

Annual Report 2013

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Annual Report  **Bci**

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WE'RE DIFFERENT

We're an organization that believes people are the core of all human activity. We bond with the emotions, feelings and dreams of our customers and employees making each interaction a memorable experience. We have employees of excellence with whom we have forged a unique and unrivaled culture.

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1.

Chairman's Report

2013 was a very good year for Bci. During the year the Bank improved its financial results, made large changes to its strategies, policies and internal procedures, stepped up its international presence, and received a host of awards and accolades for its progress with customer experience, innovation, transparency, work environment and corporate social responsibility.

Net income rose 10.7% to a new record high of just over Ch\$300 billion.

Return on equity (ROE) was 18.98%, the second highest in the banking sector and easily outperforming the industry average of 13.77%.

Due to the higher profits and the continuation of the policy launched in 2009 of capitalizing about 70% of them, Bci's shareholders' equity grew 11.4% to Ch\$1.58 trillion by year end.

Total loans grew 10.6%, driven by mortgage, commercial and consumer loans increasing 14%, 10% and 9%, respectively.

The Bank's operating efficiency improved considerably. Whereas the previous year operating expenses accounted for 46.08% of the gross operating income, in 2013 this was 43.95%. This figure was once again much better than the 47.06% reported by the rest of the banking sector.

Although the regulatory capital to risk-weighted asset ratio dipped slightly from 13.60% in 2012 to 13.44% in 2013, it was still much better than the 10% regulatory minimum established by the Superintendency of Banks and Financial Institutions (SBIF) for banks with branches overseas.

At the same time, the Bank continued to actively diversify its foreign financing sources in terms of investor profile and their geographical origin, along with the type of financial instruments used.

In February, it therefore issued its second 144A bond, an instrument that can only be purchased by qualified investors. The amount issued was US\$500 million with 10-year maturity at an annual interest rate of 4%. This issue had such interest among European, North American and Asian investors that there was excess demand of over three times (more than US\$1.8 billion) and a spread of 212.5 base points, one of the lowest paid by Chilean companies as of that date.

In April, the Bank secured Club Deal financing from five important international banks of US\$150 million with two-year maturity.

In September, Bci issued its first ever bond in the Swiss market with three-year maturity and for US\$225 million. Considering the good response from Swiss investors, in December it issued a second bond in that market of US\$135 million with two-year maturity.

Moreover, in 2013 Bci continued with the commercial papers program in the United States, which maintained the high ratings it received in 2012 from Standard & Poor's (A1) and Moody's (P1). Such program enables Bci to issue short-term securities in the US market of up to US\$1 billion, and it had issued US\$497 million by year end.

The continuation of the strategy of increasing and diversifying foreign financing enabled the Bank to secure large new funding from abroad in 2013, thereby reducing the financial cost of borrowing and endorsing Bci's growing international stature.

Bci continued to enhance its risk control processes with a special focus on loan assessment. It therefore created specialized Loan Committees in each of the banking areas (Retail, SMEs, Commercial and Corporate) to speed up and improve decision-making, and it increased the number of employees in each of the different loan approval units.





Commensurate with the increase in loans, credit risk allowances climbed 11.7% from Ch\$299 billion in late 2012 to Ch\$334 billion at the close of 2013. Furthermore, pursuant to the policy of making voluntary allowances in booms to address possible adverse contingencies, it used Ch\$13 billion of the voluntary allowances accrued in prior years, mainly to deal with the financial decline of the salmon farming industry.

Bci's growth was largely driven by the strong results posted by its three large traditional divisions, i.e., Retail Banking, Commercial Banking and Corporate & Investment Banking (CIB), and the contribution of the new SME division created in February 2013.

Retail Banking, which provides a wide range of loan products and services to individuals, increased its consumer loans by 8% and mortgage loans by 14%. At the same time and in line with its customer experience strategy and the common goal of "fulfilling dreams with relations of trust throughout the life of our customers," that strategy was extended to all national branches and to Telecanal (Call Center). For this the Bank transformed the management processes in all the in-person channels, standardizing the service protocols and improving the remote channel response rates. It also replaced the traditional service model with a comprehensive one, giving account executives new faculties. These changes cut down customer complaints by 66%, among other positive effects.

At the same time and bearing in mind that the Bank's future will be strongly marked by digitalization and mobile communications, Retail Banking launched a strong campaign to encourage its customers to use the mobile channel and its different applications. Moreover, and as a way of driving innovation, it actively participated in the development of the "ADN Bci" open innovation competition, with entries by over 2,000 people to develop innovative solutions to improve the customer experience and enhance enterprise.

As part of the Bank's policy of promoting corporate transparency and financial education, in November it launched the *Con Letra Grande* (In Uppercase) program, an online channel focused on educating people in the responsible use of loans and money. This website not only has downloadable material but also posts a weekly online program to fully address those issues of more interest and to which customers can send their queries directly.

Commercial Banking, which targets the market that mainly comprises companies with an annual turnover of UF¹80,000 to UF1,500,000, posted positive results and achieved a 9.5% increase in loans. This was driven by the enhancement of its policy of maintaining long-term customer relations, and the launch of new online products and solutions in keeping with changing customer needs. These included *Depositarios*, an initiative that allows customers to deposit cash quickly and safely in Bci machines in their companies; the new internet payment engine, by means of which companies can make mass payments quickly, easily and safely; and online currency purchase and sale, which enables corporations that are Bank customers to buy or sell US dollars and euros online by entering the Bci website.

Bci Corporate & Investment Banking (CIB) substantially strengthened its standing as a major player in financial markets with large expansion of the portfolio of financial products and services it offers its customers in Chile and overseas. Such customers are mainly large corporations, financial institutions and high net worth individuals, who need access to sophisticated, high-value financial services. At CIB, each customer has its own relationship manager, who is supported by a team of specialists with renowned market experience. Due to this closer customer relationship and the better understanding of their needs provided by this service model, CIB gives them individual proposals tailored to their specific needs. Convincing proof of this was customer recognition that CIB executives are market leaders of factors like proactivity and initiative, know-how of corporate needs and honoring their commitments.

These qualities, along with the range and quality of CIB's financial products and services, have helped it to be distinguished as the investment bank in Chile with:

- A high number of mutual funds given awards by the Asociación de Administradoras de Fondos Mutuos and the Chilean financial newspaper *Diario Financiero*;
- The award for the Best Variable Income Fund Manager given by the US company Morningstar, one of the most prestigious institutions that provides independent analysis for worldwide investment products;

- Recognition as the Best Fund Manager 2013 in the category of mid- and long-term debt by Fund Pro, an organization that covers the different investment products in Latin America;
- The award for the second year running as the stockbroker with the highest volume traded in simultaneous operations;
- Recognition as the Best Private Banking in Chile for the second year running too and the Best Mutual Fund Manager in Chile, and these awards were given by the prestigious UK magazine *World Finance*.

The small- and medium-sized enterprise (SME) unit joined the three traditional banking areas in February 2013, whose main objective is to provide a more suitable value proposal for SME segments. One of the main activities it undertook was organizing the Bci Business Event in Antofagasta, aimed at a better service for its customers in the northern regions of Chile, which for years have driven the country's economic growth. This multisector and free event, traditionally held in Santiago and Concepción, brought together entrepreneurs and SMEs with large buyers in the same place to generate commercial contacts and business opportunities for which Bci provides advice and financing. The Antofagasta event was very successful with over 170 companies attending and more than 500 business meetings held.

¹ Unidades de Fomento: Chilean inflation index-linked units of account. UF was Ch\$23,309 as of December 31, 2013

Due to the progress made in 2013, the leading domestic and foreign credit rating agencies confirmed Bci's high ratings of AA+ for Chile and A internationally. To justify their decision, they highlighted, among other positive factors, the growth of the Bank's capital base; its high solvency rate and improved liquidity standing; greater diversity of its foreign funding; the good progress made with operational efficiency; its sound competitive position; suitable business strategy; healthy risk indicators; and the experience of its executive staff.

Nevertheless, Bci's growth was not only evident in its good economic and financial performance indicators. It was also present in such important areas as transparency, corporate social responsibility (CSR) and innovation, in all of which the Bank received a host of awards and accolades. As they are all mentioned in detail in this annual report and in the sustainability report, I will just mention the most important.

Bci was distinguished for the second time running as "the most transparent company in Chile," awarded jointly by the faculty of communications of *Universidad del Desarrollo*, *Chile Transparente*, the accounting firm KPMG, and the consultant Business Intelligence. This award assesses the corporate transparency of how companies provide important information about their operations, in areas like presentation and business, corporate governance, financial reporting, taxpayer interest, sustainability and digital tools.

The Bank's CSR awards included for the third year running the accolade of being "the most responsible company with the best corporate governance in Chile" by the Business Monitor of Corporate Reputation (MERCOR), and its ranking in third place of "companies with the best corporate reputation in Chile," moving up one place in this ranking on the previous year.

The Bank was in third place of the national CSR ranking drawn up by the *ProHumana* Foundation with the support of *Qué Pasa* magazine, climbing one place on 2012. That was particularly due to its *Bci Sin Límites* (Bci Without Limits) program to employ the disabled, to its ethical management and its policies promoting transparency, innovation and financial education.

Bci once again received the *Sello Más por Chile* (More for Chile Recognition) by the Ministry of Social Development in recognition of its support of the Las Rosas Foundation, which promotes a dignified and good quality of life for senior citizens; of its collaboration with the *Enseña Chile* Foundation, which drives voluntary and free teaching by outstanding young professionals at socially vulnerable schools; and of its contribution to *Corporación Crédito al Menor*, which was established by Bci employees in 1990 and provides protection to vulnerable girls whose rights have been violated.

In the work environment area, Bci climbed 9 places on the previous year in the ranking of the Best Companies to Work For to 15th place in the survey conducted by the Great Place to Work Institute and *Capital* magazine. In addition, it was in sixth place on the list of the Best Companies for Working Parents, compiled by the *Ya* magazine supplement of *El Mercurio* newspaper and *Chile Unido* Foundation. It was also distinguished by the National Service for the Disabled with Chile's *Sello Inclusivo* (Inclusive Recognition) (Gold Category) which distinguishes organizations that promote the employment of the disabled in their work teams.

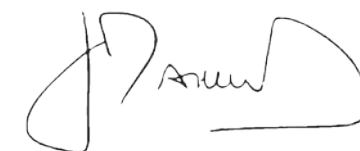
Another particularly noteworthy distinction was the *Sello de Eficiencia Energética* (Energy Efficiency Recognition) of the Ministry of the Environment, awarded to Bci for being one of the leading companies in developing measures to improve the energy performance of its processes.

Moreover, it is important to highlight the recognition given to Bci as "The most innovative bank in Chile" in the innovative company survey conducted by the business school of *Universidad de los Andes*, and in the Best Place to Innovate report made by *Universidad de Chile*.

Lastly, a major milestone that is part of Bci's internationalization strategy was the agreement to buy City National Bank of Florida (CNB) signed on May 24. CNB, founded in 1946, is one of the most prestigious banks in Florida. It has 26 branches in such state and around 22,800 customers and 440 employees. For the year ended December 31, 2013, CNB had total assets of US\$4.9 billion, net loans of more than US\$2.7 billion, deposits of US\$3.7 billion, and net income of US\$37.8 million. As of that date, its tangible equity was US\$631 million.

The purchase price for 100% of CM Florida Holdings, Inc., the parent company of CNB, was US\$882.8 million and is the largest investment made in the United States by a Chilean company. It is important to mention that this transaction, which has already been approved by the Spanish authorities, is still pending approval by regulators in Chile and the United States.

Summing up, in 2013 Bci once again showed its commitment to add value to its shareholders; to carry on enhancing customer and supplier relations; to generate the right conditions for the development of its employees and their families; and to help improve the wellbeing, education, employment and entrepreneurship opportunities of Chileans, and particularly the most vulnerable groups.



LUIS ENRIQUE YARUR REY
BCI CHAIRMAN

A high-angle photograph of a man in a dark suit sitting in a wheelchair at a light-colored wooden desk. He is typing on a silver laptop. To his left is an open spiral notebook with a pen resting on it. On the wall behind him is a large sign that reads 'A Bank for EVERYBODY' in blue and red letters. The word 'for' is written in green cursive. The desk also has a mobile phone on a stand and a black office phone.

A Bank
for
EVERYBODY

Overcoming obstacles

I've been working at Bci since November 2006. I was surfing at Pichilemu when I suddenly felt a sharp lumbar pain and lost strength in my limbs. After a long process, the doctors reached the conclusion that I had the spinal cord injury called myelopathy with an uncertain and rare diagnosis. I'm now in a wheelchair. Bci provided essential support throughout this process, as right from the outcome it formed part of my support network and rehabilitation. It offered me the option of joining the "Flexible Working" program, allowing me to work two full days from home and at the same time continue my rehabilitation. I can't express how grateful I am for the opportunities, help and trust Bci has given me.

**Raúl Encina · Management and Project Control Executive
Operations and Finance Management**

2. Financial Highlights

CONSOLIDATED BALANCE SHEET				UNDER NEW REGULATIONS ¹						CHANGE
	2006	2007	2008	2008	2009	2010	2011	2012	2013	2012/ 2013
Transaction balances for each year, expressed in Ch\$ million										
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	9,946,350	9.9%
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	2,818,822	14.3%
Consumer Loans	799,983	911,749	1,003,813	1,008,781	1,041,979	1,174,581	1,400,739	1,620,457	1,764,297	8.9%
Total loans	6,392,426	7,700,934	9,529,588	9,538,644	8,938,106	9,632,614	11,450,445	13,135,803	14,529,469	10.6%
Allowances for credit risk	-66,850	-85,650	-131,820	-131,984	-194,334	-249,328	-277,297	-299,373	-334,247	11.6%
Total net loans	6,325,576	7,615,284	9,397,768	9,406,660	8,743,772	9,383,286	11,173,148	12,836,430	14,195,222	10.6%
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	1,976,887	-0.9%
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	4,074,560	31.6%
Total assets	8,766,574	10,029,139	12,796,372	12,762,937	13,121,522	13,195,284	16,109,661	17,926,578	20,246,669	12.9%
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	3,920,617	8.4%
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	7,707,698	6.7%
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	7,036,254	24.2%
Capital and reserves	467,446	568,559	683,811	620,411	783,608	883,708	1,039,157	1,230,077	1,371,893	11.5%
Allowances for minimum dividends	0	0	-45,617	-45,617	-48,232	-66,623	-78,380	-81,377	-90,088	10.7%
Net income	120,153	135,376	152,057	192,203	160,774	222,075	261,268	271,256	300,294	10.7%
Minority interest	0	0	1	1	3	6	4	1	1	0.0%
Total Liabilities and shareholders' equity	8,766,574	10,029,139	12,796,372	12,762,937	13,121,522	13,195,284	16,109,661	17,926,578	20,246,669	12.9%

¹ Under new accounting standards put in effect January 1, 2009 by the Superintendency of Banks and Financial Institutions.

FINANCIAL INDICATORS				UNDER NEW REGULATIONS ¹						CHANGE
	2006	2007	2008	2008	2009	2010	2011	2012	2013	2012/ 2013
Bci Shares										
Price	15,852	14,950	10,841	10,841	16,576	33,058	28,789	32,946	29,162	-11.5%
Earnings per share	1,215	1,369	1,538	1,944	1,586	2,154	2,504	2,563	2,802	9.3%
Stock Price / Book value (times)	3.35	2.60	1.57	1.70	2.14	3.86	2.57	2.42	1.98	-0.44
Stock Price / Earnings per share (times)	13.04	10.92	7.05	5.58	10.45	15.35	12.95	12.67	10.41	-2.26
Market capitalization (Ch\$ million)	1,567,134	1,477,962	1,071,745	1,071,745	1,680,642	3,408,483	3,003,599	3,437,305	3,125,421	-9.1%
Profitability and efficiency										
Return on equity	25.70%	23.81%	23.82%	33.44%	21.86%	21.37%	21.38%	19.10%	18.98%	-0.12
Capitalized earnings of previous year	53.23%	54.75%	54.72%	54.72%	69.44%	68.47%	67.50%	67.06%	66.24%	-0.82
Return on assets	1.37%	1.35%	1.19%	1.50%	1.22%	1.68%	1.61%	1.51%	1.48%	-0.03
Efficiency (operating expenses/operating income)	50.35%	49.64%	44.76%	48.25%	44.71%	45.42%	44.93%	46.08%	43.95%	-2.13
Assets per employee (Ch\$ million)	983	1,051	1,393	1,389	1,482	1,420	1,576	1,692	1,922	230
Market Share										
Loans ²	12.51%	12.38%	13.30%	13.30%	12.76%	12.72%	12.94%	13.20%	13.23%	0.03
Risk										
Allowance expenses ³ (Loss provisions/total loans)	0.85%	1.00%	1.32%	1.32%	1.95%	1.53%	1.26%	1.30%	1.50%	0.20
Allowances over total loans	1.27%	1.32%	1.38%	1.40%	2.18%	2.50%	2.42%	2.28%	2.30%	0.02
Activity Indicators										
Employees (Bci Corporation)	8,918	9,541	9,185	9,185	8,848	9,346	10,220	10,595	10,518	-77
Branches and contact points	233	282	326	326	332	365	378	388	384	-4
Checking accounts	313,748	345,820	373,043	373,043	397,764	425,233	449,700	489,816	511,662	21,846
Electronic checkbooks	855,115	893,961	959,580	959,580	1,107,366	1,115,633	1,215,527	1,208,989	1,220,326	11,337
ATMs	628	815	990	990	1,013	1,111	1,333	1,294	1,080	-214
ATM transactions ⁴ (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	4,173,362	-399,288
Internet transactions ⁵ (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	16,083,389	5,611,011
Customers with internet access passwords	242,641	280,324	297,239	297,239	333,379	404,956	408,987	428,310	508,061	79,751

¹ Under new accounting standards put in effect January 1, 2009 by the Superintendency of Banks and Financial Institutions.

