

#bancobci / 2013 Sustainability Report  
2013 Sustainability Report #bancobci /  
#bancobci / 2013 Sustainability Report  
2013 Sustainability Report #bancobci /  
#bancobci / 2013 Sustainability Report  
2013 Sustainability Report #bancobci /  
#bancobci / 2013 Sustainability Report  
2013 Sustainability Report **#bancobci /**  
#bancobci / 2013 Sustainability Report  
2013 Sustainability Report #bancobci /  
#bancobci / **2013 Sustainability Report**  
2013 Sustainability Report #bancobci /  
#bancobci / 2013 Sustainability Report  
2013 Sustainability Report #bancobci /  
#bancobci / 2013 Sustainability Report  
2013 Sustainability Report #bancobci /  
2013 Sustainability Report #bancobci /  
#bancobci / 2013 Sustainability Report  
2013 Sustainability Report #ba   
#bancobci / 2013 Sustainability Report  
2013 Sustainability Report #bancobci /



## **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.

# Contents

## 1. CHAIRMAN'S REPORT

P. 5

## 2. SCOPE AND METHODOLOGY

P. 8

## 4. OUR CULTURE

- 4.1. Bci Culture
- 4.2. Sustainability Model
- 4.3. Ethics: core principles

P. 24

## 5. SUSTAINABLE CUSTOMERS

- 5.1. Customer Experience Strategy
- 5.2. Customer Experience Assessment
- 5.3. Transparency
- 5.4. Digital contactability
- 5.5. Innovation
- 5.6. Shared value

P. 34

## 7. CORPORATE GOVERNANCE

- 7.1. Board of Directors
- 7.2. Senior Management
- 7.3. Investor relations
- 7.4. Shareholders' agreement
- 7.5. Prevention and control of money laundering, financing of terrorism and corruption

P. 74

## 3. BCI CORPORATION

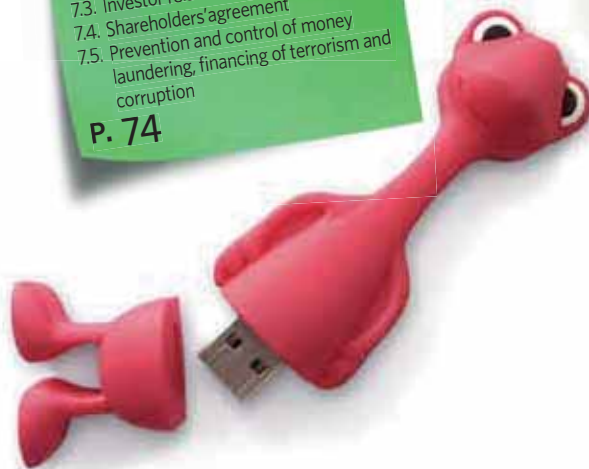
- 3.1. Main products and services
- 3.2. Subsidiaries
- 3.3. Bci and Bci Nova points of contact
- 3.4. Awards and accolades
- 3.5. Stakeholder dialogue
- 3.6. 2013 targets and 2014 commitments

P. 12

## 6. QUALITY OF WORKING LIFE

- 6.1. Benefits & conciliation programs
- 6.2. Job creation & recruitment
- 6.3. Bci corporation workforce
- 6.4. Professional development & training
- 6.5. Work environment
- 6.6. Gender equality & remunerations
- 6.7. Safety and occupational health

P. 54



## 8. SUSTAINABLE SUPPLIERS

- 8.1. Supplier payment & Sello ProPyme
- 8.2. CSR meetings with suppliers
- 8.3. Supplier dialogue
- 8.4. Supplier website
- 8.5. Good Supplier practice
- 8.6. Recognition
- 8.7. Bci Supplier Experience

P. 96

## 9. COMMUNITY COMMITMENT

- 9.1. Corporate volunteers
- 9.2. Commitment to education
- 9.3. Different culture
- 9.4. Protection of senior citizens and children at social risk
- 9.5. Social contribution

P. 104

## 10. ENVIRONMENTAL COMMITMENT

- 10.1. Sustainable construction
- 10.2. Energy efficiency
- 10.3. "Wake up, the environment is in your hands" program

P. 112

## 11. ECONOMIC PERFORMANCE

- 11.1. The banking sector and Bci in 2013
- 11.2. Economic value generated & distributed
- 11.3. Financial assistance received from the government
- 11.4. Financial overview 2013

P. 122

## 12. APPENDICES

- 12.1. Memberships & Voluntary Agreements
- 12.2. International partnerships & agreements
- 12.3. Sources consulted
- 12.4. Global Compact principles
- 12.5. GRI Index

P. 128





# 1.

## Chairman's Report

---

At Bci we are proud to share our tenth sustainability report, which is also our sixth Communication on Progress (COP) of our commitment to the UN Global Compact's ten principles. Ever since we became the first bank in Chile in 2004 to report our economic, social and environmental performance, we have made large progress positioning us as one of the best Chilean companies for corporate reputation, corporate social responsibility (CSR), innovation and transparency.

The most important and gratifying aspect of this is to see that there is total coherence between the nature of our business and its sustainable execution over time. This is a factor that has gained more importance in the last few years, and about which I think it is time to think due to the current situation of our society.

It is evident that the world has not only changed economically but also regarding demographical, value and behavioral factors. In this scenario, we have had to embrace the changes and serve our stakeholders with a fresh engagement outlook. To generate new dialogue opportunities, at Bci we have therefore developed a strategy that has quite successfully included processing the new demands and particularly those made by our customers, employees and suppliers.

To such effect, in 2013 we made large progress that has endorsed even more our promise to the market that "we're different," and which has enabled us to give our customers a memorable experience to make their dreams come true, and generate trusting long-term relations with them.





Such progress would not have been possible without strict adherence to the values of integrity, respect and excellence, which are the mainstays of the Bci culture. For years we have nurtured our innovative and close style in accordance with these values, which has enabled the customer experience strategy to be lived as the natural continuation of our style of doing things and thereby implement our virtuous equation: happy employee = happy customer = happy shareholder.

Due to the above, one of the highlights in 2013 was updating our Benefits Manual, which will entail an investment of US\$20million over three years, and was focused on benefits being more flexible and for them to be better aligned to the different interests of our employees.

