPLES

##### HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.

##### LABOR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labor.
5. The effective abolition of child labor.
6. The elimination of discrimination in respect of employment and occupation.

##### ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

##### ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

# APPENDIX 2

## INFORMATION SOURCES

To prepare the 2012 Bci Sustainability Report, 129 formal materials of the organization were reviewed and 27 people participated in the process by means of interviews, providing information and making revisions.

### QUALITY OF WORKING LIFE

- Human Resources executive
- Training Head
- Customer Experience Support executive
- Human Resource Processes and Services Head
- Business partner
- Corporate Health, Safety and Environment Head

### CORPORATE GOVERNANCE

- Secretary-General of the Presidency Manager.
- Corporate Compliance and Prevention Manager
- Regulatory Compliance Head
- Information Security Department Assistant Manager

### CUSTOMER AND SUPPLIER EXPERIENCE

- Security Department Manager
- Bci Nova Security Assistant Manager
- Procurement and Supplier Manager
- Change Management Manager
- Customer Transformation Manager
- Employee Transformation Manager
- Shared Value Assistant Manager
- Banca Empresarios Consultant
- Banca Emprendedores Manager

### ENVIRONMENT

- Administration and Services Unit Support Executive
- Person in charge of operations at the Administration and Services Unit
- Portfolio Follow-Up and Control Assistant Manager
- Procurement Executive

### ECONOMIC PERFORMANCE

- Accounting Manager

### SUSTAINABILITY AND COMMUNITY STRATEGY

- Communications and CSR Manager
- CSR Head, Communications and CSR Management
- Public Relations Head

## WRITTEN SOURCES CONSULTED

- Newsletter N°5 (February 2012), corporate compliance and prevention management – regulatory compliance operating risk management
- Newsletter N°6 (June 2012), corporate compliance and prevention management
- Newsletter N°7. People politically exposed, corporate compliance and prevention management
- Newsletter N°8. Whistleblowing Facilities, corporate compliance and prevention management
- Newsletter N°9. Bci-PEPs Monitor Alert, corporate compliance and prevention management
- Draft 2012 Bci Annual Report
- Contacto magazine N°69, November 2012
- Contacto magazine N°77, June 2012
- Contacto magazine N°78, October 2012
- Report on banking results, V Ethical Values and Business Ethics Pulse Study 2012, Generación Empresarial, November 2012
- Report on the materiality process to draw up the Sustainability Report 2012
- Presentation of the Annual Report and Sustainability Report to the Board
- 24 noticeboards - Contacto magazine
- 88 intranet notes
- 7 financial education advertisements in El Mercurio newspaper
- 4 financial education advertisements in Las Últimas Noticias newspaper



# 11.

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## QUESTIONNAIRE

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### HELP US IMPROVE BY GIVING YOUR OPINION

To improve our report next year, we would like to know your opinion by completing this questionnaire:



1. To which stakeholder group do you belong?

(Tick the box that best describes you)

- ☐ a) Shareholders  
☐ b) Suppliers  
☐ c) Customers  
☐ d) Employees  
☐ e) Community in general  
☐ f) Others

2. What is your opinion of Bci's Sustainability Report 2012?

(Tick the box with your choice)

- ☐ a) The information is given comprehensively and tidily.  
☐ b) The information is given comprehensively but untidily.  
☐ c) The information is given incomprehensively but tidily.  
☐ d) The information is given incomprehensively and untidily.

3. In regard to content

(Tick the box with your choice)

- ☐ a) I consider that all the information I need is provided.  
☐ b) I consider that the information provided is not what I need.  
☐ c) I consider that the information provided is impartial.  
☐ d) I consider that the information provided is partial.

4. Regarding format, what is your opinion of Bci's Sustainability Report 2012? (Tick one alternative)

Clarity (readability)

- ☐ Very good  
☐ Good  
☐ Average  
☐ Bad

Length (accuracy and depth of the issues addressed)

- ☐ Very good  
☐ Good  
☐ Average  
☐ Bad

Design (format, graphics, and photos)

- ☐ Very good  
☐ Good  
☐ Average  
☐ Bad

5. If you considered the information given is not what you need, help us improve our next report by telling us what kind of information you would like included

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6. Comments or suggestions

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Many thanks for your time. Please send this questionnaire to: Av. El Golf 125, Piso 7, Las Condes or to the following e-mail address: [ccorpor@bci.cl](mailto:ccorpor@bci.cl)



## **CONTACT**

Please contact us, should you want any further information.

## **COMMUNICATIONS AND CSR MANAGEMENT**

---

### **ADDRESS**

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Grupo Oxígeno

### **PHOTOGRAPHY**

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