² Excludes Corpbanca Colombia.

³ Allowance expense is defined as the sum of the expenses of provisions for credit risk and credit contingency.

⁴ ATM withdrawals.

⁵ Until the year 2009, transactions with or without authentication passwords were considered. From 2010 forward, only transactions with authentication passwords are considered.

3.

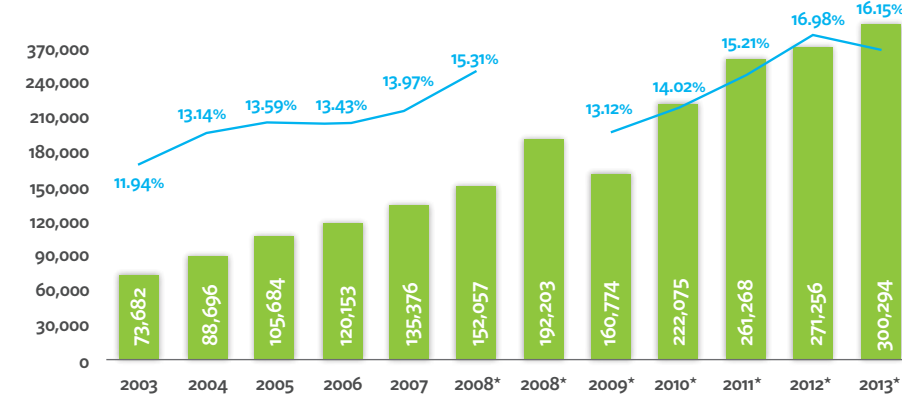
Performance graphs and figures

The graphs below show Bci's results and performance from 2003-2013, and the figures are given in nominal Chilean pesos:

a) Income

For the year ended December 2013, Bci had net income of Ch\$300,294 million, which was a 10.71% year-on-year increase. Bci thereby maintains a sound position as the third bank with the highest net income attaining a 16.15% share of the banking sector net income.

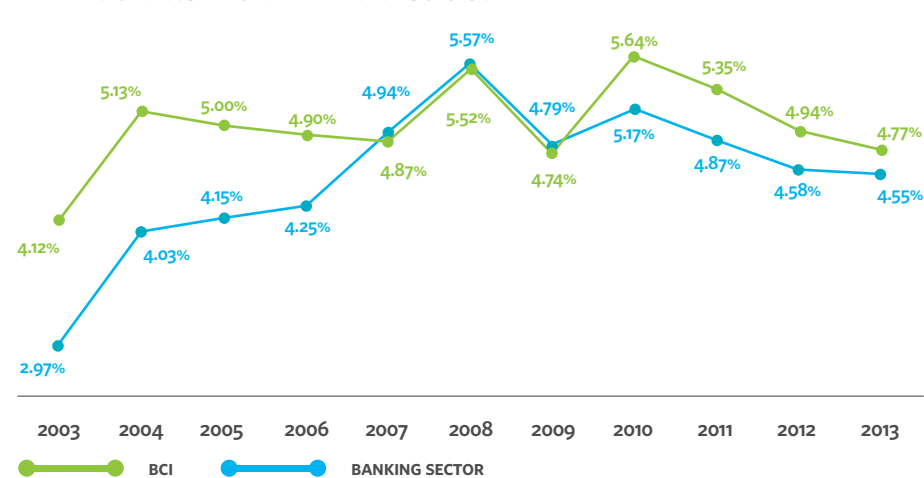
BCI: NET INCOME AND SHARE OF THE BANKING SECTOR¹



(*) Figures under new SBIF regulations.
(1) The banking sector excludes Corpbanca's acquisitions in Colombia.

The net interest margin, corresponding to the net earnings from interest to readjustments of average loans ratio, was 4.77% for the year ended December 2013, and for the fourth year running exceeded that of the banking sector. The drop on the previous year is partly explained by lower readjustment earnings due to lower than forecasted inflation.

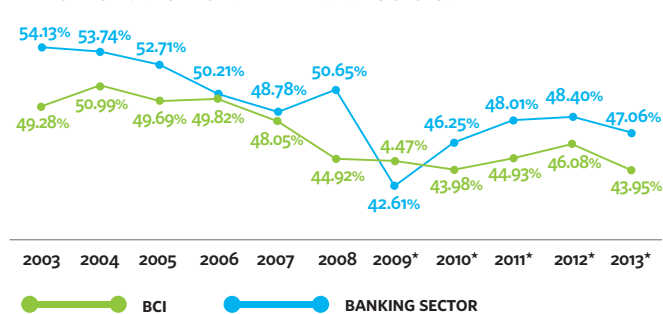
NET INTEREST MARGIN: BCI AND THE BANKING SECTOR¹



(1) The banking sector excludes Bci and includes Corpbanca's acquisitions in Colombia.

The operating efficiency ratio measures the support cost to gross operating income ratio. In line with the objectives set for 2013, Bci managed to improve its efficiency by cost control driven by saving and productivity campaigns. The 43.95% efficiency ratio is the best result in the last eleven years and increases the Bank's lead from the rest of the banking sector's 47.06% ratio.

EFFICIENCY RATIO¹: BCI AND THE BANKING SECTOR²



(*) Figures under new SBIF regulations.
(1) A lower ratio means greater efficiency.
(2) The banking sector excludes Bci and includes Corpbanca's acquisitions in Colombia.

Bci ended up 2013 with a return on equity (ROE) of 18.98%, greatly outperforming the 13.77% ROE of the rest of the banking sector. The slight drop on the previous year contrasts with a sound equity standing, reflected by a higher basic equity to risk-weighted assets ratio.

ROE: BCI AND THE BANKING SECTOR¹

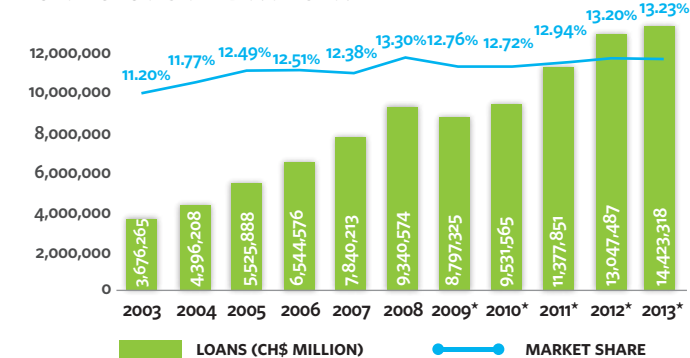


(*) Figures under new SBIF regulations.
(1) The banking sector excludes Bci and includes Corpbanca's acquisitions in Colombia.

b) Market Share

Bci's total loans (net of inter-bank loans) accrued as of December 2013 amounted to Ch\$14.42 trillion, a 10.5% year-on-year increase. Bci thereby increased its 13.20% market share in 2012 to 13.23% in 2013, confirming its position as one of the top four banks in Chile for loans.

TOTAL BCI LOANS AND MARKET SHARE¹

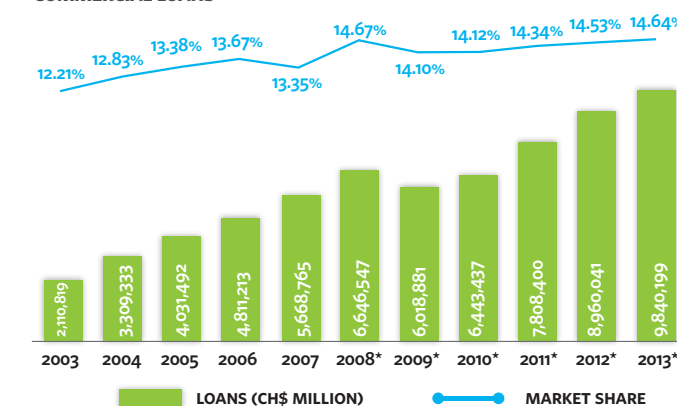


(*) Figures under new SBIF regulations.
(1) Market share excludes Corpbanca's acquisitions in Colombia.

Total loans comprise commercial, consumer and mortgage loans. As is shown in the graphs below, the Bank has steadily increased the loan volume in each of these areas.

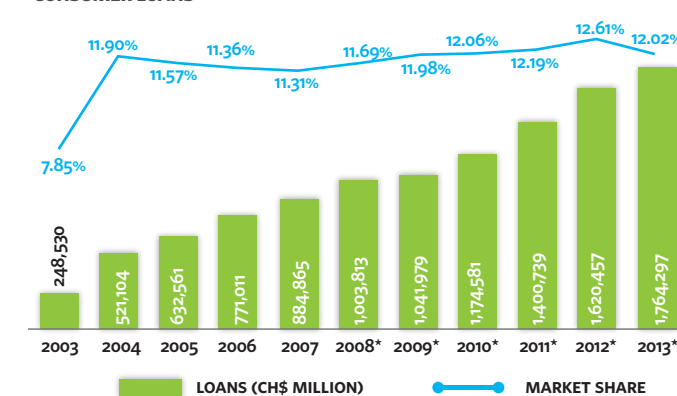
The consumer loan volume grew 8.9% on the previous year. Nevertheless, market share was hit by a bank in the retail sector consolidating non-banking credit cards in December 2013.

COMMERCIAL LOANS¹

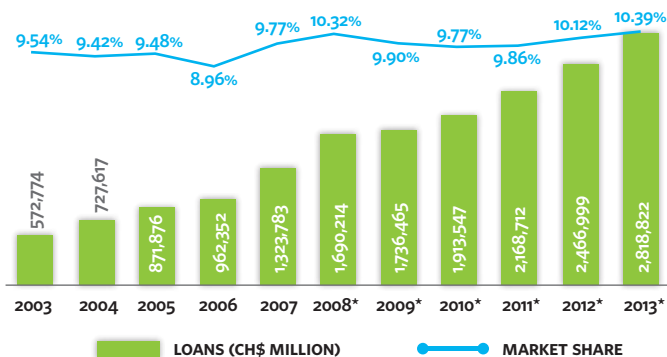


(*) Figures under new SBIF regulations.
(1) Market share excludes Corpbanca's acquisitions in Colombia.

CONSUMER LOANS¹



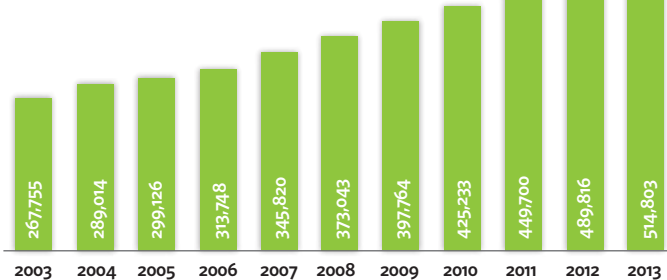
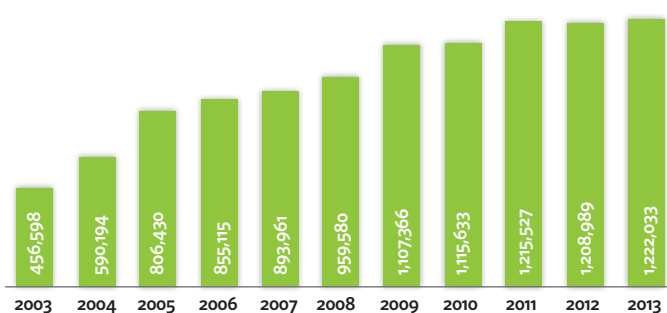
(*) Figures under new SBIF regulations.
(1) Market share excludes Corpbanca's acquisitions in Colombia.

MORTGAGE LOANS¹

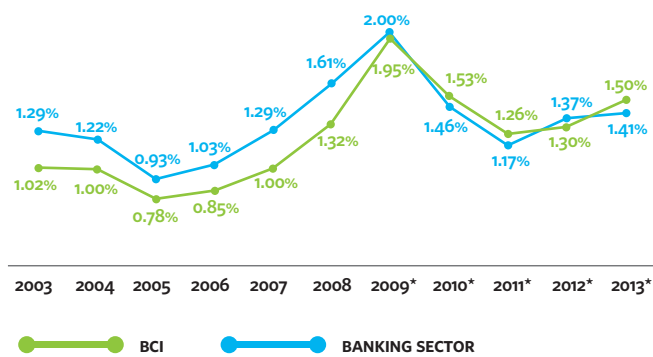
(*) Figures under new SBIF regulations.

(1) Market share excludes Corpbanca's acquisitions in Colombia.

Checking accounts in 2013 kept up the steady growth of the last few years with a 5.10% year-on-year increase. NIBDs were 1.08% up on the previous year.

BCI: NUMBER OF CHECKING ACCOUNTS**DECEMBER EACH YEAR****BCI: NUMBER OF NIBDS****c) Risk**

The risk 1 rate, measured as the allowance expense on customer loans, was 1.50% in 2013. Net allowances established in the year reflected the positive effects of the lower allowances for consumer loans and a company in the fisheries industry filing for bankruptcy.

ALLOWANCE EXPENSE ON LOANS: BCI AND THE BANKING SECTOR¹

(*) Figures under new SBIF regulations.

(1) Market share excludes Corpbanca's acquisitions in Colombia.

The risk ratio, measured as allowances to total loans, was 2.30% for the year ended December 2013 and similar to that in 2012. This performance contrasts positively to the upward trend of the banking sector.

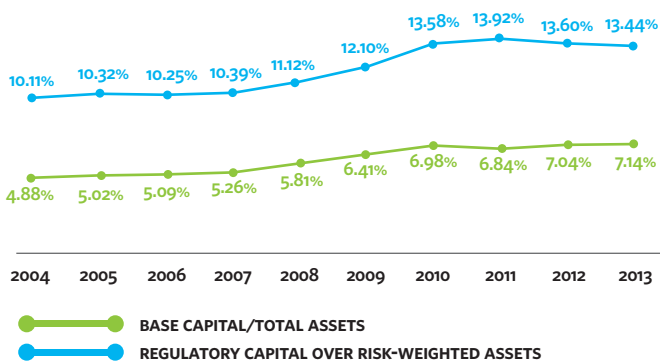
ALLOWANCES TO TOTAL LOANS: BCI AND THE BANKING SECTOR¹

(*) Figures under new SBIF regulations.

(1) Market share excludes Corpbanca's acquisitions in Colombia.

d) Level of capital and Basel Ratio

The Bank's ratios of basic capital to total assets and regulatory capital to risk-weighted assets were 7.14% and 13.44%, respectively. They easily exceeded the minimum regulatory limits set by the SBIF (3% and 8%) and 10% for banks with branches overseas.

BCI: CAPITAL RATIOS



YOUR *ideas*
ARE NOW
considered

Innovation Club

Driving the innovation culture internally is the main goal of this inter-management group that supports the co-creation and management of projects to generate positive solutions and enhance the customer experience. The Innovation Club comprises around 30 employees who represent the different Bci areas and who are elected for their innovation contribution, support and commitment.



4. Board of Directors

The members of the Board of Directors were elected for a three-year term in an Ordinary Shareholders' Meeting held on April 2, 2013.

The current Board of Directors is:

01. Luis Enrique Yarur Rey Chairman	05. Máximo Israel López Director	09. Francisco Rosende Ramírez Director
02. Andrés Bianchi Larre Vice-chairman	06. Juan Ignacio Lagos Contardo Director	10. Dionisio Romero Paoletti Director
03. Juan Manuel Casanueva Préndez Director	07. José Pablo Arellano Marín Director	
04. Lionel Olavarria Leyton CEO	08. Mario Gómez Dubravcic Director	

The Corporation's directors are elected based on their intellectual, professional and ethical attributes.

Moreover, they are people with outstanding performance 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 Chairman.

Luis Enrique Yarur Rey
Chairman

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 Chairman of Empresas Juan Yarur S.A.C and Empresas JY S.A.; Vice-Chairman 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.; Chairman of Empresas Jordán S.A.; Chairman of Salcobrand S.A.; Vice-Chairman 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-chairman

He holds a degree in legal and social sciences from the University of 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 Crédit 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.

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. He is a director of companies and senior economist of the Corporation for Latin American Studies (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 the Rodelillo Foundation and of the Corporación del Patrimonio Cultural (Cultural Heritage Corporation). 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 enterprise center at Universidad del Desarrollo.

Mario Gómez Dubravčić
Director

He holds a degree in business administration from the Catholic University of Chile, with postgraduate 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 head and was responsible for creating all of the subsidiaries and related companies. He was President of the Board of Fondos Mutuos Bci, of Bci Asesoría Financiera, a director of Bci Corredora de Bolsa, 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, Chairman of Artikos, and Vice-Chairman 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 was appointed a director of Bci in 2011.

Juan Ignacio Lagos Contardo
Director

He holds a degree in law from the University of Chile. He is a professor of economic law at the Universidad de los Andes. He is the founding partner of the law office Yrarrazaval, Ruiz-Tagle, Goldenberg, Lagos & Silva Abogados Ltda. He was a director of Bci Corredora de Bolsa and companies like Diario Financiero S.A., Aetna Seguros de Vida S.A., Aetna Seguros Generales S.A. and MinePro Chile S.A.