As a reflection of these initiatives and the good work environment we are characterized for, we climbed nine places in the Great Place to Work ranking to 15th place and were second place in companies with a workforce of over 2,000 employees. On the same lines, we rose from seventh to sixth place in the ranking of the Best Companies for Working Parents.

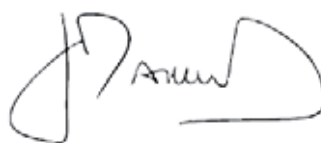
Regarding transparency, we have been pioneers in implementing a series of measures to increase and strengthen the information with which we engage with our stakeholders. The main novelty in 2013 was the creation of the "Con Letra Grande" (In Uppercase) financial education channel, the only online platform in Latin America that addresses in clear and simple language issues like the suitable use of bank products and responsible borrowing. In this area, we had the satisfaction of once again being ranked as the Most Transparent Company in Chile in the ranking by Universidad del Desarrollo, the consultant Inteligencia de Negocios, KPMG, and Chile Transparente.

Our supplier relations is another area where we have made large progress, implementing a supplier experience plan to establish mutually beneficial relations, loyalty over time and compliance with high quality and transparency standards. Regarding this, we held various training workshops so our service providers embed social and environmental factors in their management, which will raise their competitive advantage and sustainability to forge long-term relations with the Bank. Moreover, we launched a new supplier website with all the information needed for their business and the timely payment of their invoices, which on average are paid in less than three days. With this, we showed our unwavering commitment to SMEs, which account for about 70% of our suppliers.

We also advanced with our environmental performance, with the highlight being the approval of the environmental strategy for the next few years. This is aimed at providing innovative solutions that will not only minimize our footprint but will also make a contribution to Chile's environmental sustainability.

Summing up, we are an organization that understands sustainability as a dynamic process of continuous improvement, which must be given feedback by all our stakeholders. We are also an organization that has known how to identify opportunities and innovative solutions in this area, turning them into a strong driver of change and social development.

This is our essence, our way of doing things, and although in the last few years we have been permanently ranked among the leading companies in Chile for corporate reputation, every day we address fresh challenges with the same conviction and spirit, and we thereby re-endorse our common purpose which is to "make dreams come true with trusting relations throughout our customers' lives."



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

# 2.

## Scope & Methodology

This is Bci's tenth sustainability report, in which it reports on its economic, social and environmental performance. The report focuses on the customer experience strategy, which has led to changes within the Bank, particularly regarding programs aimed at employee, customer and supplier relations.

The information contained in this report covers the 2013 calendar year and quantitative data and statistical tables of previous years to show trends, in accordance with what is required by the Global Reporting Initiative (GRI). This year we used the G3<sup>1</sup> guidelines and the Financial Sector Services Supplement, self-rating the report as Level B. Moreover, it is the sixth Communication on Progress (COP) in accordance with the principles of the Global Compact<sup>2</sup>, to which the Bci Corporation adhered in 2007.

As part of the materiality process that defines the material issues of the sustainability report, we conducted an online survey in which 834 employees and 54 suppliers participated. They were all asked to identify the issues that should be reported by Bci. The five main aspects suggested to be addressed were: ethics, sustainable products and services, corporate governance, corporate volunteers, and sustainable construction.

We also conducted an online survey of the Bank's senior managers, 26 of whom answered and rated the main issues. Based on that, it was possible to determine the following priority issues: product sustainability, community relations, labor practices and ethics, the impact of products and services, economic performance, human rights and environmental performance.

According to these suggestions, this report contains a new chapter on the Bci culture, which includes a section on ethics, and we split the "Customers and Suppliers" chapter in previous reports into two, giving more prominence to the "Customers" chapter and the initiatives to achieve a memorable experience.

To assure the transparency and traceability of the information, this report was drawn up by an external consultant specialized in the GRI guidelines, and the appendix lists the sources consulted and the people who were involved in providing information and reviewing texts. As part of our transparency policy, every year the Board of Directors reviews and approves the sustainability report.

The technical data and calculations made to prepare the economic, environmental, social and labor indicators are related to the GRI recommendations, and the balance sheet overview is made in accordance with the International Financial Reporting Standards (IFRS).

All the information is given in Chilean pesos, unless indicated otherwise.

For 10 years the Sustainability Report has been released jointly with the Annual Report. In 2014, 800 printed copies of this Sustainability Report are available in Spanish, and the English version will be sent to stakeholders in PDF format by email.

The report will also be available on the corporate website ([www.bci.cl](http://www.bci.cl)) along with the nine previous sustainability reports.

<sup>1</sup> [www.globalreporting.org](http://www.globalreporting.org)

<sup>2</sup> The Global Compact principles are given in the Appendix section. [www.pactoglobal.cl](http://www.pactoglobal.cl)













**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.

# 3.

## Bci Corporation

Bci defines itself as a financial solutions Corporation which operates in all the financial businesses and operations permitted by the General Banking Law. It offers people products and services with highly efficient operating processes and quality excellence, with ongoing innovation, prudent risk management policies and demanding ethical standards.

Founded 76 years ago, right from the outset it focused on developing products and services targeted at individuals and small and medium-sized enterprises (SMEs). Its commitment to innovation and customer-focused management have made it the third largest private bank in Chile in the last few years with assets of Ch\$20,246,669 million for the year ended December 2013 and the number three bank in net income market share.

It has 384 points of contact in Chile, a business agent in Madrid, Spain and a branch in Miami, United States. It also has representative offices in Mexico City, Lima, Sao Paulo and Colombia. In 2013, it stepped up its internationalization process by signing an agreement to buy City National Bank of Florida, the fifth largest commercial bank in assets in that state, which means that Bci will become the first Chilean bank to buy a bank in the United States.

Although when the Bank started up it focused on meeting customer needs, as of 2012 it defined customer experience as a corporate strategy. The aim of this is the common purpose of "making dreams come true with trusting relations throughout our customers' lives."

In late 2013, Bci had a workforce of 10,518 employees comprising 5,928 women and 4,590 men. As of the same date, there were 512,000 checking account customers in Bci.



**10,518**  
BANK EMPLOYEES



**384**  
BRANCHES & POINTS OF CONTACT



**512,000**  
CHECKING ACCOUNTS



## 3.1 Main products & services

Bci's financial products are targeted at people, micro, small and medium-sized enterprises and large corporations. The Corporation provides solutions to all these segments for loans, savings, equity investment and management.