Máximo Israel López
Director

He holds a degree in business administration from the Catholic University of Chile. He is an independent advisor. He is a director of the companies Econssa Chile S.A. and CTI S.A. He was the founding partner and president of the board of Atton Hoteles. He was a director of companies like Enaex S.A., Abastible S.A., Empresas Lucchetti S.A., Transbank S.A., and Redbanc S.A., among others. At the beginning of his career, he held various executive positions, including commercial manager of Banco de Santiago and Banco O` Higgins.

Dionisio Romero Paoletti
Director

He is Chairman of Credicorp and Banco de Crédito del Perú - 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 of the Board in 2008 and President in 2009. He is also the President of the Board of Banco de Crédito de Bolivia, Pacífico Peruano Suiza Cía. de Seguros y Reaseguros S.A., El Pacífico Vida Cía. de Seguros y Reaseguros S.A., Alicorp S.A.A., Ransa Comercial S.A., Industrias del Espino S.A., Palmas del Espino S.A., Agrícola del Chira S.A., Compañía Universal Textil S.A., among others. Likewise, he is Vice-President of the Board of Inversiones Centenario S.A. and a director of Cementos Pacasmayo S.A. and Hermes Transportes Blindados. He holds a degree in economics from Brown University, United States, and an MBA from Stanford University, USA.

Francisco Rosende Ramírez
Director

He holds a degree in business administration from the University of Chile, and an 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. From 1995 through 2013, he was the 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* (in Uruguay) newspapers.

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

The Board of Directors receives a complete report each month on the performance and results of the Bci Corporation, and is given periodic information on matters analyzed and approved by the different Bank committees.

The committees comprise a variable number of directors and they convene regularly but with different frequency. Their nature, functions and activities are determined by the Bank's needs and regulatory requirements. The following committees currently operate:

- Board's Executive Committee
- Directors' Committee
- Finance and Corporate Risk Committee
- Corporate Governance and Corporate Social Responsibility Committee
- Compensation Committee

The sustainability report accompanying this Annual Report specifies the composition, operation and frequency of each of the aforementioned committees, their governing principles and their responsibilities. In addition, it outlines how the Bank engages with its stakeholders, i.e., shareholders, employees and their families, customers, suppliers and communities, as well as the activities through which this relationship is conducted.



WHEN you NEED US

Unlimited care and support

On July 18, thieves broke into my pick-up truck and stole a case with my computer and all my personal files. It was a very stressing situation, as five days later I was supposed to travel abroad with my family. I lost my driver's license, identity card and that of my son. The case also contained all the information about my company, bank credit cards and my company and personal checkbooks. When I informed Bci of my situation, it helped me very much to issue non-payment orders for the stolen checks and block all the credit cards. It even went beyond its responsibilities and advised me on the proceedings I had to undertake to get my personal documents back.

Bci was awesome. I felt it gave me such support, particularly as it coordinated with different areas in record time to resolve my problem, that I'm immensely grateful for the large support it gave me. Without its support, I'd have had to cancel my vacations.

Javier Mora - Bci customer

5.

Senior Management

The Bci Corporation aims to be a regional leader in innovation, customer closeness and experience and to be renowned as the best company to work for and develop. With this vision, in 2013 Bci continued to work on consolidating the customer experience strategy, promoting initiatives and developing continuous improvement to provide a segmented, innovative and multichannel value proposal. Such proposals are underpinned by the Corporation's common goal of "fulfilling dreams with relations of trust throughout the life of our customers."

The implementation of a new segmentation model in 2013 helped to bolster the customer experience strategy. This aims to fully meet the needs of individuals, SMEs, companies and corporations with specialized advice, offering products and services customized to their needs. This customer experience strategy has also led to enhancing strategic businesses, not only for Bci but society as a whole, like the SME segment, which includes the active role the organization plays in the country's growth by driving and supporting entrepreneurship.

Aware that the people in the Corporation are a key factor in meeting Bci's objectives, it also continued to work on consolidating the employee experience strategy. This mainly entailed assuring a workplace focused on values of integrity, respect and excellence and on offering real personal and professional development opportunities in the organization. The Bank thereby aims to improve the value offering even more to employees to meet their interests, needs and deepest motivations.

Bci will continue to work daily with the premise that happy employees generate happy customers and that in turn leads to happy shareholders. This premise is the virtuous equation which reflects the values of the Bci Corporation and its way of understanding the business.



01.

Lionel Olavarria Leyton
Chief Executive Officer

02.

Ignacio Yarur Arrasate
Chief Retail Banking Officer

03.

Eugenio Von Chrismar Carvajal
Chief Corporate & Investment
Banking Officer

07.

Pablo Jullian Grohnert
Chief Human Resources Officer

08.

Pedro Balla Friedmann
General Counsel

09.

Ximena Kutscher Taiba
Audit and Compliance Head

04.

Diego Yarur Arrasate
Chief Commercial Banking
Officer

05.

Juan Pablo Stefanelli Dachena
Chief SME Officer

06.

Antonio Le Feuvre Vergara
Chief Corporate Risk Officer

10.

Mario Gaete Hörmann
Chief Operating and Technology
Officer

11.

José Luis Ibaibarriaga Martínez
Chief Financial Officer and
Controller

12.

Rodrigo Corces Barja
Customer Experience and
Corporate Brand Manager

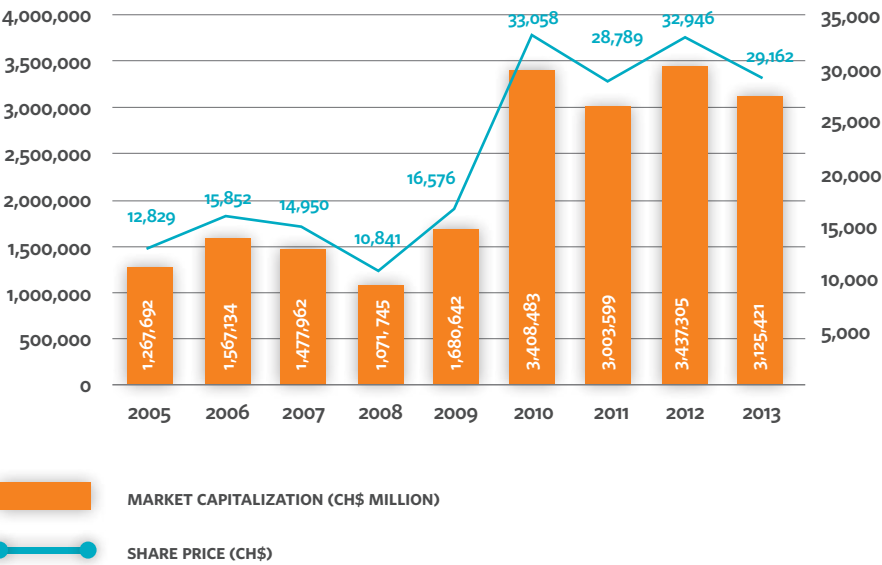
6. Shareholders

a) Profit, share price and market capitalization

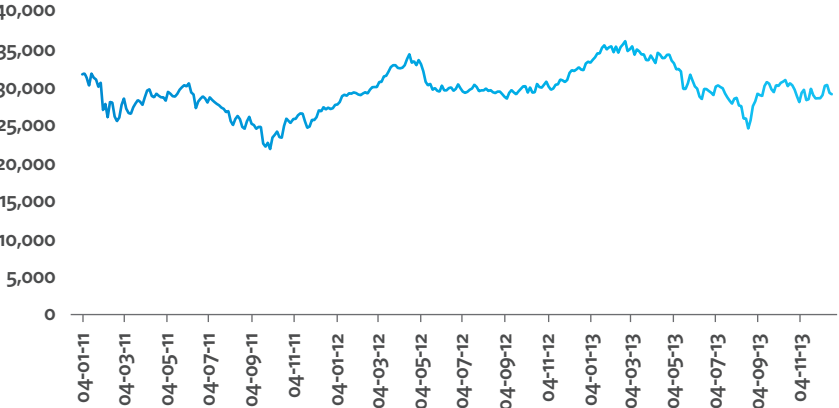
In 2013, the Bank had profits of just over Ch\$300 billion, a 10.7% year-on-year increase and continuing the upward trend since 2009. This result was driven by loans climbing 10.6%, slightly higher than the banking sector (10.2%), excluding Corbanca’s assets in Colombia.

2013 was a tough year for the Chilean stock market, pressured by investors abandoning less attractive emerging markets in favor of developed economies, above all the United States where the S&P500 index reached record highs. Despite the negative performance of the selective share price index (IPSA) that dropped 14%, Bci’s share price was higher than IPSA with a return of -8.1%, driven by the sound growth of the Bank’s profits.

MARKET CAPITALIZATION AND SHARE PRICE



VOLUME - WEIGHTED AVERAGE PRICE OF BCI SHARES



Note: The weighted average share price is the share price weighted according to the daily transaction volume.

b) Capital resources

An Extraordinary Shareholders’ Meeting held on April 2, 2013, approved, among other issues, a capital increase of Ch\$179,691 million by capitalizing profit reserves. This amount comprised:

- Capitalizing Ch\$135,628 million without issuing shares; and
- Capitalizing Ch\$44,063 million by issuing 1,319,183 fully paid shares.

With these proceeds, which were needed to sustain the Bank’s operating growth, the basic capital comprised the following for the year ended December 31, 2013:

Paid-in Capital (107,174,450 Shares)	Ch\$1,381,871,072,636
Other Equity Accounts	Ch\$(9,977,673,112)
Net Income	Ch\$300,294,487,687
Allowance for Payment of Dividends	Ch\$(90,088,346,306)
Basic Capital (1)	Ch\$1,582,099,540,905

(1) The basic capital is equivalent to the net amount that must be stated in the financial statements as equity attributable to shareholders, pursuant to what is laid down in the Standards Compendium of the SBIF.

In turn, effective equity, which regulates the various operating limits set forth in the General Banking Law, comprises the following items:

Basic Capital	Ch\$1,582,099,540,905
Additional Allowances	Ch\$35,253,609,977
Subordinated Bonds	Ch\$627,325,422,467
Equity attributable to minority interests	Ch\$874,088
Effective Equity	Ch\$2,244,679,447,437

Hence, in 2013 the Bank’s basic capital rose 11.4% and its effective equity increased 11.8%.

At year end, the basic capital to total assets ratio was 7.14%, whereas the regulatory capital to risk-weighted assets ratio was 13.44%. Both values were substantially higher than the minimum ratios required by the General Banking Law of 3% and 10%, respectively.

c) Tax standing of the dividend distributed

An Ordinary Shareholders’ Meeting held on April 2, 2013 approved a dividend distribution of Ch\$865 per share, charged to the 2012 net profit, which amounted to Ch\$91,564,805,955 equivalent to 33.8% of total net profit.

This amount was distributed charged to taxable profits subject to first category tax of the Income Tax Law. This tax is a credit against the global complementary or additional tax that shareholders must file each year.

To calculate it, the credit is considered subject to first category tax and must by law be added to the respective taxable base.

Shareholders are informed of the tax details of the dividend distributed by means of a certificate that provides the information needed to file the respective annual tax return.

Bank shareholders bound to keep records of the Taxable Profit Fund (FUT) shall consider that the dividend distributed in April 2013 comes from taxable profits entitled to first category tax credit, generated in the following tax years:

YEAR	FIRST CATEGORY RATE	PROPORTION
2005	17.0%	69.46%
2006	17.0%	24.51%
2006	No credit rights	0.15%
2006	15.0%	2.21%
2006	16.0%	3.57%
2006	16.5%	0.10%
Total Proportion		100.00%

d) Distribution of fully paid-in shares

An Extraordinary Shareholders’ Meeting of the company, held on April 2, 2013, agreed to increase the company’s equity by Ch\$44,063,350,566 by issuing 1,319,183 fully paid-in non-par value shares at a rate of 0.0124621385 fully paid-in shares for each share held on the date the right to receive these shares was acquired.

The Bank’s paid-in capital was therefore set at Ch\$1,381,871,072,636, divided into 107,174,450 shares.

As the distribution of these fully paid-in shares represents an equivalent capitalization, pursuant to what is laid down in the Income Tax Law, it does not constitute shareholder profit and is therefore not taxable.

e) Main shareholders

The list below shows the 25 main shareholders of Bci for the year ended December 31, 2013, along with the number of shares they hold and their shareholding of the Bank.

NAME	SHARES	SHAREHOLDING %
Empresas Juan Yarur S.A.C.	59,030,040	55.08%
Jorge Juan Yarur Bascuñán	4,529,246	4.23%
Inversiones BCP S.A.	4,025,389	3.76%
Sociedad Financiera del Rimac S.A.	3,723,770	3.47%
Banco de Chile on behalf of non-resident third parties	3,051,817	2.85%
Banco Itaú on behalf of investors	2,695,167	2.51%
AFP Habitat S.A.	2,382,243	2.22%
AFP Provida S.A.	2,282,219	2.13%
BCI Corredor de Bolsa S.A. on behalf of third parties	2,116,831	1.98%
Banco Santander on behalf of foreign investors	1,582,304	1.48%
Inversiones Tarascona Corporation (Agency in Chile)	1,579,024	1.47%
AFP Cuprum S.A.	1,326,285	1.24%
Inversiones Millaray S.A.	1,303,899	1.22%
AFP Capital S.A.	1,282,507	1.20%
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,175,914	1.10%
Luis Enrique Yarur Rey	1,046,865	0.98%
Banchile Corredores de Bolsa S.A.	843,356	0.79%
Empresas JY S.A.	696,112	0.65%
Inversiones VYR LTDA.	570,370	0.53%
Larraín Vial S.A. Corredores de Bolsa	504,097	0.47%
Nelly Baines Oehlmann	496,887	0.46%
Inmobiliaria e Inversiones CHOSICA S.A.	468,121	0.44%
BTG Pactual Chile S.A. Corredores de Bolsa	463,863	0.43%
Bolsa de Comercio de Santiago Bolsa de Valores	411,884	0.38%
Corpbanca Corredores de Bolsa S.A.	382,218	0.36%
Other shareholders (*)	9,204,022	8.59%
SUBSCRIBED AND PAID-UP SHARES	107,174,450	100.00%

(*) Includes Bci employees who jointly hold 313,621 shares, equivalent to a 0.29% shareholding.

f) Shareholders’ agreement

Shareholders related to the Yarur family, who for the year ended December 31, 2013 held 63.86% of Bci’s subscribed and paid-up shares, 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.



ADN Bci (Bci DNA) Ideas are now considered

"Thanks to the thousands of people who thought of coming up with big ideas to build a great country!" This message closed the first ADN Bci open innovation competition, in which the Bank invited the whole community to co-create innovative solutions for various challenges of the financial industry to improve the customer experience and promote enterprise. The summons was a real success with over 2,000 participants and 492 ideas. One of the outstanding award-winning ideas was the "online financial status report" by Juan Traverso, who received the ADN Bci 2013 award and a trip to Silicon Valley.



7. Credit Rating

Bci has domestic credit ratings from Feller Rate and Fitch Ratings, and international ratings from Standard & Poor's (S&P), Fitch Ratings and Moody's.

Feller Rate confirmed Bci's domestic credit rating as AA+ with a "stable" outlook for time deposits and bonds. This rating was based on Bci's good financial profile with returns from high margins and controlled operating efficiency. It also noted that these margins are in turn the outcome of the diversification of revenue streams, greater product penetration among customers and efficient management of financing sources. It highlighted Bci's sound competitive position and the increase in the equity solvency indicators in the last few years, which have been bolstered by the capitalization of most of the profits (around 70%). This has enabled it to suitably sustain the growth of assets. Lastly, it mentioned the right expansion and redesign of the distribution network, splitting commercial operations into four segments, the strengthening of risk structures and the creation of the customer experience and corporate image management.

Fitch Ratings confirmed the AA+ domestic credit rating for long-term deposits, mortgage bonds, bank bonds and bond lines, with a "stable" outlook. This rating was based on improvements made by Bci to its capital base and the right balance sheet management to have sound risk and liquidity indicators. Moreover, it highlighted Bci's robust domestic franchise, stating that the business and segmentation strategy it has recently carried out have greatly enhanced its indicators. It also mentioned that the acquisition of City National Bank of Florida (CNB) will diversify the composition of recurrent revenue, saying that this is part of an inorganic growth strategy in traditional commercial banking businesses.

Fitch Ratings confirmed the Bank's long-term international A- credit rating with a "stable" outlook.

Standard & Poor's (S&P) confirmed its long-term A credit rating with a "stable" outlook. It said that this was due to sound business stability and suitable returns and capital levels to leverage growth opportunities. It further highlighted that this rating was the outcome of a sound competitive standing, a growing customer base and extensive network of branches and ATMs that have enabled the Bank to generate large scale economies. S&P also rated the risk position and liquidity level as "suitable." Regarding the purchase of CNB, it claimed this is an opportunity to step up the internationalization process. Considering that CNB is a small bank compared to Bci, its purchase should not weaken its strong competitive standing or diversification. On the contrary, the Bank could export its efficient processes and expertise with a wide range of products, driving their cross sale.

Moody's confirmed its long-term A1 foreign currency rating, but lowered its outlook to "negative." It should be highlighted that this change is usual practice of this risk rating agency when there are bank acquisitions. In fact, in the press release to investors Moody's said that the outlook would return to stable when the financing for the acquisition of CNB materializes and both operations are consolidated, showing that the profitability, capital, liquidity and asset quality ratios are still at the same levels as before the acquisition. Moody's based its rating on the Bank's sound profitability, revenue diversification and the low funding costs. It also mentioned the suitable level of effective capital to address unexpected losses and the good levels of liquidity and positive diversification of its financing streams by means of debt issues and international syndicated loans. Like other risk rating agencies, it mentioned the wide and diverse branch network, highlighting penetration into the SME segment, and the geographical diversification of customers that will arise from the purchase of CNB. Although the concentrations of corporate debtors and loan growth are, according to Moody's, a possible source of earnings volatility and asset quality, it claimed that Bci has been able to manage this exposure suitably.



National Credit Rating

FELLER RATE	AUGUST 2013
Solvency	AA+
Outlook	Stable
Long-term deposits	AA+
Bonds	AA+
Bonds (subordinates)	AA
Shares	1 st class level 1

FITCH RATINGS	AUGUST 2013
Short term	N1+
Long term	AA+
Bonds	AA+
Bonds (subordinates)	AA-
Shares	1 st class level 1
Rating outlook	Stable

International Credit Rating

FITCH RATINGS	AUGUST 2013
Foreign currency long-term debt	A-
Local currency long-term debt	A-
Foreign currency short-term debt	F1
Local currency short-term debt	F1
Viability	a-
Outlook	Stable

STANDARD & POOR'S	JUNE 2013
Long-term foreign issuer credit	A
Long-term local issuer credit	A
Short-term foreign issuer credit	A1
Short-term local issuer credit	A1
Outlook	Stable

MOODY'S*	JUNE 2013
Long-term rating	A1
Bank financial strength rating	C
Short-term issuer level rating	P1
Outlook	Negative

(*) Bank deposit rating

8.

Awards and Accolades

Bci received awards and accolades in 2013 for its work in various areas like business management and financial performance, innovation, corporate reputation, leadership, work environment and corporate social responsibility. The following were the main awards received:

FIRST PLACE IN THE WORLD FINANCE AWARDS

In a study conducted by the UK magazine *World Finance*, Bci was in first place of Chilean banks in three categories: Best Banking Group, Best Private Bank and Best Investment Manager 2013.

FOURTH SAFEST BANK IN LATIN AMERICA

Bci was ranked the fourth safest bank in Latin America by the magazine *Global Finance*.

MOST INNOVATIVE BANK IN CHILE 2013

Bci was in first place in the bank category of the ranking of the Most Innovative Companies In Chile 2013, by the ESE Business School of Universidad de los Andes and in fourth place for innovation of all the companies included in such ranking.

FIRST PLACE FOR INNOVATION IN THE FINANCIAL SECTOR

The Best Place to Innovate organization ranked Bci in first place in the innovation category in the financial sector.

BEST VARIABLE INCOME MUTUAL FUND MANAGER IN CHILE

This was awarded by the company Morningstar, one of the most prestigious institutions that provides independent analysis for global investment products. It also distinguished two of its mutual funds for their risk-adjusted return.

MOST TRANSPARENT COMPANY IN CHILE

Bci was distinguished as the Most Transparent Company in Chile in the ranking made by Universidad del Desarrollo, the Business Intelligence consultant, the accountancy firm KPMG and Chile Transparente.

MOST RESPONSIBLE COMPANY WITH THE BEST CORPORATE GOVERNANCE IN CHILE

Bci was selected as the most Responsible Company with the Best Corporate Governance in Chile and ranked as the third company with the Best Corporate Reputation in Chile, according to a survey conducted by the Business Monitor of Corporate Reputation (MERCOR).

SALMON AWARD

Bci was awarded the Salmon Award in the voluntary pension fund saving (APV) series in six different mutual funds by the Asociación de Administradoras de Fondos Mutuos (AAFMM) and the financial newspaper *Diario Financiero*.

THIRD PLACE IN THE NATIONAL CORPORATE SOCIAL RESPONSIBILITY (CSR) RANKING

Bci was in third place of the national CSR ranking made by the ProHumana Foundation and *Qué Pasa* magazine, climbing one place on that in 2012, and was ranked as the most responsible financial institution in Chile.

BANK WITH THE BEST CUSTOMER EXPERIENCE

The specialized consultant IZO ranked Bci as the bank offering the Best Customer Experience in the Chilean financial sector. The ranking considered a survey of services in more than 120 companies in seven Latin American countries. The award was given by the consultant IZO and Universidad de los Andes.

SIXTH BEST COMPANY FOR WORKING PARENTS

Bci was in sixth place of the ranking made by Fundación Chile Unido and the *Ya* magazine supplement of *El Mercurio* newspaper.

SELLO MÁS POR CHILE (MORE FOR CHILE RECOGNITION)

Bci is the company to get the most *Sello Más por Chile* (More for Chile Recognition) in the country, given by the Ministry for Social Development. It was awarded a distinction for the strategic partnership it entered into with Enseña Chile, another for its collaboration with the Las Rosas Foundation, and for its support of the Corporación Crédito al Menor.

NATIONAL CUSTOMER SATISFACTION AWARD

Bci obtained first place in the National Customer Satisfaction Awards in the large bank category. This was awarded by ProCalidad, Universidad Adolfo Ibáñez, Adimark, Praxis and *Capital* magazine.

15TH BEST COMPANY TO WORK FOR IN CHILE

Bci was in 15th place in the ranking made by Great Place to Work and *Capital* magazine. This was a 9-place improvement on the 2012 ranking.

SELLO PROPYME RECOGNITION

In 2013, Bci obtained renewal of the *Sello ProPyME* (Pro-SME Recognition) by the Ministry of Economy, Promotion and Tourism for paying supplier invoices in less than 30 days.

EIGHTH MOST ADMIRABLE COMPANY

Bci was in eighth place of the Most Admired Company ranking, made by PWC and *Diario Financiero*, which assessed aspects like innovation capacity, product and service quality and corporate image, among other factors.

SELLO CHILE INCLUSIVO (INCLUSIVE RECOGNITION)

Bci was awarded the Chile Inclusive Gold Category seal by the National Service for the Disabled (SENADIS) for action to promote the employment of the physically disabled in its organization with its *Bci sin Límites* program.

ENERGY EFFICIENCY RECOGNITION

Bci was awarded the *Sello de Eficiencia Energética* (Energy Efficiency Recognition) from the Ministry for the Environment for its environmental management.



A close-up photograph of a person's hands in a business suit. The person is using a small, light blue Bci RSA pulse oximeter on their left index finger. The device has a circular logo with the 'Bci' name and a small digital screen showing the number '507349'. The person is wearing a blue dress shirt and a grey suit jacket. The background is blurred, showing other people in a professional setting.

WE SOLVE *your* PROBLEMS

Essential support

On March 12, 2013, I needed to locate my account executive as that very day I had to pay the VAT for the company of which I'm a power of attorney to avoid a fine and my multipass had expired. I went to my branch to look for help. An executive saw that I was really worried and offered to help me. He immediately carried out the necessary proceedings to resolve the issue. He found a solution with the help desk, and I could remotely delegate the faculty to someone else to pay the VAT. I'm very grateful to Bci as it put itself in my shoes and didn't give up until it found a solution.

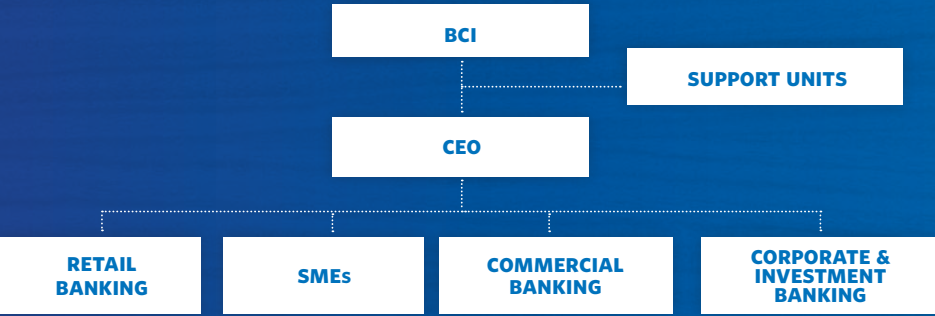
Javier Bassi - Attorney - Dangerous & Dry Cargo S.A.

9. Bank organization:

Banking, Subsidiaries and Operational Support Units

Bci offers a broad range of products through its extensive network of 384 commercial points of contact and service excellence to meet the financial needs of people and businesses. There are also services that can be obtained through the different remote service channels, like ATMs, the internet, various mobile applications and telephone service.

The Bank offers this broad range of products and services through its four banking areas: Retail Banking, SMEs, Commercial Banking and Corporate & Investment Banking. Through these, Bci aims to provide a quality customer experience, understand specific customer needs and give customized solutions allowing them to fulfill their dreams.



< **IGNACIO YARUR ARRASATE**
CHIEF RETAIL BANKING OFFICER



JUAN PABLO STEFANELLI DACHENA >
CHIEF SME OFFICER



< **DIEGO YARUR ARRASATE**
CHIEF COMMERCIAL BANKING OFFICER



< **EUGENIO VON CHRISMAR CARVAJAL**
CHIEF CORPORATE & INVESTMENT
BANKING OFFICER

Banking Areas

Retail Banking

Its aim is to meet the financial loan, savings and insurance needs of individuals. The Retail Banking area comprises an extensive network of branches throughout Chile and different remote service channels, like online, Telecanal (Call Center), mobile applications and ATMs. It has a broad menu of products, highlighting consumer and mortgage loans, checking accounts, credit cards, insurance, and credit and overdraft lines. It also offers investment products, like time deposits, domestic and foreign mutual funds, bank saving book, purchase and sale of shares and bonds, insurance with savings and the voluntary pension fund saving (APV).

Retail Banking is made up of three business units: *Banca de Personas* (Personal Banking), *Tbanc* and *Bci Nova*. Each of them is characterized by delivering innovative products and service excellence by means of a team of employees who seek to “fulfill the dreams of our customers with relations of trust throughout their life.” It also has management support areas like marketing (products, segments and means of payment), commercial effectiveness, and the subsidiaries *Bci Corredores de Seguros* and *Análisis y Servicios*.

In 2013, Retail Banking carried out various activities to bolster the customer experience, provide service excellence and promote innovation. With this aim, it successfully implemented the experience strategy at branches, transforming the management processes in all the in-person channels, standardizing the service protocols and improving the remote channel response levels. Moreover, it changed the traditional service model into a comprehensive one, giving account executives new faculties. Aware that the Bank’s future lies in digitalization and mobile communications, it launched a strong campaign to encourage its customers to use the mobile channel and its different applications, and actively participated in the development of the ADN Bci open innovation competition.

Furthermore, 2013 was a year full of financial education activities, understanding the importance of responsible borrowing for society as a whole. Division executives participated in training and coaching talks in companies, municipalities and the armed forces. The highlight was the launch of the *Con Letra Grande* (In Uppercase) program, a web channel focused on educating people on the responsible use of loans and money. This website not only has downloadable material but also posts a weekly program to fully address those issues of more interest and to which customers can send their queries directly.

The Retail Banking business had over 400,000 customers in 2013. Mortgage loans grew 14% in terms of average balance, and consumer loans were up 8%, and they both gained a higher market share of revenue net of risk. Operating income amounted to over Ch\$110 billion.



Banca de Personas (Personal Banking)

This area serves individuals, offering them financing, investment and saving advice, and a wide range of insurance products. Based on the profile of each customer, this unit is subdivided into Premier Banking, Preferential Banking, Traditional Banking and University Student Banking.

TBanc

TBanc is the first and only bank in Chile that operates remotely, offering products and services through remote channels like the telephone, online and mobile devices from anywhere and with the support of strict security standards.

It provides service to customers 24 hours a day, seven days a week, through different channels, with highly trained executives and top notch service quality standards.

Bci Nova

This division targets the mass segment. Through its branch network it helps to solve customers’ financial needs quickly and efficiently, promoting a close relationship and responsible banking services.

Its main products include non-interest bearing accounts (NIBDs), credit cards, consumer loans and insurance products.

SMEs

Created in February 2013 to provide a personalized service and customized products to micro-, small- and medium-sized enterprises in Chile, the SME division has its roots in Bci's commitment over its history to help create new enterprises, generate employment, and Chile's economic and social development.

All customers are offered financial products segmented according to their needs, such as checking accounts, financing, state guarantees, factoring, credit cards and insurance products. They also have access to more sophisticated products, like cash management, foreign trade, money market desk products and investments. The SME area also offers financial management advisory services and, through SME Centers, makes available to its customers a team of specialist executives who provide advice in different business areas.

It is structured into three different segments according to the sales volume and complexity of each of the enterprises.

The microenterprise segment includes those enterprises with annual sales of up to UF2,400. The entrepreneur segment includes enterprises with annual sales of UF2,400 to UF12,000. Lastly, the small business segment includes businesses with annual net sales of UF12,000 to UF80,000.

A model led by microenterprise specialists was successfully implemented in the microenterprise segment in 2013, and they are given a customer portfolio. This service model quickly and efficiently addresses the challenge of giving customers the best service experience. This eliminates the traditional image of the sales executive and strengthens the role of the banking executive, specialized in financial management for this sector. The new specialist has the responsibility of accompanying customers and is empowered to assess them on site, provide financial products and services, manage the portfolio and advise customers on their business management.

The SME division is in charge of the Bci Nace and Renace programs. Bci Nace supports new enterprise with financing, advice and business networks that help to expand and consolidate new entrepreneurship. In turn, the Renace program supports entrepreneurs who need a second chance after failures with prior entrepreneurial projects. They are given different support in the trust that past experiences will provide learning with better results in the future. Both programs are part of the shared value strategy, which highlights the contribution these enterprises make not only to their customers but also the country's economic development.

MORE THAN
77,000
SMEs



The main initiatives undertaken in 2013 by the SME division were the organization of the 11th Bci Business Event, the Outstanding Entrepreneur Award, and the Entrepreneurship Route.

Bci has held its Business Event every year since 2008 and the objective is for large companies to meet SMEs so they can strengthen their business networks and help create new commercial opportunities for them. The event is mainly based on stands where entrepreneurs can make known and sell their products or services. It is traditionally held in Santiago and Concepción, but in 2013 the event was held for the second year running in Antofagasta. 170 companies attended and there were over 500 business meetings.

Another major activity undertaken in 2013, and which is in keeping with the objective of recognizing customers, was the Outstanding Entrepreneur Award. To award this, renowned Chilean businessmen selected the best entrepreneurship in five categories: customer experience, shared value, Nace, innovation, and woman entrepreneur. The grand final prize was awarded to Renzo Bustos of Constructora SAENS for his innovative system of eliminating acid mist at copper production plants.

Lastly, in 2013 Bci, and Fundación Chile and Pro Pyme (Pro-SME), held the Entrepreneurship Route for the first time. This initiative included a series of enterprise support events from Iquique to Punta Arenas, in which local entrepreneurs could expand their business networks, get training on important issues and join the enterprise ecosystem in Chile. 12 events were held in 2013 with the attendance of over 5,600 entrepreneurs.

In 2013, the SME division supported more than 77,000 customers and operating income was over Ch\$58 billion.

Commercial Banking

The aim of this division is to offer products and service tailored to the needs of companies with annual sales of UF80,000 to UF350,000 (Company Banking) and from UF350,000 to UF1,500,000 (Large Company Banking). This latter segment also includes Real Estate and Institutional Banking services. The former strives to provide financial solutions to companies in the real estate business and construction, and the latter develops and manages value proposals for institutional customers (municipalities, government entities, the armed forces and universities).

The Commercial Banking division offers a host of products and services to its customers, like financing in domestic and foreign currency, transactional services, payments, collection, factoring, leasing, financial advice, insurance products, money desk operations, derivatives, foreign trade and investments.

Other business areas depend on the Commercial Banking division, and they offer transversal products and services to all their customers, like Transactional Banking (which includes foreign trade and cash management), leasing and factoring.

To meet the diverse needs of its customers, the Commercial Banking division has 10 commercial platforms at the corporate headquarters and 15 platforms throughout the country. They all serve customers with commercial executives and specialists in each of those areas. The Commercial Banking division also has a large distribution network, which includes branches in Chile and overseas, subsidiaries, representative offices, online platforms and mobile applications.

One of Bci's main aims has always been to be close to its customers and forge long-term relations with them. Luis Enrique Yarur, Chairman of the Bank, and the main managers of the Commercial Banking division, visited the cities of Copiapó, La Serena, Concepción, Temuco and Puerto Montt, with the objective of really getting to know the businesses and financial needs of our customers and to get their Bci service experience.

As part of the Agro Plan created in 2013, different flexible long-term financing plans were developed for agricultural companies, which helped loans to such sector to exceed Ch\$30 billion.

Large progress was made with innovation in 2013, highlighting the following:



Depositarios: Machines were installed to enable customers to deposit cash quickly and safely. Due to this initiative, which started in the last quarter of 2013, companies can optimize the transport of securities and automate the cash collection processes at sales points.



New online payment engine: the company started to integrate a world class payment engine to improve the different payment processing capacity varieties, consolidating it in the mass payment area. This new engine will enable the payment processing capacity to be increased significantly, which will raise the value offering to customers by providing new services and more information faster.



Online currency purchase and sale: This tool enables corporate customers to buy or sell US dollars or euros online by entering the Bci website, making this process faster and more secure. It is an online currency quotation tool at no cost to customers which eliminates the customer having to send a letter of instructions for each operation. 704 customers used this website in 2013 with over 9,800 transactions.



ERP Connection: This is a platform that automates and controls the payment and reporting transaction exchanges between the customer's Enterprise Resource Planning (ERP) and Bci in a secure environment. It offers an alternative channel with world class technology and easy integration to the main ERPs in the market.



Mobile Factoring: This is a unique application developed by Bci Factoring that allows suppliers who have payer publications with a financing option and who operate through Bci to make a total or partial electronic advance of their invoices with their smartphones.