## 3.2 Subsidiaries

Two subsidiaries merged in 2013, and Bci Administradora General de Fondos was absorbed by Bci Asset Management Administradora General de Fondos S.A. The Corporation therefore had eight subsidiaries at the close of 2013 as follows:

<u>Bci Factoring S.A.</u>
<u>Bci Corredor de Bolsa S.A.</u>
<u>Bci Securitizadora S.A.</u>
<u>Bci Corredora de Seguros S.A.</u>
<u>Bci Asset Management Administradora General de Fondos S.A.</u>
<u>Bci Asesoría Financiera S.A.</u>
<u>Servicios de Normalización y Cobranzas / Normaliza S.A.</u>
<u>Análisis y Servicios S.A. / Proservice</u>

<sup>3</sup> Non-interest bearing deposits

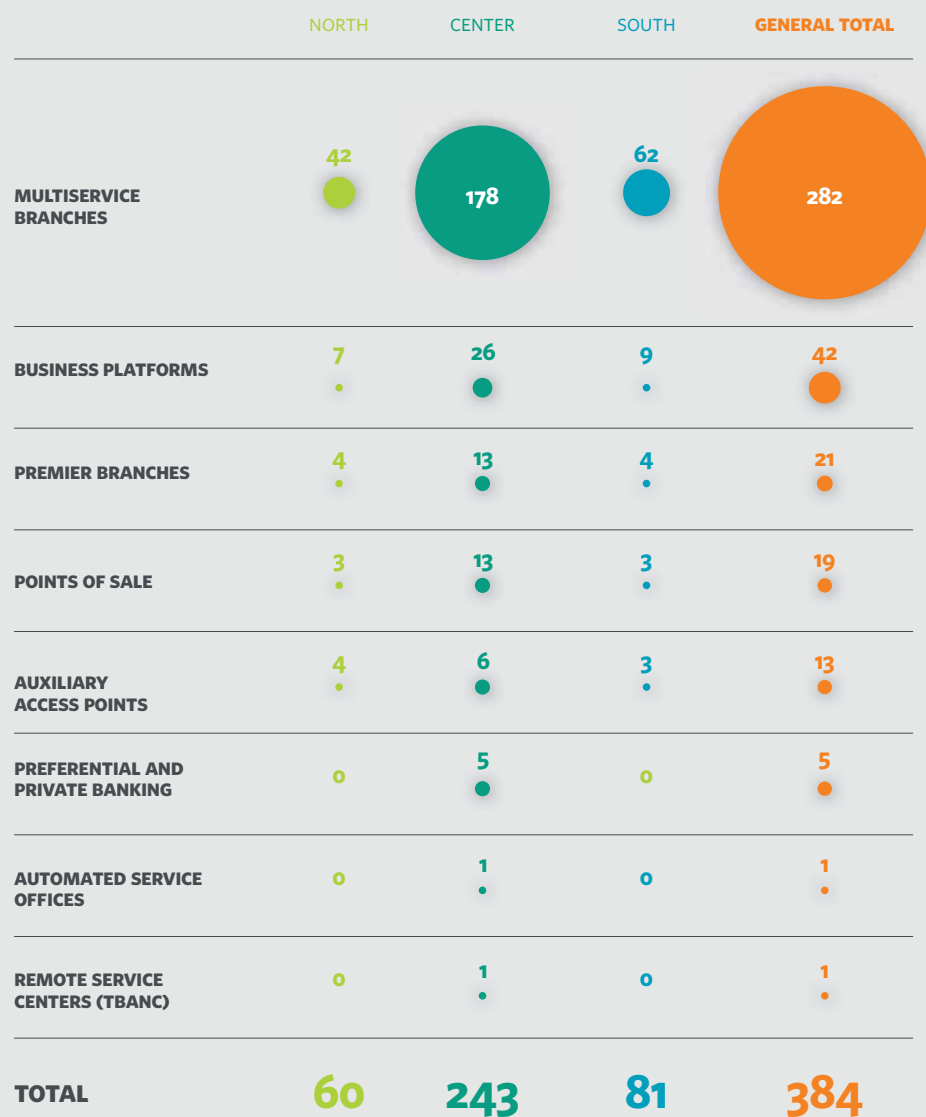


## 3.3

### Bci & Bci Nova points of contact

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

In 2013, the Bank closed five multiservice branches in Nova, one Bci at Hornopirén, and opened a Bci at Jardines del Sur in Antofagasta. Due to this change, those employees who were working at such branches were relocated to other areas of the Bank.







## 3.4

### Awards & 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 (CSR). The following were the main awards received:**

#### **MOST TRANSPARENT COMPANY IN CHILE**

Bci was distinguished as the Most Transparent Company in Chile in the ranking made by Universidad del Desarrollo, the consultancy firm Inteligencia de Negocios, KPMG and Chile Transparente.



#### **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.

#### **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).

#### **NATIONAL CUSTOMER SATISFACTION AWARD**

Bci obtained first place in the National Customer Satisfaction Awards in the large bank category. This was awarded by ProCalidad, Adolfo Ibáñez University, 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.



#### **MOST INNOVATIVE BANK IN CHILE**

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



#### **THIRD PLACE IN THE CHILEAN 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.

#### **"BEST ENTREPRENEUR AND COMPANIES" AWARD**

In the XVII version of this traditional award organized by the Chilean financial newspaper *Diario Financiero*, Bci was runner-up in the international expansion category for the agreement to buy City National Bank of Florida.

#### **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.



#### **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.

#### **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.

#### **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.

#### **CHILE INCLUSIVE RECOGNITION**

Bci was awarded the Chile Inclusive (Gold Category) recognition by the National Service for the Disabled (SENADIS) for promoting the employment of the physically disabled in its organization with its *Bci sin Límites* (Bci without Limits) program.



#### **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 (AAFM) and the financial newspaper *Diario Financiero*.

#### **EIGHTH MOST ADMIRER 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.

#### **FOURTH MOST SECURE BANK IN LATIN AMERICA**

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

#### **SELLO MÁS POR CHILE DISTINCTION**

Bci is the company to get the most *Sello Más por Chile* (More for Chile Distinction) 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.