All these activities and progress with innovation have enabled the Commercial Banking division to develop a differentiating customer experience. Due to the customer closeness and quality of these new services and the diligence with which they are provided, customer satisfaction reached a very high rate in 2013. In fact, over 90% of them evaluated service quality with a grade of 6 or 7 (out of a maximum of 7).

In 2013, the average loan balance of the Commercial Banking division grew 9.5% and NIBDs increased 9.4%. Operating income therefore amounted to over Ch\$109 billion.



Corporate & Investment Banking (CIB)

The purpose of this banking area is to provide a comprehensive service model for large corporations, high net worth customers and financial institutions, which includes the activities of the commercial and investment banking area, corporate finance, capital market and cash management service.

CIB comprises a team of specialists with renowned market experience, who work every day to find business opportunities that support customers for all their financial needs and thereby give them a comprehensive, customized, flexible, fast and top quality solution.

CIB has a range of very simple to highly complex products and services. The relationship managers are in charge of coordinating this offering and, jointly with the product specialist executives, they have the mission of providing a value solution for the business of their customers.

This model, put in place as of 2011, attained large consolidation in 2013, which has enabled Bci to position itself as a major player and leader in the corporate banking and investment area. CIB has thereby been able to successfully meet the needs of its corporate customers, financial institutions, wealthy investors and institutional clients which, due to their size, complexity or sophistication, need customized services and institutional value-added products.

To provide service excellence, CIB focuses its service strategy on two areas. By customer profile - Corporate Banking and Private Banking, and by product type - Corporate Finance, International Area, Wealth Management and Sales & Trading.

The Treasury is also part of CIB. It is in charge of managing the Bank's balance sheet through the Asset & Liability Management (ALM) and Liquidity areas.



Corporate Banking

The aim of the Corporate Banking area is to provide solutions with a high impact on Chile’s leading corporations with a wide range of products and services in Chile and overseas. It has a dedicated service team, comprising customer relationship managers who work according to a model of trust and to build long-term relations, a core principle of the Bci culture.

This business area’s objective is to become the number one in the corporate segment in Chile and the best financial partner of its customers. To achieve this, it offers a customized service, also making sure to provide efficient and fast solutions, technologically secure products of the highest quality, with the best customer experience. This offering includes, among other services, the financing of projects, issuing corporate debt, debt restructuring, hedging strategies, acquisition financing and cash management solutions.

Moreover, the Corporate Banking area aims to make Bci the treasury bank of large corporations and financial institutions, leading cash management business with its ERP services of local and international supplier payment, payment of remunerations and agreements, electronic collection, social security payments, cash pooling, foreign trade and checking account service.

In 2013, the Corporate Banking area did major business with companies in diverse industries and also made substantial technology and innovation improvements.

Regarding business, it closed large financing for projects and acquisitions in the energy, infrastructure, retail and financial services sectors, with the support of innovative currency and interest rate risk hedging strategies.

Regarding innovation, the Corporate Banking area made large investments for its customers. These included the signing of a strategic partnership with the international firm Sage, a leader in Finance Resource Planning (FRP) solutions. It also implemented a more secure and stable payment engine with greater transactional capacity. To serve the financial institution segment, it developed the Bci Delivery versus Payment (DVP) solution to buy and sell public offering instruments whose transaction and movement are certified by means of electronic certificates through the Central Securities Depository (DCV). Lastly, over 15 outlying solutions were developed for improvements to current products in areas like data quality, more information and efficiency with the handling of Treasury resources.

It should be noted that, for the second year running, CIB’s corporate bankers were considered the best in the market for service quality and with the best net promoter score (NPS) of the system, according to a poll by Brain Network.

Moreover, according to the Servitest survey (made by Ipsos), for the second year running CIB was in first place of the global ranking of “banking for corporations” and runner-up in the overall ranking of “corporate executives.”



Private Banking

This is an area focused on the comprehensive service of high net worth families, many of them owners of companies that are served by other Bci areas, like Corporate, Institutional, Real Estate and Large Companies.

The Private Banking area manages the assets and liabilities of these customers, establishing a single contact point with a relationship of trust and confidentiality. It strives to offer a quality solution for all the needs a family has to meet regarding its equity, be this through a family office, investment companies, real estate or private funds or any other family instrument.

As it interacts with different Bci business areas, it has a very varied offering. This is also because it has a broad contact network in Chile and abroad. In fact, it offers products like leasing, insurance, real estate funds, and also businesses related to structured financing or unforeseen liquidity needs.

Ever since it started up five years ago, Private Banking has grown considerably. It currently serves over 600 high net worth families with a unique service model that is widely renowned in the market. This has largely been the result of the work of its employees, who have the competencies and skills needed to offer first class business, provide the best customer experience, and do their work with total confidentiality.

In 2013, Bci’s Private Banking area was ranked as “The Best Private Bank” in Chile for the second year running by the UK magazine *World Finance*. This award, which considers factors like management, organizational structure, product and service offering, portfolio penetration, risk volumes and management, has made Bci a renowned name in the regional private banking sector.



Corporate Finance

The aim of this area is to advise customers on the design and implementation of solutions to address their financing requirements by means of debt and capital. It has vast experience with the structuring of syndicated loans, project financing, restructuring of liabilities, financing of acquisitions, among others.

Its financial services also include the financing structuring in the financial market by issuing corporate and securitized bonds, advice on mergers and acquisitions (M&A), capital increases, private financing (like private equity) and consultancy services (like valuations and fairness opinions).

The strategic focus of the Corporate Finance area in 2013 was on the energy and infrastructure sectors.

It should be highlighted that Corporate Finance is one of the leading corporate bond placement agents in the market, attaining first place in the placement volume and third place in the number of issues.

In 2013, this area was evaluated positively for customer experience. In the customer surveys it conducted, customer satisfaction increased from 6.7 in 2012 to 6.9 in 2013 (on a scale of 1 to 7) and the Net Promoter Score (NPS) rose from 80% to 88% year-on-year.

Wealth Management

The purpose of this area, which includes the subsidiaries Bci Asset Management and Bci Corredor de Bolsa, is to develop an investment value proposal in keeping with the customer's needs. It therefore considers the risk profile and investment timescale that the customer defines to make a risk management commitment for each of them, thereby generating trust and new business opportunities.

The Wealth Management team determines and manages the investment product and service offering for the different kinds of customers, according to best practice and suitability processes. With this aim, it establishes and manages processes by means of investment committees, asset allocation, risk and research. All this enables it to align the supply, distribution, communications and right market timing in a single vision to market them.

In 2013, Wealth Management consolidated its distribution team for all the customer segments, particularly the institutional segment, thereby enhancing relations with pension fund administrators (AFPs), family offices, foreign investors, private banking and general fund administrators (AGF). This led to an increase in its market share of brokerage services in the stock market and fixed income, especially regarding the placement of Chilean corporate bonds.

Sales & Trading

The Sales & Trading management area is focused on meeting the financial risk hedging and investment needs of corporate, company and institutional customers by means of flexible, fast and innovative solutions. To provide an impeccable and high value service, it has counterparts abroad in Europe and the United States.

Sales is a business area whose function is to distribute financial products to customers of all company segments, who receive an offering differentiated by the size and complexity of the work done.

Its product offering includes currency purchase and sale; currency, inflation and bond forwards; currency options, interest rate swaps (IRS) and cross currency swaps (CCS). These products have dual functions. On the one hand, they hedge the financial risks of entities from exposure to exchange rate, inflation and interest rate risks. On the other hand, they meet customer investment needs by means of different alternatives from time deposits or buyback agreements to more complex structures, in which different instruments are combined into one single transaction with very attractive returns.

Sales is also an area that distributes products arising from other Bci divisions. As it knows the customers and counterparts, it meets the conditions to act as a bridge between the different commercial areas and the final buyers, which may be companies or institutional. It helps to structure specific transactions, making a large contribution to generate business from the corporate banking, corporate finance or private banking areas. In 2013, this area helped, for example, with successful debt placement of important companies in Chile.

The main aim of the Trading area is to provide prices and products to the Sales areas. Moreover, it actively and dynamically manages the risk of Bci's loan portfolio, underpinned by its relations with other financial institutions, which provide it with hedging. This service can range from a liquidation of US dollars to the preparation of a very complex instrument combining different derivative instruments, like swaps, options or forwards.

The Sales & Trading management aims to make Bci the top institution in Chile for treasury business. With this purpose, various initiatives were implemented in 2013, highlighting the following:

Intertrader: A communication system was developed between companies and the Sales & Trading area to enable it to quickly view customer information. This has helped the service speed to be the best in the financial system.

Conference calls with customers: Management established conference calls with its customers on the macroeconomic situation of markets. This has been very well received, which is in line with the customer loyalty and experience project driven by Bci as a whole.

Online currency transaction system: This system was consolidated to trade currency online in real time. By late 2013, there were over 1,000 transactions a month and everything indicates they will grow exponentially in 2014.

As a result of these endeavors, in 2013 Sales & Trading had large growth of its recurrent business flows and complex business deals, which are more structured.

Furthermore, for the second year running money desk operators were distinguished as the best in the market according to a survey by Brain Network, which assessed customer opinion in areas like exchange rate, price (level of rates), service speed, lack of errors and new product development capacity.

The Chilean Electronic Stock Exchange also distinguished Bci as the market leader of spot currency, according to the ranking by Datatec-BES.

Treasury

The Treasury area is in charge of managing the Bank's balance sheet and it must handle liquidity and the risks of prices, terms, currency and rates of the balance sheet.

The aim of this area is to finance the growth of Bci's loans with short- and long-term debt instruments in the domestic and international market.

In 2013, it actively managed the interest rate and inflation risks of Bci's balance sheet, implementing successful hedging and funding strategies of operations in an economic scenario of low inflation and falling interest rates.

As a result of these strategies, Bci consolidated its domestic market leadership of the use of derivatives for hedging and leveraged the growth of its loans in domestic and foreign currency with competitive funding costs.





Bci Corporation Head Economist

The position of head economist is relatively new in the structure of the Bci Corporation, and it was created due to the need of meeting multiple domestic and foreign demand. In general terms, this position focuses on the analysis of the status of the economy, identifying its main macroeconomic trends and anticipating its most likely evolution in the mid and long term.

In regard to external customers, the main objective is to give the Bank's customers quick and specialized advice on economic issues, particularly in an environment that has become more challenging and tougher to forecast. In this context, the head economist disseminates the vision of the status of the economy by means of regular and special reports, which are distributed to Bci's customers in hard copy and digital format. At the same time, the Bank regularly organizes meetings to which different customers are invited to analyze the current economic scenario and assess the macroeconomic impact of various events, including new regulations, natural phenomena, or shocks in international markets.

Internally, the main job of the head economist is to establish a framework of official forecasts, which is a key ingredient in the process of generating certain strategies embraced by the Bank, particularly in the area of financial markets. In this context, he participates in committees, highlighting the Assets & Liabilities Committee (ALCO). The head economist also supports other major work for the Corporation, including roadshows to issue bonds and other public offering instruments overseas, and the organization of Bci's annual conference, contacting and inviting renowned national and foreign economists.

International Area

This area is in charge of developing relations with the allied banks overseas to generate a sound network of financial counterparts worldwide. This facilitates the streamlined operation of foreign trade transactions and transnational business undertaken by our customers.

This area is also responsible for getting new and advantageous international financing sources for the growth of the Bank and/or direct distribution in its customer base. This has therefore led to various ventures into international debt markets to issue bonds in the United States, Mexico and Switzerland to finance the Bank's growth. Moreover, it seeks to get special financing from multilateral organisms for focused growth in certain segments.

Based on the close relations it has with the main global banks, this area has attained collaboration partnerships and opportunities that expand the service possibilities in the international banking area.

With the support of five representative offices in different countries, the international area also affords a closer relationship with Chile's main commercial partners with whom our customers operate and/or invest.

The most important transactions undertaken in 2013 included:

- The issue of bond 144A in the US market, which was placed in February and had demand of US\$1.8 billion. The transaction closed at US\$500 million with 10-year maturity and a coupon rate of 4%.
- The continuation of the commercial paper program in the United States, which maintained the high credit ratings by Standard & Poor's (A1) and Moody's (P1). This program enables Bci to issue short-term securities in the US market of up to US\$1 billion, of which US\$497 million had been placed by year end.
- The registry of a Yankee CD program in the United States of up to US\$1 billion, which allows the Bank to offer investment alternatives in the US market with up to two-year maturity.
- The closing in April 2013 of Club Deal financing by five large international banks of US\$150 million with two-year maturity.
- Issue of two bonds in Switzerland. The first in September of US\$225 million with three-year maturity, and the second in December of US\$135 million with two-year maturity. These transactions provided access to a different investor base and entry to a very prestigious market.

Large business deals were closed in 2013:

<div><p>Project Finance USD 1.217 billion Interest Rate Swap USD 243 million Cross Currency Swap USD 135 million Co-Lead Arranger</p><p>DECEMBER 2013</p></div>	<div><p>Puerto Central</p><p>Project Finance Infrastructure USD 294 million Co-Lead Arranger</p><p>NOVEMBER 2013</p></div>	<div><p>Cross Currency Swap UF 1 million</p><p>NOVEMBER 2013</p></div>	<div><p>Corpvida & Corpseguros Acquisition Finance Ch\$ 88 billion Sole Lead Arranger</p><p>NOVEMBER 2013</p></div>	<div><p>Inversiones Ultraterra Ltda.</p><p>Bridge Loan for corporate purposes USD 60 million</p><p>NOVEMBER 2013</p></div>	
<div><p>Empresa Nacional de Telecomunicaciones</p><p>Cross Currency Swap USD 150 million</p><p>NOVEMBER 2013</p></div>	<div><p>Cementos Bio Bio</p><p>Start of E-Factoring Operations Ch\$ 5 billion</p><p>NOVEMBER 2013</p></div>	<div><p>Iquique Terminal Internacional</p><p>Interest Rate Swap USD 13 million</p><p>OCTOBER 2013</p></div>	<div><p>Bridge Loan Financing USD 140 million Capital Increase USD 114 million Corporate Bond Issue and Placement USD 136 million Co-Financial Advisor & Co-Book Runner</p><p>SEPTEMBER 2013</p></div>	<div><p>Cleanairtech Sudamérica S.A. Fase II Planta Desalinizadora Project Finance USD 130 million Interest Rate Swap USD 9.7 million Cross Currency Swap USD 7.3 million Co-Lead Arranger</p><p>SEPTEMBER 2013</p></div>	
<div><p>Naviera Ultrana Ltda.</p><p>Corporate Finance USD 60 million with 7-year maturity</p><p>AUGUST 2013</p></div>	<div><p>Inversiones Eléctricas del Sur S.A.</p><p>Corporate Bond Issue and Placement UF 3 million Co-Financial Advisor & Co-Book Runner</p><p>AUGUST 2013</p></div>	<div><p>Long-Term Refinancing & Interest Rate Swap USD 65 million</p><p>AUGUST 2013</p></div>	<div><p>Corporate F & G Series Bond Issue Ch\$ 436,276,950,288 Lead Financial Advisor</p><p>JULY 2013</p></div>	<div><p>Renewable Energy Finance USD 100 million Lead Arranger</p><p>JULY 2013</p></div>	
<div><p>Wind Farm Acquisition Finance USD 54 million Co-Lead Arranger</p><p>Interest Rate Swap USD 14.4 million</p><p>JULY 2013</p></div>	<div><p>Restructuring of Liabilities USD 234 million Financial Advisor & Co-Lead Arranger</p><p>MAY 2013</p></div>	<div><p>Syndicated Loan Structured Financing USD 230 million Lead Arranger, Bookrunner and Agent Bank</p><p>APRIL 2013</p></div>	<div><p>Dijon Acquisition Finance Ch\$ 12.5 billion</p><p>MARCH 2013</p></div>	<div><p>Corporate Bond Issue & Placement Ch\$ 25 billion Lead Financial Advisor & Book Runner</p><p>FEBRUARY 2013</p></div>	
<div><p>Inmuebles Panamericana S.A.</p><p>Interest Rate Swap USD 70 million</p><p>JANUARY 2013</p></div>					<div><p>Cross Currency Swap USD 54 million</p><p>2013</p></div>

Subsidiaries



01.

Gerardo Spoerer Hurtado
CEO
Bci Asset Management
Administradora General de
Fondos S.A.



02.

Germán Acevedo Campos
CEO
Bci Factoring S.A.



03.

Francisco Cuesta Esquerra
CEO
Bci Asesoría Financiera S.A.



04.

Galo Bertrán Rubira
CEO
Servicios de Normalización y
Cobranza Normaliza S.A.



05.

Romeo Hodali Sedan
CEO
Análisis y Servicios S.A.



06.

Patricio Romero Leiva
CEO
Bci Corredor de Bolsa S.A.



07.

Marcos Castro Vega
CEO
Bci Corredores de
Seguros S.A.

Bci Corredor de Bolsa S.A. (Bci Security Brokerage)

Bci Corredor de Bolsa (Bci Stock Brokerage) was incorporated in 1990 to offer financial brokerage services to institutional customers, pension fund administrators, mutual funds, investment funds, foreign agents and local family offices. It has a staff of over 120 highly qualified professionals and offices in Santiago and investment centers in Antofagasta, Viña del Mar, Concepción and Puerto Montt. In 2013, the company managed to complete the specialist executive structure for the institutional customer segment, providing a comprehensive value and top quality offering.

Bci Corredor de Bolsa currently has one of the most renowned equity research teams in the domestic market. It has nine analysts fully dedicated to variable income studies, and who generate more than 400 reports a year, including the following: recommended portfolios, fixed income and exchange rate strategies, company reports, reports on the current domestic and international economic situation and highlights.

For the second year running, the Santiago Stock Market distinguished it as the company with the highest amount traded in simultaneous operations. In 2013, it also participated in five corporate bond placements, jointly with Bci Corporate & Investment Banking. All this has positioned Bci Corredor de Bolsa as one of the market leaders.

It had excellent results in 2013. Sales grew 21% and the number of transactions was 46% up on the previous year. In terms of customer business flows (traded amounts), Bci Corredor de Bolsa was in fourth place in the Santiago Stock Market ranking, considering all assets.

Bci Asset Management Administradora General de Fondos S.A.

This subsidiary, which arose in 2011 from the merger by incorporation of Bci Asset Management Administradora de Fondos S.A. and Bci Administradora General de Fondos S.A., provides asset management and investment services by means of more than 40 mutual funds that provide access to the main global economies, markets and sectors. These include public and private investment funds, voluntary pension fund saving (APV) and collective voluntary pension fund saving (APVC).

It has a team of over 170 specialists who, based on a disciplined investment process and suitable risk diversification, offer customized products to their customers, considering the needs of each investor in terms of risk, return and investment term.

In 2013, it added seven mutual funds to its product offering. It also launched two investment strategies in Luxemburg for the institutional and high net worth local and foreign customer segment.

For the fourth year running, Fitch Ratings endorsed Bci Asset Management's M1 credit rating, the highest a company of this kind can get, positioning it as the only fund manager in Chile that has maintained this rating since 2009.

It also received an award in the Investment Manager of the Year category from the prestigious UK magazine *World Finance*, which distinguishes the main leaders of each industry, considering the following selection criteria: leadership in their industry, exemplary teams, value proposal and product return, among other factors.

On the same lines, in mid-2013 it was selected as the "Best variable fund manager" by the company Morningstar, which also distinguished two of its mutual funds for their risk-adjusted return. Moreover, it was ranked as the "Best Fund Manager 2013" in the mid- and long-term debt category by Fund Pro, a renowned organization that covers the different investment products in Latin America, which also gave it awards for five of its funds for their risk-adjusted return. Furthermore, it was one of the fund managers with the highest number of Salmon awards, with six of its mutual funds receiving recognition from the Asociación de Administradoras de Fondos Mutuos and Chile's financial newspaper *Diario Financiero*.

In regard to results, in 2013 sales increased 10% with 11% new customer growth. Likewise, it was positioned in second place of the industry for mutual fund returns and volume excluding the money market funds. Lastly, market share of Bci Asset Management rose to 13.7% and it once again attained service quality satisfaction levels of over 94%.



Bci Factoring S.A.

With 19 years' market experience, its aim is to provide factoring services to companies. It has a team of over 290 professionals, who are highly trained to meet the financial needs of companies that must maintain liquidity in the short term. This subsidiary operates in the main cities in Chile and is part of the international factoring chain Factors Chain International (FCI), which enables it to provide coverage in over 70 countries.

Based on the figures provided by the Asociación Chilena de Empresas de Factoring (ACHEF), in 2013 Bci Factoring had the leading market share of the SME (23.9%), Large Company (18.9%) and Real Estate (40.5%) segments. It was also in first place of new customer capture with a 28.2% market share.

These results are due to providing service excellence, which includes technological innovation and providing a different customer experience. Proof of this is the mobile E-Factoring application, which enables customers to perform various operations with their smartphones. Moreover, a study conducted by Brain Network of the Real Estate Banking area ranked Bci Factoring as the best in terms of service, innovation and responsiveness in the market.

Bci Corredores de Seguros S.A. (Bci Insurance Brokers)

With a 15-year track record in the insurance brokerage market, Bci Corredores de Seguros provides advice to individuals and firms with a wide range of products for different types of risks. This subsidiary acts as a broker for general and life insurance contracts with any underwriters established in Chile, which are selected based on their experience and solvency and the service quality they offer.

With a staff of 125 professionals, this subsidiary works to provide an innovative service experience, based on the trust and knowledge of each customer, giving value proposals that generate peace of mind and coverage.

In regard to results, Bci Corredores de Seguros had a brokerage premium of Ch\$150 billion for the year ended December 2013, positioning it in third place of the banking insurance segment with a market share of 17.3%.

The highlights of this subsidiary in 2013 were the proactive way of adopting the regulatory changes for insurance as of December 1, with optimal management of processes, alignment of products, co-ordination with companies and the comprehensive training of its staff, transmitting the importance this means for final customers.



Bci Securitizadora S.A.
Bci Securitization

Bci Securitizadora S.A. was incorporated in 2001 with the main aim of working with corporate customers to find financial alternatives for the profitable use of their working capital, helping to focus them on their strategic areas. It provides financial solutions to large investors and companies by acquiring loans, contracts and cash flows, and the issuing short- and long-term debt securities.

By applying advanced financing engineering, extensive knowledge of the investor market and rigorous management Bci Securitizadora has become one of the most innovative issuers in the securities market, structuring novel and complex instruments but in turn sound and efficient.

Besides the securitization of loan portfolios, contracts, payment rights and future flows, Bci Securitizadora offers structured financing that is a value-added step for customers as they are customized products enabling them to reduce their dependency on traditional financing sources.

This subsidiary also has a team of professionals, which analyzes the legal, tax, regulatory and risk aspects of each business, giving customers the security they need.

Bci Asesoría Financiera S.A.
Bci Corporate Finance Advisory

With 21 years’ experience, this subsidiary offers its customers different advisory services in the corporate finance area, such as:

- **Bank Financing Structuring:**
Advice on the structuring and implementation of financing in the financial market, according to the specific needs of each customer. This category includes syndicated loans, project finance, restructuring of liabilities and special financing.
- **Public and Private Financing Structuring:**
 - Corporate bonds: advice on the structuring and placement of public debt instruments in the financial market.
 - Private debt placements: advice on the structuring and placement of debt instruments in the private investor market.
- **Advice on mergers and acquisitions (M&A):**
Advice on M&A of companies and partner search.
- **Raising of Public and Private Capital:**
 - Stock market listings and capital increases: advice on the process and placement of share issues in the financial market.
 - Raising of private capital: advice on the placement of capital in the private investor market.
- **Financial Advisory Services:**
Different advisory services, including valuations and fairness opinions allowing customers to make the right financial and strategic decisions.

Servicios de Normalización y Cobranza (Normaliza S.A.)
Standardization and collection services

Servicios de Normalización y Cobranza S.A. was established in 1998 and specializes in maximizing the recovery of non-performing loans of the retail banking area through its judicial and extrajudicial collection services. Its goal is to comply with the Bank’s budgeted loan standardization and collection standards.

For this it has a highly qualified team of professionals committed to Bci’s values and corporate culture and a cutting-edge structure, which includes a call center and negotiation and home management areas from Arica to Punta Arenas. It thereby manages to give each customer a solution in keeping with his or her situation and safeguards the Bank’s financial interests.

This subsidiary also has a legal collection area with an in-house law office and a network of attorneys in the regions, who are in charge of guaranteeing the corporate interests in the courts of justice.

Análisis y Servicios S.A.
Analysis and Services

Análisis y Servicios S.A. was established in 1996 to capture new customers for Bci. This subsidiary gathers and makes a preliminary appraisal of the financial standing of possible customers of the Bank to assure the best placement of Bci’s products and services.

This subsidiary has a customer-focused structure and over 1,140 executives in charge of giving them the best service according to their different needs. They include executives from the Preferential Banking, Premier Banking, Mass Banking, and Banco Nova, along with auto and mortgage loan specialists.

PROFITS OF SUBSIDIARIES IN 2013 (GIVEN IN CH\$ MILLION)

SUBSIDIARIES	PROFITS*
Bci Corredor de Bolsa S.A.	7,246
Bci Asset Management Administradora General de Fondos S.A.	19,612
Bci Factoring S.A.	11,008
Bci Corredores de Seguros S.A.	19,559
Bci Securitizadora S.A.	241
Bci Asesoría Financiera S.A.	5,072
Servicios de Normalización y Cobranza (Normaliza S.A.)	1,597
Análisis y Servicios S.A.	4
Total	64,339

* These figures exclude inter-subsidiary participation.



Operational Support Units

Operational Management

This management ensures the operational and technological continuity of the Bci Corporation, for which it has a highly qualified multidisciplinary team. This performs its work according to the four customer experience criteria of the Corporation: security, proximity, diligence and image. These criteria provide the operating framework for compliance with the internal and external national and international standards and Bci's corporate governance practices.

This unit defines the technological and process guidelines reflected in the Bank's plans and projects; it is in charge of the technological platform and the daily operation, be this centralized or through the branch network; it manages the procurement matrix and supplier relations; it defines and carries out the innovation strategy; it manages corporate projects; proposes key process transformations for the business to the organization and is accountable for the administration of Bci's offices and units.

Controller's Office

This unit reports directly to the chairman of the Bank and the Directors' Committee. Its aim is to provide an independent opinion on the quality and efficiency of the main internal control systems and compliance with current internal and external standards, policies and procedures.

It improves and bolsters the internal control systems; identifies the potential risks; and drives agreements with the executives in charge of each unit so the recommendations made by the SBIF, the external auditors and this unit itself are carried out.

The staff have ongoing training that enables them to be up-to-date on the continuous regulatory changes made in Chile, and the requirements of new businesses, plans and strategic objectives pursued by the Bci Corporation.

Legal Department

This department provides Bci timely, reliable, and efficient legal services that are focused on the business result. Based on principles of legality, professional ethics and morals, it makes sure that Bci's policies and management are commensurate with the legal provisions and the regulations governing its business.

Its main responsibilities are to:

- Deal with all the legal requirements of Bci's senior management and managements, executives, suppliers and customers concerning banking operations, products and services. It shall generally give an opinion on the feasibility or suitability of performing business pursuant to current regulations.
- Help the board of directors and chief executive with the senior management work that has a legal bearing.
- Participate in the various Bci committees and in external and trade associations or others that are inherent to the industry and in which the Bank must state its standpoint on various contingencies.
- Co-ordinate and defend the Bank's interests in any lawsuits, litigation and legal action filed by third parties against Bci, representing it and actively exercising the admissible legal and administrative remedies.



Human Resources

The aim of this area is to make a contribution to Bci's growth by developing talent and enhancing the skills of the organization's employees. It is in charge of putting a comprehensive human resources strategy in place that is focused on the personal and professional development of employees, and promoting initiatives to drive the strategic organizational capabilities of the Bank, like customer experience, innovation, execution and productivity.

Its main tasks and responsibilities are to:

- Attain a working environment and conditions of excellence in Bci to attract, retain, develop and unlock the talent of each one of its employees.
- Help develop an organizational culture underpinned by values like respect, integrity and excellence.
- Build a work environment that fosters creativity and innovation, people's quality of life, teamwork and the professional and personal development of employees.
- Generate strategies and initiatives that help employees to develop skills that are essential for the financial business, like leadership and succession systems, organizational alignment, execution and productivity.
- Develop training programs that assure the timely and efficient delivery of knowledge that employees need to perform their current and future work.
- Have a compensation and benefits strategy that is fair and competitive, assuring a transparent remuneration according to each employee's responsibilities and performance.
- Comprehensively advise the different units of the Bci Corporation on all human resources issues, identifying and providing a timely response to the business needs.

Financial Planning and Control

The objectives of this area are to define, manage and control the Bank's strategic planning process in the short, medium and long term. It is also responsible for financial control and corporate governance, assuring the delivery of suitable, accurate and timely information of decision-making value for senior management.

Corporate Risk

The corporate risk management is in charge of fully appraising and monitoring the Bank's risk, such as loan, market, liquidity or operation risks, striving to optimize Bci's risk-return ratio.

This area is also responsible for managing all the loan cycle: origin, management and follow-up of the portfolio risk. In regard to financial risk, it manages and controls market and liquidity risk of investment operations, financing and management of the structure of Bci's assets and liabilities. For operating risk, it is responsible for putting management models in place to continuously identify and control the risks inherent to information systems and internal processes.

Customer Experience and Corporate Image

This management was created in 2012 to drive the strategy of making Bci the best bank in the region for customer experience. It has embraced a new management model for this that considers functional processes and roles that have an impact on the administration dynamics and internal relations, interaction with customers, service protocols, commercial campaigns, the daily management of leaders, market communication using advertising, public relations and media management.





OPPORTUNITIES *for* EVERYBODY

A different experience

In May 2012, I found out from my daughter Evelyn that Bci was calling a tender to train senior citizen cashiers. I felt very happy when I was summoned to an interview and managed to enter the Bank in June. After a training period, I was assigned to the Nataniel branch. Everybody was waiting for me and they presented me to the whole office and finally my future co-workers, who from then on were particularly kind to me. I'd like to thank you for the support you've given me. Bci gave me the chance to show that at my age we still have the strength to work. I'm happy, as I no longer have to stay at home and I love what I do. I get up in the morning motivated to go to work because I'm part of a team, because my boss counts on me and I feel loyal to that commitment.

**José Marcial Varas • Senior Citizen cashier • Plaza Bulnes branch
Branch Operations management**

10.

National and international presence

National Presence

Branches and Contact Points

Bci has an extensive network of 384 branches and contact points throughout Chile to provide service to its customers.



Multiservice Branches
They provide a comprehensive service, attended by service staff and there are loan, investment, factoring and entrepreneur support specialists, among other services.

Business platforms
They are service platforms with the personalized and exclusive service of specialist executives, who meet the needs of certain customer segments.

Premier Branches
They are small branches that provide exclusive services to Personal Banking customers meeting their business and transactional needs, and are supported by automated services.

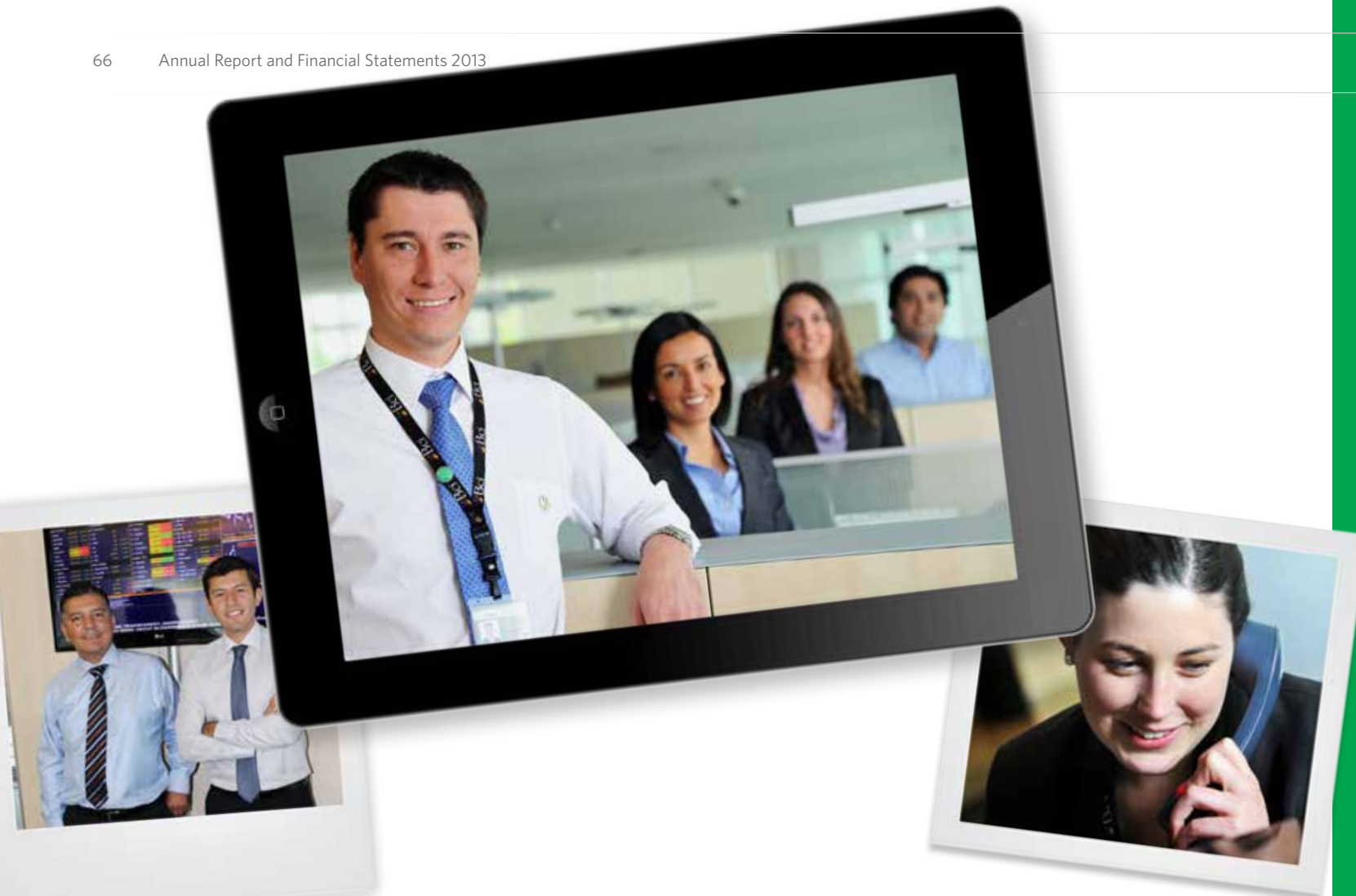
Points of Sale
They are contact points which mainly handle Personal Banking customers. They have sales and after-sales services.