#### **SELLO PROPYME DISTINCTION**

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

#### **ENERGY EFFICIENCY DISTINCTION**

Bci was awarded the Energy Efficiency Distinction by the Ministry for the Environment for its environmental management.





## 3.5

### Stakeholder dialogue

Bci has various communication and feedback channels to permanently and efficiently know the expectations and concerns of its customers, employees, shareholders, suppliers and the community in general. The aim is to be able to provide a channel offering that adds value to the relationship with each of them and respond to them as quickly and efficiently as possible, thereby achieving the goal of generating memorable experiences.

Some of the major channels are the supplier website, the internal email [transparencia@bci.cl](mailto:transparencia@bci.cl), enquiry windows on the corporate website and the ongoing customer satisfaction surveys conducted by Telecanal (Call Center). Moreover, relations have doubled through social networks and the Bank consolidated a digital customer service platform by means of the social network service.

#### BCI SOCIAL NETWORK ACCOUNT USERS

	2011	2012	2013
	7,338	15,964	20,280
	9,926	30,437	71,638
	7,699	21,280	53,442
<b>Total</b>	<b>24,963</b>	<b>67,681</b>	<b>145,360</b>



## COMMUNICATION CHANNELS

Stakeholders	Mass information channels	Segmented information channels	Participative information channels
<b>SHAREHOLDERS</b>	<ul style="list-style-type: none"> <li>• www.bci.cl website.</li> <li>• Annual Report.</li> <li>• Sustainability Report.</li> <li>• Shareholders' Meeting.</li> </ul>	<ul style="list-style-type: none"> <li>• Investor relations department, run by the planning and operating control management.</li> <li>• Email: Investor_relations_bci@bci.cl, which receives queries from analysts and investors.</li> </ul>	<ul style="list-style-type: none"> <li>• Personalized meetings with institutional shareholders and the leading investors in the market.</li> <li>• Conference calls with analysts and investors.</li> </ul>
<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>• Bci website/intranet.</li> <li>• Annual Report</li> <li>• Sustainability Report</li> <li>• <i>Contacto</i> internal magazine.</li> <li>• Newsletter.</li> <li>• Corporate email.</li> <li>• Corporate TV channel.</li> <li>• CEO's Twitter account.</li> </ul>	<ul style="list-style-type: none"> <li>• Segmented corporate email.</li> <li>• Corporate TV channel.</li> </ul>	<ul style="list-style-type: none"> <li>• "Bci Te Escucha" (Bci listens to you) program.</li> <li>• "Te Quiero Protegido" (I want you protected) program.</li> <li>• Informative meetings.</li> <li>• Area Meetings.</li> <li>• Open-door policy.</li> <li>• Listening to employees.</li> <li>• Work environment survey.</li> <li>• Internal service quality survey.</li> <li>• Execution survey.</li> </ul>
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>• Website: www.bci.cl/personas/</li> <li>• Annual Report</li> <li>• Sustainability Report.</li> <li>• <i>Mirada Empresarial</i> television program (CNN-Chile).</li> <li>• CEO's Twitter account.</li> <li>• Email: gerenciageneral@bci.cl</li> </ul>	<ul style="list-style-type: none"> <li>• Segmented and mass emails.</li> <li>• Invitations to cultural, sports, recreational and informative events.</li> <li>• Text messaging (SMS) system for subsequent contact with an executive.</li> <li>• Direct Bci telephone number: (+56 2) 2692 8000.</li> <li>• Customer service executives at all branches.</li> <li>• <i>Mirada Financiera</i> television program (CNN-Chile).</li> </ul>	<ul style="list-style-type: none"> <li>• Bciclientes@bci.cl</li> <li>• Segmented and mass emails</li> <li>• Invitations to cultural, sports, recreational and informative events.</li> <li>• Mobile Bci; SMS system for subsequent contact with an executive.</li> <li>• Direct Bci telephone number: (+56 2) 2692 8000</li> <li>• Customer service executives at all branches.</li> <li>• twitter@bci.cl</li> <li>• Telecanal (Call Center)</li> </ul>
<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>• Supplier website.</li> <li>• Annual Report.</li> <li>• Sustainability Report.</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier website.</li> <li>• Annual supplier satisfaction survey.</li> <li>• Outstanding Supplier Award.</li> <li>• Bci External Employee Award.</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly listen-to-supplier meetings.</li> <li>• Quarterly listen-to-supplier breakfast meetings.</li> </ul>
<b>SOCIETY</b>	<ul style="list-style-type: none"> <li>• Website: www.bci.cl/accionistas/</li> <li>• Annual Report.</li> <li>• Sustainability Report.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Mirada Empresarial</i> television program (CNN Chile).</li> <li>• Financial education channel www.conletragrande.cl</li> <li>• Invitations to cultural, sports, recreational and informative events.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Reputation ranking.</li> <li>• Most Admired Companies ranking.</li> <li>• Most Respected Companies ranking.</li> <li>• Corporate Image surveys</li> </ul>

## 3.6 2013 Targets and 2014 Commitments

AREA	2013 TARGETS	COMPLIANT
<b>CORPORATE GOVERNANCE</b>	Drive and innovate the operation of the Board of Directors.	
<b>CORPORATE ETHICS</b>	Implement an ethics dialogue management platform for leaders and their teams.	
	Put a feedback and assessment system in place for the Code of Ethics content.	
	Boost the internal communication channel “¿Qué Hago?” (What Should I Do?).	
	Drive training on ethical values for employees.	
<b>QUALITY OF WORKING LIFE</b>	Increase the <i>Bci sin Límites</i> program hiring rate to around 50%.	
	Hold awareness workshops and training on the <i>Bci sin Límites</i> program.	
	Launch a benefits package segmented for employees through a new website.	
	Raise knowledge of the internal benefits.	
	Extend the “Flexible Work” program to Bci employees.	
<b>CUSTOMERS</b>	Launch a new microenterprise service model.	
	Launch products or services for the senior citizen segment.	
	Drive the Nace and Renace programs.	
	Generate new transparency measures, including subsidiaries.	
	Strengthen transparency measures.	
<b>SUPPLIERS</b>	Implement CSR criteria in supplier evaluation, according to the results of the self-evaluation.	
	Train and share sustainability practices with our main suppliers.	
	Drive the Outstanding External Employee Award at corporate level.	
	Disseminate the supplier website.	
<b>COMMUNITY</b>	Increase employee participation in corporate volunteer activities, particularly in the regions.	
	Boost membership of Corporación Crédito al Menor by 25%.	
<b>ENVIRONMENT</b>	Develop a corporate environmental strategy.	
	Measure and compensate for the carbon footprint of all events attended by over 300 people.	
	Secure Leadership in Energy and Environmental Design (LEED) certification for two buildings under construction.	



TARGET ACHIEVED



ONGOING

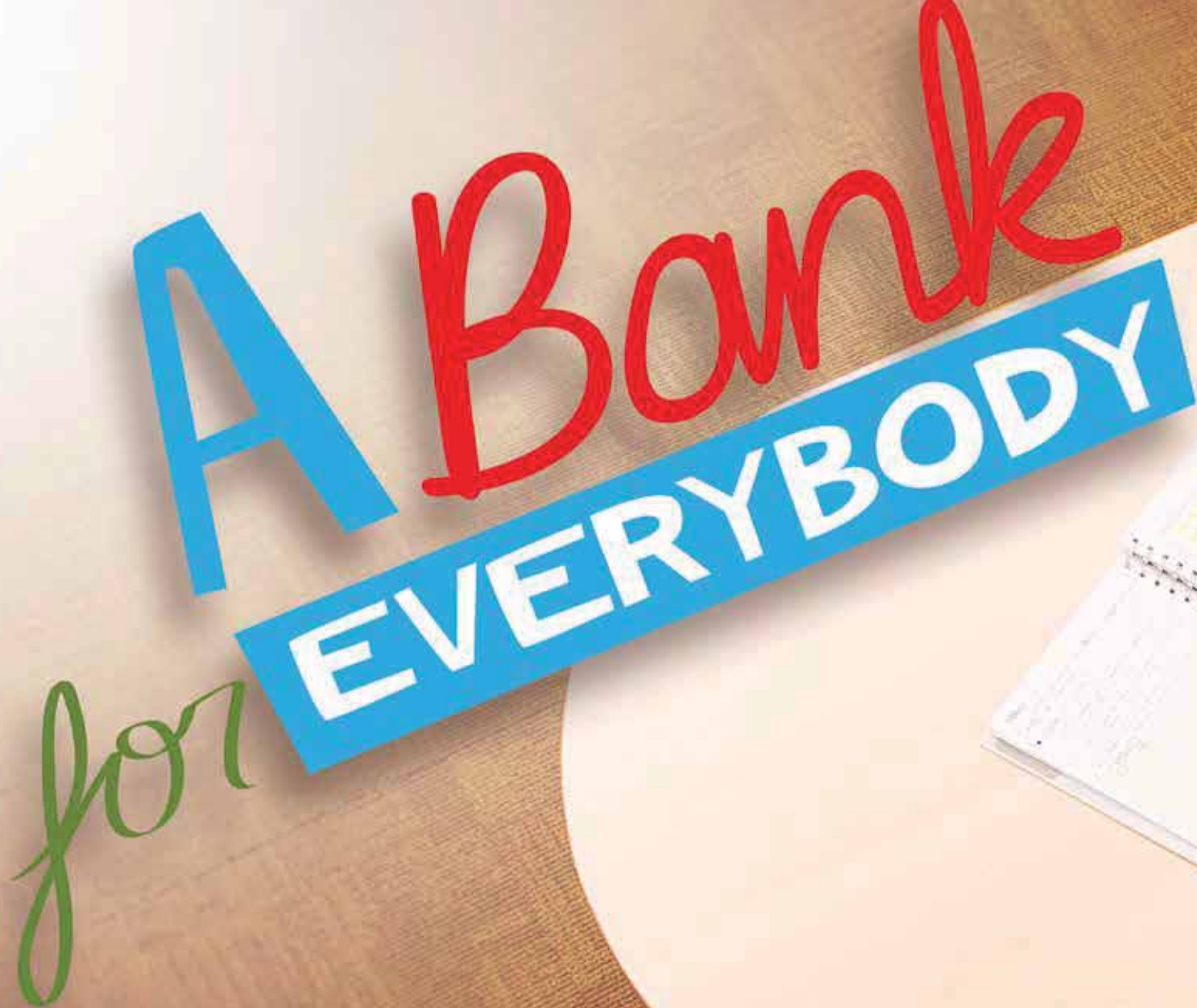


TARGET NOT ACHIEVED

## PERFORMANCE

## 2014 COMMITMENT

Directors have a technological system that gives them timely access to all the information on issues submitted for the consideration of the Board.	Add the new corporate governance regulatory requirements established by regulators to their functions.
An innovative platform was generated that increased the ethics dialogue scope by over 100%.	Increase the participation in ethics dialogue.
A Code of Ethics content feedback and assessment system was implemented, in which hundreds of leaders and employees could communicate with each other.	Enhance the Code of Ethics content.
The <i>¿Qué Hago?</i> communication channel was improved, with various enquiries made to the Ethics Committee and its executive secretary.	
The ethics content for new employee induction was redefined, and there was periodical ethics dialogue between leaders and their teams.	Generate an e-learning certification platform for employees on the Code of Ethics.
There was a 21% increase, i.e., from 19 to 23 employees, on the program. The target was not achieved because the focus was modified to give employees already working in the Bank development opportunities in other areas of the Corporation and there were also different activities to train employees and heads to be ready to receive a new member with different skills.	Consolidate the new School for Bci parents.
Training was given and the practical employment manual for the disabled was developed.	Make a contribution to the professional and personal development of employees by developing the Professional Development Fair and other related initiatives.
In June 2013, the Bank launched a benefits package aimed at different employee segments.	Raise knowledge and the use of benefits.
The new benefits manual was communicated to the entire Corporation. All employees were also given a copy of the manual so they know the benefits. The <a href="http://www.vivefelizbci.cl">www.vivefelizbci.cl</a> website was launched, an essential tool to disseminate the benefits.	Continue to gain more knowledge about employee interests, needs and concerns.
Flexible working (TAM) coverage was extended to the entire Corporation. A simple, innovative and efficient format was implemented, consisting of application periods every four months with a maximum of 100 places for those employees interested (10 for working from home, 20 for mixed work and 70 for flexible work).	
A new service model and value offering was launched for this segment.	Boost the microenterprise segment in Chile.
The potential products were appraised.	Enhance shared value initiatives.
The SME Banking area was created and Nace and Renace were consolidated regarding shared value.	Promote the "Con Letra Grande" (In Uppercase) financial education channel.
Three new transparency measures were designed.	Drive institutional partnerships.
The transparency co-creation processes were enhanced with various initiatives.	
120 supplier companies were surveyed. Bci picked some of them to visit and draft a CSR plan with them.	Execute the supplier experience plan.
A cycle of CSR workshops was held with 330 participants in total.	Continue the cycle of CSR workshops.
The Outstanding External Employee Award continued, for which there were 930 entries.	Renew the <i>Sello Propyme</i> (Pro-SME Distinction) according to which supplier invoices are paid in under 30 days.
There was mass dissemination of the supplier website. Of the 500 permanent supplier companies, 230 regularly use the website.	Drive the use of the supplier website.
Participation by corporate volunteers increased by 71.2%.	Review and rearticulate the strategic partnership with the Las Rosas Foundation.
485 new members were added.	Develop and execute a community engagement plan.
The corporate environmental strategy 2014 - 2015 was drafted.	Implement and apply the environmental strategy.
The carbon footprint was assessed and compensated for all events with over 300 people. To help compensate for the footprint, Bci planted 3,000 trees, even though its compensation commitment was only to plant 234 trees.	Reduce paper, water and energy consumption.
LEED certification was obtained for the two new Bci buildings.	Drive the "Wake up, the environment is in your hands" campaign.