Auxiliary access points
They are contact points whose objective is to solve transactional and treasury matters. They have ATMs and automated services for customer queries.

Private and preferential banking
Branches for high net worth customers.

Automated services offices
These offices allows customers to make deposits, withdrawals, cash and deposit checks, cash and request cashier's checks, and obtain certificates. They have autonomous electronic services.

Remote service centers (TBanc)
These provide 24-hour 7-day a week telephone and online Bank services to customers.



Project Highlights 2013

The following were the main projects undertaken by the operations area in 2013:

ENHANCEMENT OF THE TECHNOLOGICAL SELF-SERVICE PLATFORMS

The company made a large effort to boost the use of the technological self-service platforms. It therefore greatly improved the electronic transaction technology. It should be noted that in the last two years the company has consolidated the transfer of a host of operations from branches to automated channels.

INTELLIGENT CUSTOMER SERVICE SYSTEM FOR TELLERS (SIAC):

This is a technological platform that improves customer service provided by tellers, reducing the waiting time.

SME CENTERS:

Four new SME centers were inaugurated in the cities of Iquique, Antofagasta and Santiago.

DEPOSITARIOS

A mobile banking system was put in place, with the installation of machines to receive deposits in companies with a high cash volume.

ATM UP TIME IMPROVEMENTS

Bci now has the best ATM up time in the Chilean banking system. Moreover, Bci's ATMs are the least vandalized as they have one of the most secure armored systems in the industry.

REFURBISHMENT OF THE HUÉRFANOS HEAD OFFICE BRANCH

Works started in 2013 to refurbish the Bank's head office. These improvements were made respecting the architectural style of the building.

ENERGY EXPENSE CONTROL

Bci received the *Sello Energético* (Energy Recognition), awarded by the government to the most energy-efficient companies in Chile. The company's main energy initiatives included the application of various technologies to reduce power consumption, the use of solar panels and diesel generators in peak hours, changing all the exterior signs to LED technology, and trash recycling.

NEW ALCÁNTARA BUILDING

This 10-floor building can accommodate 800 people working. It is the first hanging structure building in Chile, and has cutting-edge technology systems making Bci a pioneer in innovation. Some of the Bank's areas moved to it in November.



Remote service channels

A new channel model was extended to all customer segments in 2013, which started to be put in place in 2012 in the Retail Banking area, thereby generating a corporate channel model. Bci therefore adapted to the changes in customer habits in using the financial distribution channels and particularly their trend of greater use of digital and mobile devices, making a contribution to the business from the resource optimization standpoint.

One of the changes made to the remote channel strategy in 2013 was service segmentation according to customer needs and their use of the channels, and greater coverage of digital channels like online, mobile and self-service. The company also restructured the offering of channels and extended the range of services and product sales in each of them.

Some of the most important channels are:

WEBSITE WWW.BCI.CL

This continued to make progress in 2013 to make navigation and use easier for customers and give them more and better information to meet their needs. It aims to be an area of permanent and effective contact, thereby attaining the best customer experience. All this is underpinned by the Bank's experience criteria of security, transparency and proximity.

BCI MOBILE

With this channel Bci aims to permanently work with customers, wherever they are, giving them access to the Bank's products and services from any mobile device, and offers created for the different customer segments. In 2013, there were 168,000 users of the mobile banking channel, with a 120% increase in average loan amounts, and its application (APP) launched in the second half of the year had an evaluation that was better than that of competitors.

TELECANAL (CALL CENTER)

This is the Bci call center. Its aim is to provide a remote and experience service with executives available 24 hours a day, 7 days a week, 52 weeks in the year to handle customer needs, responding to any inquiry, emergency or request about all Bci's products and services with excellence.

CORPORATE SOCIAL NETWORKS

By operating on the social networks, Bci aims to generate and make available to its customers and the community in general new contact points to deal with their needs in real time. Moreover, it aims to boost the segmented offering in a collaborative and co-creation environment where, with communities, new ways of engaging with the Bank are built. This enhances Bci's innovative position, generating tools to provide financial solutions without leaving the social networks. After one year in operation, Bci now has 145,000 people in the community with an average response time of 12 minutes, and 78% of the people are satisfied with the service provided.

ATMs AND SELF-SERVICE

Their main advantage is to allow customers to make transactions at any time. This was enhanced in 2013, with innovation by means of different offers available for customers and leveraging business opportunities combined with another channel, leading to very good results.

International Presence

Bci is present in countries like Brazil, Colombia, Spain, the United States, Mexico and Peru to be closer to its customers.

By means of partnerships, co-operation agreements, representative offices and allied banks, the Bank has a diversified offering of financial services for the import and export businesses of its customers and for the investments they make abroad.

This extensive global network enables it to diversify the Bank's own investment and loan portfolio.

Bci Miami branch

This branch was established 14 years ago to support the commercial operations of Chilean customers, individuals and businesses in the United States or in other international markets. It also provides services to local customers in different corporate segments in the state of Florida.

It offers customary bank services, including deposits and accounts in the world's main currencies, cash transactions, online banking, credit lines, foreign trade services, factoring and forfaiting.

The branch has a multicultural team with great experience where 50 people work.

Representative Offices

Bci has representative offices in Brazil, Colombia, Mexico and Peru. Their objective is to support foreign trade operations and investments made by the Bank's customers in these countries.

Ever since they opened, these offices have helped to get closer to and support our Chilean customers with their investment and business in these countries. They have also provided a local risk portfolio, whose geographical dispersion helps to diversify Bci's business portfolio, and facilitated the structuring of customized solutions for large companies.

In 2013, Bci got SBIF authorization to open a representative office in China, Chile's leading export market and one of its most important importers. Approval is still pending from the Chinese authorities.

Bci Desk at Banco Popular Spain

With the aim of providing banking support to customers who are seeking to start or maintain commercial operations with Spain, Bci has a service desk at Banco Popular Spain. This has performed important operations, and the incorporation of SME customers and entrepreneurs in 2013 should particularly be highlighted. Likewise, Banco Popular has a service desk at Bci in Chile for Spanish customers.

Network of allied banks

Bci has established trade relations with over 1,000 allied banks on the five continents worldwide. This extensive network gives Bci customers access to the financial services they need for commercial operations in the different markets.

Agreement to buy City National Bank of Florida

An international tender was opened in February 2013 to sell City National Bank of Florida (CNB). This process, in which several important banks from different countries participated, ended three months later with the acceptance of Bci's US\$882.8 million bid. The corresponding purchase and sale agreement was signed on May 24 pursuant to which Bci pledged to acquire 100% of CM Florida Holdings Inc., the parent company of CNB and that is currently owned by Caja Madrid Cibeles S.A. which in turn is a subsidiary of the Spanish bank Bankia S.A.

CNB was incorporated in 1946 and is the third largest bank based in Miami with 26 branches in the state of Florida, 443 employees and almost 23,000 customers. CNB is a bank with good brand positioning along with consolidated and renowned management. In fact, in 2013 it was distinguished for the second year running as the best community bank and best business bank by *Daily Business Review* and *South Florida Journal* readers.

For the year ended December 31, 2013, CNB had total assets of US\$4.9 billion, net loans of US\$2.7 billion, deposits of US\$3.7 billion, and net income of US\$37.8 million. As of that date, its tangible equity was US\$631 million. These figures accounted for about 12.7% of the assets, 10% of the loans and 16.6% of the deposits of Bci.

The CNB acquisition will be partly financed by a capital increase of approximately US\$400 million, which has already been approved by an extraordinary shareholders' meeting of Bci held on September 26, 2013. The balance will be made up by the issuance of debt instruments, which were issued in 2013 and that could finance around 60% of the deal.

It should be noted that the CNB acquisition has already been approved by Spanish regulatory authorities, pending authorization from the authorities in Chile and the United States.



Always

Ready!

Intertrader

With the mission of advising our customers on making the best investment decisions, Bci implemented an innovative technology platform, by means of which the Money Desk telephone exchange gains all the customer information. Intertrader provides information like the real, historical and budgeted spread, current lines, contracts for products needed to operate and the best customer advice.

11.

Customer Experience

In 2012, Bci set one of its main objectives of being the best bank in the region for customer experience. With this aim, it defined a new strategy called Customer Experience which, by means of various initiatives, has made structural changes at process, channel, technology and service model levels. This was undertaken by maintaining the focus on enterprise, innovation and transparency as the core pillars of Bci's trusting relations with its customers and society in general. These changes were complemented with an important communication campaign, highlighting the achievements attained regarding customers, employees, and initiatives transversal to the organization.



Customers

The main focus of the new strategy is to enhance customer relations, which entails connecting with them emotionally, understanding why they are asking what they are, and giving them a positive surprise.

In 2013, the company made large efforts to put the new "Experience Branch" in place at multiservice branches and on commercial platforms in Chile. With the same objective, it introduced new models in the Telecanal (Call Center) and in the cash management services of the Commercial Banking area, and changed the operating model of the Retail Banking and SME areas. This provided coverage for the Bank's main service and operation channels.

To implement these changes, the Bank trained virtually 5,000 employees and 700 leaders were given coaching techniques throughout Chile. At the same time, it started to apply processes assuring the sustainability of the new model put in place, generating new metrics to anticipate the experience that will be transmitted to customers and rectify in time any glitch or variance detected.

To have a comprehensive vision of customer relations regarding the products and services they are given and how their complaints are dealt with, the Bank redesigned the complaint management process, generating a more efficient system to handle these. This innovation reduced monthly complaints by 66% and enabled all of them to be answered in the timescales agreed on beforehand. Moreover, the response time for complaints made to bodies like the SBIF and National Consumer Agency (SERNAC) was cut by more than 60%.



Bci + 1% Customer Program

This program was launched in 2012 and creates continuous improvement opportunities in work teams and makes it possible for employees to share ideas with their bosses that help to improve customer relations. In 2013, this initiative was continued and 1,173 ideas that arose in 1,097 meetings were implemented.

The Bank also made a series of improvements to the customer satisfaction surveys in 2013, particularly regarding the methodology, design of questionnaires, when they are made, and increase in and diversification of the channels used to get customer feedback and suggestions. Likewise, it modified the process of analyzing, diagnosing, and generating ongoing improvements.

Employees

Segmented benefits

In 2013, the Bank consolidated the work started the previous year, with the aim of identifying by means of interviews and surveys the different needs, interests and preferences of various segments of employees (men and women, married and single, with or without children). With this data, it redefined and diversified the range of benefits it provides to assure they meet the needs, interests and preferences of the different employee segments.

Selection models

The recruitment area redesigned the selection processes, including mechanisms to better assess the profile and commercial skills of applicants, and their knowledge of Bci's history and identification with its values.

Induction and training

Considering that training is a key element in the effective implementation of the new strategy, in 2013 the Bank modified the content of the employee induction and training programs, adding elements supporting the essential training guidelines.

To inform new employees why "we're different" at Bci, the induction process envisages a review of the Bank's history and its mission, vision and values, which over time have led to Bci's trusting relations with employees, customers and society.

In 2013, the Bank also modified the training curricula, adding new content, and holding in-person and distance workshops in which over 4,000 employees participated. Likewise, it created new workshops, like Bci Coaching that trained 677 commercial leaders (managers and office heads), and all the Telecanal (Call Center) employees were trained in this new methodology. Novel support elements were used for this along with tools like service protocols and role plays.

To assess the impact of these practices, a group of employees was selected at random and then evaluated by their direct bosses and customers. The result was very positive, with the head and customer satisfaction levels increasing 13% and 15%, respectively.



Bci + 1% Employee Program

The Bci + 1% Employee program was undertaken to support the initiatives put in place and continually improve processes. It aims to motivate them to propose initiatives that help to identify failings and implement specific solutions to resolve them. As part of this proposal, in 2013 more than 2,000 meetings were held for leaders and their teams to listen to each other, implementing a similar number of ideas for improvement throughout the country.

With the same objective, the internal quality survey (IQS) was changed and improved, in which each in-house provider area is evaluated by its in-house customer counterpart. The different areas can thereby suggest changes and it is possible to identify gaps that need to be closed to continually improve the Bank's internal operation. This methodology objectively appraised more than 270 areas in the Bank with a simple and quick process. The results show that in-house relations in the Bank are healthy with high standards of meeting deadlines, low levels of errors, and ongoing improvement of services.

Recognition as positive enhancement of desired conduct

As employees play a fundamental role in the success of Bci's strategy, the current recognition systems were enhanced and new initiatives created to raise motivation and recognize outstanding conduct.

Moreover, in the annual "Bci Reconoce" (Bci Recognizes) ceremony, a new "Bci Experience Recognition - We're Different" category was implemented at corporate level. The aim of this is to motivate employees by recognition of those who are an outstanding model of conduct regarding customer experience. For this, the Bank promotes the participation of employees of all roles, and the organization's leaders participate actively in the selection process.

The quarterly "Making History - Bci Experience" recognition ceremony was also implemented, in which the chairman, chief executive and divisional managers distinguish those employees who have had a leading role in exemplary experiences, which transmit learning, best practice and reflect Bci's attitude.

Likewise, the customer experience and corporate image management, jointly with the human resources management, generated synergies to boost leader management and training in the use of tools to recognize employees with outstanding conduct and achievements.

Lastly, just as greater emphasis was placed on customer problems and complaints, the Bank started to record and manage customer praise of employees, linking such information to local and corporate recognition of them, and stressing the importance of customer opinion when they have had a memorable experience.

Harnessing customer experience with real stories

To disseminate the daily learning and best practice of Bci employees, various initiatives were undertaken to motivate them to share real stories of the experience lived in each team.

Over 4,000 stories were received in the year, of which the exemplary experiences that employees have every day with their customers were selected, and they were disseminated through "The Monday Story," which reflects the four basic experience criteria: security, proximity, diligence and image.

At the same time, these stories were used in training sessions, launches and in-house events, as a way of making different areas aware and driving them to comprehend the challenge of what it entails to be customer experience leaders in the region. This has thereby achieved the goal of the whole Bci Corporation of feeling motivated to attain an emotional and long-term connection with customers.

Enhancing the Experience Culture

To show and share the Bank's culture, it gave all employees the book "We're Different at Bci," which portrays 76 years of the Bank's stories of success and efforts in an innovative and entertaining fashion. Moreover, jointly with leaders in the organization, it produced a glossary containing phrases, the own terms and concepts usually used in the Bank. Moreover, the most significant milestones in the Bank's history were added to induction and training sessions, the leadership academy and corporate messages.



Mobile applications **for customers**

A series of applications were launched in 2013 to improve the customer experience on mobile platforms. Innovation is not mobile banking but banking that moves with its customers, giving them a more personalized service.

12. Innovation

The aim of innovation at Bci is to investigate and develop new technologies to make changes to the service processes and channels that lead to major improvements to customer experience. Innovation is in the DNA of the Bci Corporation and is part of its vision of being a regional leader of this. It is also a tool that has always been part of the Bci strategy and has helped it to really be a different bank.

In 2013, Bci focused on creating a culture of innovation within the Bank to support all the in-house and external initiatives to enhance the customer experience. This policy was essential for Bci to be distinguished for the second year running as the “most innovative bank of the year” in the innovative company survey made by the ESE Business School of Universidad de los Andes.



more than
2,000
people



492
IDEAS

Some of the initiatives driven in 2013 were:

ADN Bci (Bci DNA)

With the phrase “Your ideas are now considered” the community was invited to participate in the first open competition. This initiative provided innovative proposals to solve four banking sector-related challenges: always when you need it; positive experience; always innovating; and more transparency. Entries were divided into three categories: people, entrepreneurs and companies. Over 2,000 people participated in the competition, which started in early September and ended in early October, who presented 492 different ideas. By entering the website www.adnbci.cl and registering on the platform, applicants could communicate with different mentors, who guided the creative process and were responsible for the communication between participants and the Bank.

After voting by the public and mentors of Bci's Innovation Club, and the end of various stages, the 20 best ideas were selected. Six winners were chosen, four in the people category (one for each challenge), one in the entrepreneur category, and one in the company category.

Innovation Club

This is a meeting place for employees seeking to disseminate and promote innovation within the Corporation. Its objective is to support the co-creation and management of projects to make progress with the delivery of service excellence. To achieve this, various training sessions and mentoring activities were held. The Innovation Club comprises 30 employees who represent the different Bci areas and who are elected for their innovation contribution, support and commitment. In 2013, five leader meetings were held, along with talks by two world class specialists.



There was large innovation in 2013, which in turn led to a better customer experience, with the Bank driving the following aspects: security, proximity, diligence and image.

The highlights were:

Intertrader

This is a technological platform that reduces the time and greatly improves the service quality of the Money Desk. This system, launched in October 2013, had a large bearing on the good customer satisfaction levels of the Money Desk attained in the Brain Network survey, which considers service speed as one of its attributes.

Bci Depositarios

The aim of this system is to provide a comprehensive solution for cash management and classify, count and store cash. It is connected directly to the Bank, allowing for online cash deposits. It thereby meets the objective of facilitating cash management quickly and securely.



Mobile applications for customers

A series of applications were launched in 2013 to improve the customer experience on mobile platforms, giving them a more personalized service. The applications launched this year, available for the Android and Iphone operating systems, were:



Bci Personal
This enables Personal Banking customers to make inquiries, undertake frequent transactions like money transfers and pay bills, and to simulate and apply for consumer loans.



Bci Preferential
This offers the same services as for Personal Banking customers, in addition to being in permanent contact with the account executive.



TBanc
This offers the same Personal Banking services to TBanc customers.