## 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**







# 4.

## Our culture

---

### **Bci Culture:**

This is a set of values, principles, standards, practices, knowledge and behavior of our management and relations style, giving our company its distinctive hallmark.



## 4.1

### Bci Culture

The history of Bci started in 1937 with the objective of meeting the needs of emerging entrepreneurs. The Bank's origins were marked by the vision of Mr. Juan Yarur Lolas, a leader in the textile industry who had achieved great success in this sector due to his family style and closeness to his employees and customers. This vision continues up to today, marks the future of the Corporation and shows how it has shaped the Bci culture, a way of doing things simply that leads to a virtuous equation.

#### VIRTUOUS EQUATION



HAPPY EMPLOYEE

= HAPPY CUSTOMER = HAPPY STAKEHOLDER

#### Culture Execution:

This is achieving stretching objectives, making things happen with excellence, without mistakes, on time and in the right way. It requires us to deliver on our commitments, generating follow-up with metrics to take corrective action timely and successfully to achieve the objective.

#### 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 this unique and unrivaled culture.

#### Transparency:

We honor the trust of our customers, working with the truth, being honest in any interaction with them. This entails providing clear and timely information, living the conviction that "what is not good for the customer is not good for Bci."

## Our Mission: Why do we exist?

### SHAREHOLDERS

The aim is for the return on their investment to be higher than the average of the banking sector.

### SOCIETY

Contribute effectively to maintaining a healthy environment and raising the country's social, cultural and economic wealth.

### EMPLOYEES AND THEIR FAMILIES

Provide a dignified standard of living, stable work and opportunities of personal, professional and family development.

### CUSTOMERS AND SUPPLIERS

Provide top quality and innovative products and services at competitive prices that suitably and timely meet their needs.

Maintain mutually beneficial relations with our suppliers, loyalty over time and high standards of quality, performance and transparency.

## Our Vision: What do we aim to be?

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

TO BE N°1  
IN THE REGION  
INNOVATION  
EXPERIENCE  
closeness



Bci leaders have the main characteristics expected of Bci's employees:



What's the point of working at Bci ?

**We have a common purpose.**



## Experience Criteria



### SECURITY

#### Ensure their security

- I am trustworthy
- I provide continuity in the transaction
- I safeguard the equity of the customer and bank
- I act with transparency
- I safeguard the security of information



### PROXIMITY

#### Know and bond emotionally

- I know my customers/ employees and take interest in them, and I found out their needs
- I put myself in their place
- I take responsibility for their needs
- I always act with Bci's service attitude



### DILIGENCE

#### Assess and execute

- I deliver on my commitments with timely and appropriate action
- I have the knowledge I need
- I make life easier for customers and keep them constantly informed
- My work is always impeccable, detailed and first rate without errors
- I am adept
- I anticipate what could happen



### IMAGE

#### Project Bci's values in every action

- I act with integrity, respect and excellence
- I take care of my personal image and that of my team
- I maintain an impeccable workplace
- I take pride in being part of Bci

## The 10 keys to Bci's success

The following are the key factors governing how our leaders should act, and they will keep successfully building our characteristic culture:

N°1

Give thanks for a job well done and congratulate outstanding work.

N°2

Give timely feedback, support performance and the achievement of results

N°3

Be credible bosses who live Bci's values.  
Authority is service

N°4

Promote a respectful, responsible, happy and entertaining work environment

N°5

Celebrate team achievements and encourage fellowship, trust, co-operation and synergy

N°6

Sincerity in our work relations.

Take care of other people's honor.

N°7

Listen to employees, value their contributions and respect their points of view

N°8

Promote the development of people's individual talent

N°9

Keep employees informed about the operation of the company and your unit.

N°10

Lead by example: acknowledge and accept own errors, learn from them and apologize.

## 4.2

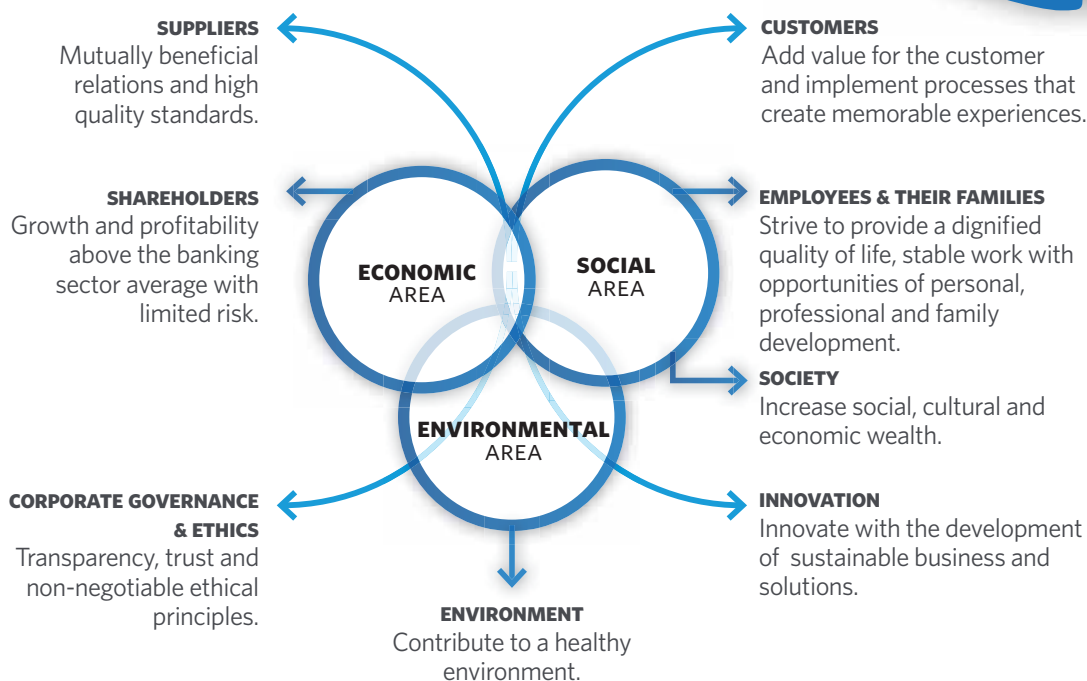
### Sustainability Model

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

From this perspective, the sustainability model has a totally strategic focus, as all the Corporation’s action in this area should be related to its business. It therefore acknowledges the interdependence of the company and the surroundings and seeks to create value for the Corporation and the surroundings.

All the strategic targets defined in this action framework are therefore embodied in the Balanced Scorecard (BSC)<sup>4</sup>. By means of this business management model, the Bank oversees the objectives, targets and evaluation systems in which all the corporate areas are involved. The Corporation thereby manages its sustainability model.

#### CSR Strategy



<sup>4</sup> *Balanced Scorecard (BSC)*: Management model that helps Bci to transform the strategy into tactical objectives.



## 4.3

### Ethics: **core principles**

Besides ethics being a core aspect of Bci's mission and corporate values, it is a guideline on how the business should be developed every day by all its employees.

As of 1996, Bci has built up a sound system of ethical management, which is based on the Code of Ethics (updated in 2010) and which is managed by an Ethics Committee, comprising six incumbent and two rotating members and an executive secretary.

#### MEMBERS OF THE ETHICS COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2013\*

Luis Enrique Yarur Rey	Chairman
Lionel Olavarría Leyton	CEO
Eugenio Von Chrismar Carvajal	Chief Corporate & Investment Banking Officer
Ignacio Yarur Arrasate	Chief Retail Banking Officer
Pedro Balla Friedmann	General Counsel
Mario Gaete Hormann	Chief Operating and Technology Officer

#### ROTATING MEMBERS

Patricio Mardones	Corporate Procurement and Supplier Manager (up to 2014).
Abraham Romero Pequeño	Personal Banking Manager Metropolitan Region (up to 2015)

#### EXECUTIVE SECRETARY

Carlos Andonaegui Elton	Manager and General Secretary
-------------------------	-------------------------------

\* The incumbent members are elected for three years and can be renewed as of April 2013.

The ethics management system includes training, dissemination and feedback activities like the telephone line *Aló ¿Qué hago?* (Hello, What should I do?), and email address [QueHago@Bci.cl](mailto:QueHago@Bci.cl) as the facilities available to employees for them to make queries, blow the whistle or make complaints about potential breaches, and also make queries directly to the Ethics Committee or its executive secretary.

It also has assessment systems that are internal (number and type of query/whistleblowing received by the different channels) and external through the annual Ethical Values and Business Ethics Pulse study conducted by *Fundación Generación Empresarial*.

## Ethics Committee Operation

The members of the Ethics Committee are appointed for a three-year term by the Chairman of the Bank and can be renewed as of April 2013. The last two employees to receive the "Jorge Yarur Banna" Award are also on the Committee for a two-year term as rotating members. There are no alternate members of the Committee that is chaired by Mr. Luis Enrique Yarur Rey, who when absent will be replaced by Mr. Lionel Olavarría Leyton.

The secretary is Mr. Carlos Andonaegui Elton, who has the right to speak.

### COMMITTEE MEETINGS & QUORUM

The Committee convenes in ordinary or extraordinary meetings with at least four of its members and reaches agreements by simple majority. The Chairman or whoever is replacing him has the casting vote in ties.

### COMMITTEE'S RESPONSIBILITIES

The main responsibilities of the Ethics Committee are to:

- Interpret the Code of Ethics defining the correct sense, scope and coverage of its various sections; decide whether the facts or conduct referred to it are governed by the provisions of the Code or not.
- Thoroughly know the facts that breach the Code and receive information provided to such effect by heads and employees subject to its provisions.
- Adopt preventive measures to safeguard the identity of people who inform the Committee of acts that infringe or might breach the Code and the confidentiality of the information provided to such effect.
- Authorize Bank employees to act in those activities, operations or investments that, in accordance with the Code of Ethics, the Committee should be consulted on.
- Record, if this is a requirement, the authorizations given and the information provided by personnel in those cases envisaged in the Code, leaving these on record in the minutes.
- Participate through its members in internal and external events that deal with issues on the ethical behavior of people in organizations.
- Communicate and divulge ethical content.

## Dissemination & Training

As of 2008, Bci has implemented a training program on ethics focused on its management system, aimed at all employees from when they join the Bank through the corporate induction program. This program included 33 activities in 2013, in which 706 new employees were trained.

In regard to dissemination, Bci undertakes a permanent program consisting of the *¿Qué hago?* (What should I do?) campaign, which seeks to make Bci employees more aware of the ethical content governing the organization's dealings, raise the degree of knowledge of and number of queries about ethical matters and give them new communication tools. In this area, in 2013 Bci drove an innovative online platform through which it developed ethical talks between leaders and their work teams every two months.

## Assessment and feedback

Bci's ethics management system has permanent facilities available to its employees so they can blow the whistle or make complaints of an ethical nature. These facilities received 40 queries in 2013, and eight of them were reviewed by the Ethics Committee.