Bci SME
This enables SME customers to consult their balances, make and sign money transfers, among other operations.



E-Factoring
Customers can liquidate the invoices of their company in just three steps and dispose of the funds online. The application enables them to have immediate liquidity of accounts receivable, improving the cash flow and giving them an alternative or complementary financing channel to their traditional credit lines.



Bci Investment
This allows customers and non-customers to review information on shares on the selective share price index (IPSA) and general share price index (IGPA), Bci's mutual fund returns, quote the main currencies, commodities, rates and bonds, besides other indicators of interest.



Employee Noticeboard

This application, launched in December, allows Bank employees, whatever their function, to correctly and effectively channel all the questions, requirements or doubts that anybody has about Bci by just entering them into their smartphones. The application gives employees the option of entering comments in the Opportunities or Customer Service sections. This is an additional tool that employees have to fulfill the promise of always providing the best customer experience quickly and timely, wherever they are.

Directors' Ipad

All the material that was previously delivered as hard copy for board meetings is now available in advance with a high level of security on a platform on the Ipad of each director.

Email Management System

To improve customer contactability and make progress with a better experience, the "Email Sunset" initiative was launched to get executives to answer customer emails during the day.



The important thing
**IS GETTING TO KNOW
EACH OTHER**

Trusting relations

My Bci account executive supposedly received an email from me, asking her to transfer over US\$150,000 to an account in South Korea. She thought it was strange that she'd not been informed beforehand about the transfer abroad of a large sum of money. She also knew that my real estate-related business was based in Chile. Due to her phone call, I realized that my email had been hacked and all the corresponding security measures were taken. I'm very grateful to Bci, as it spotted this kind of fraud, which due to the excellent management by my account executive was detected in time.

Sebastián Urzúa
Private Banking Customer



LORENA KLOCKER
BCI PRIVATE BANKING EXECUTIVE

13.

Corporate image and transparency



Corporate image

One of the greatest aspirations of any company and/or brand is to get consumer preference. It is a large challenge not only to initially gain this preference but to maintain it over time.

Over its 76-year history, Bci has made large achievements in this area and although there are many reasons for its success, the brand results in 2013 revealed new and interesting evidence of this process.

In 2013, Bci informed the market of its four promises: customer experience, transparency, innovation and support of entrepreneurship. In all of them it managed to substantially increase the target group valuation level.



Communicating the new customer experience was a large challenge, as it requires establishing a higher service standard than the rest of the industry. After a deep and extensive in-house transformation process, the conditions were right to inform customers that their experience would now be "more different than ever." The message was therefore got across that customers deserve service standards that are not only demanding but also exceed their expectations and create memorable experiences.

Fulfilling its promise of greater transparency, in October 2013 Bci launched the "Con Letra Grande" (www.conletragrande.cl) digital interactive platform. Its essential objective is to make a contribution to community financial education, informing it of how to suitably manage loans and money, and disseminating consumers' financial rights and duties. This also includes an online television program that is broadcasted every Wednesday at 3 p.m. As of December, i.e., in barely three months of operation, there had been over 131,000 visits to the website and over 611,000 on YouTube.

Innovation is service. This inspirational phrase is part of the Bci in-house language, with the aim of innovating to generate shared value. It therefore organized the first ADN Bci open innovation competition, summoning all those claiming to have concrete solutions for the Bank's main challenges to present them. ADN Bci has thereby become one of the most innovative events in Chile, according to Imagina Chile and Chile's Economic Development Agency (CORFO), and it will open up a new way of extending the boundaries of support of new ideas and entrepreneurs.

Various entrepreneurship support initiatives were held, including new remote service offerings for all SME customers. Moreover, along with Fundación Chile and Pro Pyme (Pro-SME), for the first time Bci developed the Entrepreneurship Route. This initiative included a series of entrepreneurship support events from Iquique to Punta Arenas, in which local entrepreneurs could expand their business networks, get training on major issues and join the entrepreneurship ecosystem in Chile. 12 events were held in 2013 with the participation of more than 5,600 entrepreneurs.

Lastly, the staging of a new version of the Bci Business Event should be highlighted. Bci has held this every year since 2008 and its aim is for large companies to meet up with SMEs so they can enhance their business networks and facilitate the creation of new business opportunities for them. The event mainly entails stands on which entrepreneurs can sell and make known their products or services. Traditionally held in Santiago and Concepción, in 2013 the Bci Business Event was held for the second year running in Antofagasta, in which 170 companies participated and over 500 business meetings were held.



20 MEASURES

Transparency

Transparency is one of the most important values of the Bci Corporation and its aim is to provide full, clear and timely information. It is the basis of trusting long-term customer relations.

To achieve this objective, in 2013 Bci added three new transparency measures:

“MY COMMITMENTS” CALENDAR

This is a calendar available on the private customer website so they can easily see in an orderly fashion the dates and amounts of their commitments with Bci. They can also enter their income and expenses. This service has a one-time activation cost of about Ch\$600.

“CON LETRA GRANDE” (IN UPPERCASE) FINANCIAL EDUCATION PROGRAM:

One of the core pillars underpinning transparency is education. By means of the “Con Letra Grande” program, Bci seeks to strengthen its community commitment and promote the sustainable development of its customers. The program arose from the need of educating consumers on financial products and thereby reduce the disparity between financial institutions and their customers.

BCI SUPPLIER WEBSITE

This is a website where qualified Bci suppliers can find online information about their payments, invoices, news and events. The website facilitates direct communication to resolve doubts and complaints.

The following new measures were added to those adopted in 2011 and 2012:

CLEAR RATES

On the Bci.cl and Tbank.cl websites customers can review in detail each of the rates of the different products and services.

CLEAR BANK STATEMENTS:

Customers can see a separate and clear breakdown of the commissions charged to their monthly account.

CLEAR CONTRACTS:

Clear contracts in simple wording without confusing clauses.

LOAN COMPARISONS:

The Annual Equivalent Charge (CAE) and Total Loan Cost (CTC) indicators were added to all consumer and mortgage loan simulations so customers can compare the costs.

EMERGENCY CREDIT LINE INFORMATION

customers with an emergency credit line and who undertake Bci ATM withdrawals are advised onscreen before using the amount of their emergency credit line. At bci.cl and tbanc.cl they can also find the main features of the product and rates with all the information about price bands.

BANKING EDUCATION VIDEOS

At bci.cl and tbanc.cl there are didactical videos for customers and non-customers that show how to use the Bank; they include how to understand a bank statement and useful tips on applying for a product or service.

IMMEDIATE REFUND

If there is a charge or fee customers are unaware of in their checking account, it is firstly refunded and then analyzed.

INTEREST-SAVING MORTGAGES

interest on the loan is only charged when the mortgage is paid and not as of signing the respective contract.

SERVICE CHANNELS AT ANY TIME

To communicate with Bci, the customer has various service channels, like branches, the telephone, a website, email, text messages and Twitter.

COMPLAINT FOLLOW-UP

Any complaint is given a response time and a follow-up number so the customer can always know the status of the request.

ACCESS TO THE CEO

If the solution given to a complaint is not fully satisfactory to the customer, he or she has the option of contacting the CEO directly at the following email address: gerenciageneral@bci.cl.

CUSTOMER ADVOCACY

Bci facilitates two independent advocacy options at no cost and with mandatory resolution: through the Catholic University (UC) Negotiation and Mediation Center or the Asociación de Bancos e Instituciones Financieras (ABIF) to resolve disagreements of up to UF600 in banking operations.

RETURN GUARANTEE

If customers are not satisfied with their checking account plan, prime account, consumer loan, credit card, they have up to 30 days to return it.

SELLO PROPyme (PRO-SME RECOGNITION)

Bci abides by the guidelines of the Ministry of Economy of paying suppliers in less than 30 days.

CHILE TRANSPARENTE PARTNERSHIP

This is an agreement signed with Chile Transparente to implement transparency measures and programs according to best international practice.

SPECIALIZED BCI INSURANCE SERVICE

Bci Insurance Brokerage provides customers with the following service channels to inform them, resolve queries and so they can make transactions with their Bci insurance products:

- › Website: www.bci.cl/personas/seguros
- › Email: seguros@bci.cl
- › Telephone: 600 6000 292
- › Service office: Miguel Cruchaga 920, 9th floor, Santiago

INVESTMENT ADVICE

Customers receive clear and specific investment suggestions. They can request their investment profile from investment executives throughout Chile to see what the most suitable investment products are for them.

Transparency at Bci is not only a value given to the customer but it is also transversal to the entire organization. In 2013, the Bci Corporation was therefore distinguished for the second year running as “the most transparent company in Chile,” by the faculty of communications of Universidad del Desarrollo, Chile Transparente, the Business Intelligence consultant and KPMG for corporate transparency of its investments and potential investments. The survey considered how companies provided pertinent information on their investor relations websites about their operations, in areas like presentation and business, corporate governance, financial reporting, taxpayer interest, sustainability and digital tools.



ONE CAN *always be* BETTER



An opportunity to **carry on improving**

Bci's corporate procurement and supplier management constantly invites us to talks on corporate social responsibility (CSR) issues. In one of them we got to know the Carlos Vial Espantoso Foundation, which invited us to apply for an award for outstanding companies on applying innovative practices and initiatives. We applied and after a few weeks we were selected as one of the 10 finalists out of 211 companies in Chile.

Having been ranked as one of the top ten companies for this award for labor relations excellence is an achievement that motivates us to carry on improving in an area we deem to be essential. I'd like to thank Bci's corporate procurement and supplier management for the great opportunity it gave us of participating in this award.

Julio Sepúlveda S.
CEO · Servicios y Asesorías Ada Ltda.

14. Risk Management

The corporate risk management is in charge of assessing and controlling the Bank's comprehensive risk, be this from loans, the market, liquidity or operational, to help optimize the risk-return ratio of its operations.

Credit Risk

Credit risk management includes policies and procedures with which Bci assesses, undertakes, qualifies, controls and covers credit risk. This is not only from the standpoint of allowances but also by managing the credit provision process and the ongoing follow-up of its borrowers.

The credit acceptance and follow-up processes are structured based on the best international practice and the use of statistical models in the different segments of the group portfolio for the commercial and retail areas. For the individual portfolio, Bci has structured its acceptance and follow-up processes based on case-by-case analysis.

In 2013, Bci continued to enhance its processes, placing special emphasis on the credit assessment of its business. It implemented a renewed and sophisticated origin model, aimed at attracting potential new customers in the Retail and SME segments.

The collection area was given new roles and responsibilities. In regard to roles, using the criteria defined office heads were given greater powers, and the Bci subsidiary Normaliza was given the task of looking after the assets with the highest risk with clearer targets and functions. Regarding responsibilities, targets were set per player in the collection area, based on the complexity of customers, the amount owed and related risk. They are also responsible for risk spending, the sum of allowances and write-offs, and recovering the latter. Large improvements were also made to the call center area, adding new technology, automating inbound call processes, and increasing the number of calls made and the level of specialization of the executives making them.

Moreover, to speed up and improve decision-making, specialized Credit Committees were created for each of the banking areas (SME, Retail, Commercial and Corporate), along with a large increase in the number of employees in the different credit approval units. The Corporate Credit Manual was updated, adding new target business segments, in line with the changes of industries with the highest economic growth in Chile. Furthermore, 2013 was a year of consolidation for the portfolio follow-up and control management created one year ago.

All this was carried out in accordance with current legislation and particularly the SBIF regulation on credit risk allowances implemented in 2011.

Financial Risk

Financial risk is the likelihood of making losses from a drop in the value of investment portfolios, or a drop in the value of the funds or equity managed by the Bank, as a result of changes in the price of financial instruments invested in.

To perform its work, Bci uses a set of follow-up and internal control policies, procedures, assessment methodologies and mechanisms to identify, assess, manage and control possible losses caused by decreases in the value of assets and liabilities, including:

- ▶ Currency or parity risk.
- ▶ Interest rate risk: base, spread, prepayment, liquidity premiums, among other factors.
- ▶ Price risk: commodities, stocks, stock market indexes, among others.
- ▶ Volatility risk.
- ▶ Liquidity risk.

The Assets and Liabilities Committee (ALCO) and the Finance and Risk Committee are responsible for reviewing the policy framework that governs the management of financial risk and conducting a thorough review of the strategies, market and regulation. The Executive Committee is in charge of reviewing and approving such policies, which must be endorsed by the Board of Directors.

The Bank controls the balance risks of assets and liabilities stated in the accrued base, using two models:

- **Spread Risk**, which quantifies the impact a specific variation of short-term interest rates could have on profits.
- **Market Value Sensitivity (MVS)**, which quantifies the effect of long-term interest rate fluctuations on the economic value of Bci's assets and liabilities.

In regard to the own portfolio of financial instruments available for trade, the Value at Risk (VaR) model is used to calculate the potential losses that could arise from changes in the different variables.

In 2013, and aware of the importance of efficient management of financial risks, Bci continued to step up the use of hedge accounting, along with enhancement of the processes, centralized and highly specialized internal controls.

Liquidity Risk

Liquidity risk management identifies, measures and controls the contingency of not being able to fully and timely meet payment obligations on the dates established. This risk manifests itself as a lack of liquid assets available to meet the obligations undertaken and/or the need of assuming unusual costs in the financing streams. In accordance with the guidelines of the Chilean Central Bank, econometric and statistical models are applied to the Bank's assets and liabilities to control the liquidity standing. The aim is to calculate liquidity needs bearing in mind the historical performance of the Bank's customer obligations and debts.

Moreover, liquidity control considers the board of directors setting internal limits, the use of early warning indicators and contingency plans. This enables the Bank to anticipate periods of illiquidity and take the required action.

Liquidity risk management entails four key elements:

LIQUIDITY BARRIER: Bci has established a liquidity barrier for highly liquid assets. The amount of the barrier is proposed by the financial risk management area and is reviewed and approved by the ALCO and the finance and risk committee. In keeping with Bci's transparency policy, the Bank publishes the liquidity standing on its website, calculated on a contractual basis and then adjusted based on the last day of each calendar quarter.

DIVERSIFICATION OF FUNDING SOURCES: This is attained by gaining access to new international markets to diversify the profile of investors, their geographical location and the financing instruments.

TIMESCALE MISMATCHES: The timescale mismatches model the performance of loan renewal, renegotiation and prepayment, along with the renewal rates for long-term liabilities. They also make assumptions about the liquidity of the investment portfolio, and the usage and payment behavior of overdraft lines and credit cards, among other factors.

LIQUIDITY STRESS TESTING: The ALCO and the finance and risk committee permanently analyze that there is sufficient liquidity in extreme market conditions by stress testing it. This entails a qualitative and quantitative analysis in financial stress scenarios of the balance sheet and own portfolio risk profile.

These analyses also enable the Bank to:

- Inform the senior management of the market risk profile.
- Check the consistency and rationality of thresholds.
- Check the consistency and availability of capital.
- Strengthen contingency plan initiatives.

Operating Risk

Operating risk can cause losses due to human errors, unsuitable or faulty internal processes, and failures with systems on account of external events. Operating risk is inherent to all activities, products, systems and processes, and its origins are very varied ranging from fraud or commercial practice to technological faults, human errors or natural disasters.

Bci's operating risk management is integrated to its global risk management structure and is the responsibility of the operating risk committees for processes, suppliers, technology, business continuity and finance. These committees periodically review the losses that have been incurred, draw up action plans to rectify the causes and manage mitigation plans for the operating risks identified.

Bci also has operating risk specialists in the areas of processes, technology, business continuity and operating risk management. They are duly trained in risk assessment and management workshops and their job is to prevent process losses and gain theoretical and practical knowledge to anticipate, whenever possible, unexpected contingencies in these areas.

15.

Corporate compliance and prevention

The corporate compliance and prevention management is in charge of detecting, overseeing and reporting unusual or suspicious operations that might be related to possible money laundering, financing of terrorism and bribery. Bci has an ongoing commitment to prevent and detect these offenses not only to comply with the legal regulations but also because it is included in the principles and values of the Corporation.



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In 2010, Bci put a prevention and detection model of these offenses in place, appointing a corporate compliance manager as the "person in charge" pursuant to the provisions of law 20.393. Since then, it has made an ongoing effort to enhance the technology tools and the procedures for monitoring transactions, products and services. It also assesses the high-risk geographical areas, those customers with risky activities, and new banking, segments and/or products.

In 2013 and as in previous years, training courses were given to employees of Bci and its subsidiaries as effective support for complying with the preventive policies and procedures, driving the use of the whistleblowing facilities established by the Bank. Hence, 96 in-person talks were given and attended by 563 new employees and 1,103 senior employees of branches, the private banking area, operating support units and subsidiaries.

Moreover, the Bank complied with the branch visit program, during which 32 offices and five subsidiaries were reviewed to check compliance with corporate policies on customer knowledge.

Lastly, another of the main events in 2013 was the re-certification of the criminal risk prevention model by the risk rating agency Feller Rate. This certified the presence of such model, its operation and compliance with what is laid down in such law.

16.

Consolidated Financial Statements and Independent Auditors' Report

Banco Crédito e Inversiones Miami branch and Subsidiaries

Consolidated financial statements for the years ended December 31, 2012 and 2013 and independent auditors' report.

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Consolidated statements of financial position
Consolidated statements of income
Consolidated statements of comprehensive income
Consolidated statements of changes in equity
Consolidated statements of cash flows and
Notes to the consolidated financial statements

\$	Chilean Pesos
MM\$	Million of Chilean Pesos
US\$	American Dollars
MUS\$	Thousands of American Dollars
UF	Unidad de Fomento