Moreover, as a way of assessing and giving feedback on ethical management, for seven years Bci has participated in the national Ethical Values and Business Ethics Pulse study, conducted by Fundación Generación Empresarial. This survey of the perception of ethics within companies aims to make executives and businessmen aware of the importance of developing value-based organizational cultures.

### MAIN RESULTS OF THE ETHICAL VALUES AND BUSINESS ETHICS PULSE STUDY 2013

**98%**

said the company's values are clearly defined.

**94%**

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

**97%**

considered that the values are clearly and directly communicated.

**87%**

felt represented by Bci's values and ethical conduct.

**89%**

considered that the brand is greatly strengthened and protected by suitable ethical behavior.



# WHEN you NEED US

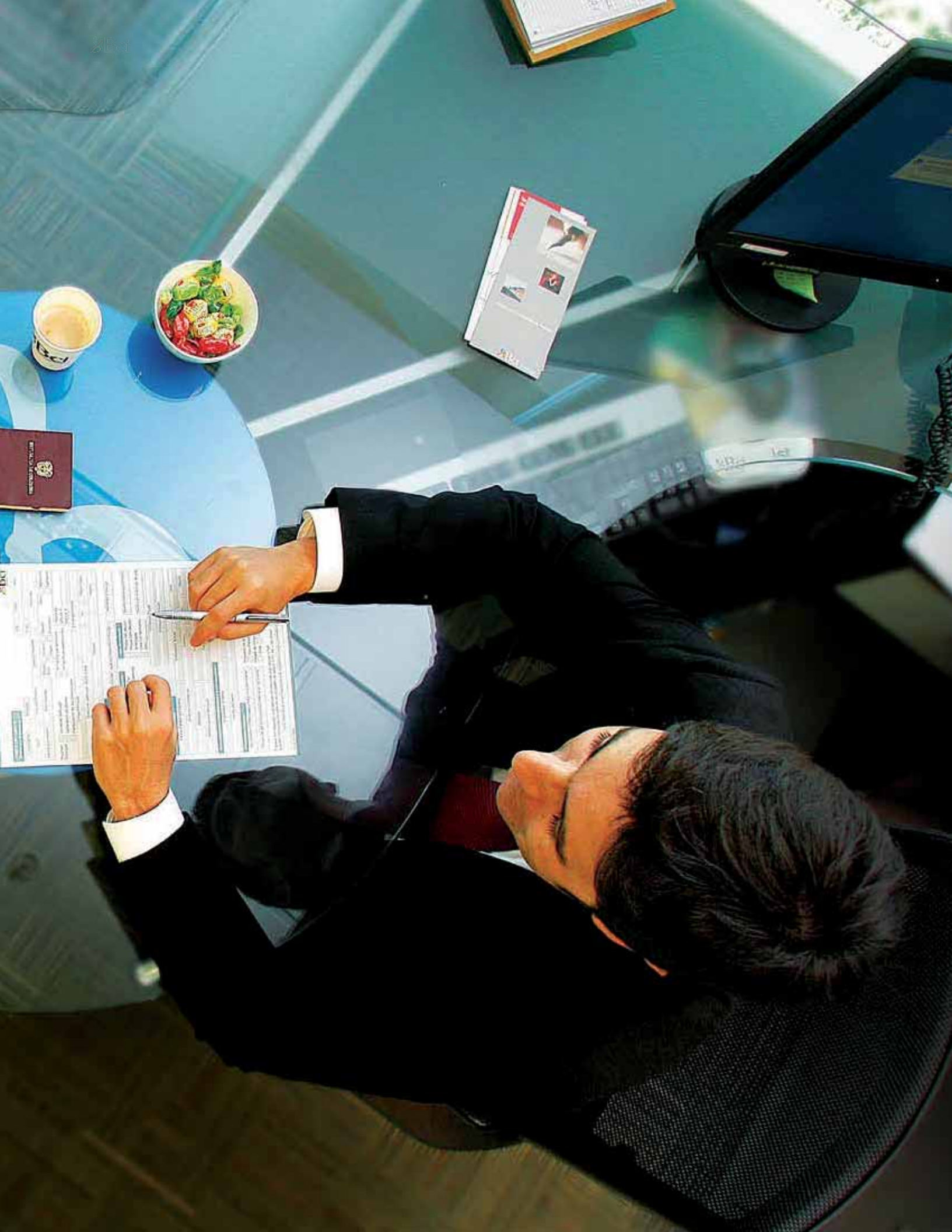
## Unlimited care and support

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, and I'm immensely grateful for the large support it gave me. Without its support, I'd have had to cancel my vacation.

**Javier Mora · Bci Customer**





# 5. Sustainable Customers

In 2011, Bci set the objective of becoming the best bank in the region for customer experience. To achieve this aim, that same year it started to work on designing a new customer experience strategy. This model is based on the common purpose of the Bank, which is to **“make dreams come true with trusting relations throughout our customers’ lives,”** and in practical terms entails giving them a service experience, products and service that are memorable, exceeding their expectations and establishing a trusting, long-term and mutually beneficial relationship with them.

To enhance customer relations, the Bank is not only engaged in carrying out this strategy but in the last few years it has focused on other aspects of its management aimed at the same goal. These include boosting transparency in all the areas of its performance, driving innovation and new channels, and supporting - with the concept of shared value - enterprise as the driver of Chile’s economic, social and environmental development. Bci had achievements and progress in all these areas in 2013, some of which are outlined below:

## 5.1

### Customer Experience Strategy

The Bank officially informed the public of its customer experience strategy in August 2013, with a mass advertising campaign and high impact action at some network branches. With this presentation, it started to formally operate under the guidelines of its new model, which it started to implement as of 2012 and will continue to work on in 2014.

To enhance the in-house implementation of this strategy, in 2013 it consolidated the employee segmentation work started the previous year, with the aim of identifying the needs of various segments of employees working in the Bank, conducting surveys and interviews to identify interests, priorities and needs. With this data, it redefined the value proposal to assure that all the segments were covered by the Bci value offering.

#### Selection Models

The recruitment area redesigned the selection processes, including tools and mechanisms with issues of attitude, commercial skills and everything related to Bci’s values, which are essential for the success of the customer experience strategy.

#### Recognition as positive enhancement of desired conduct

As employees play a key role in the success of Bci’s strategy, the current recognition systems were enhanced and new initiatives created to raise the motivation of committed teams 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 the organization by recognition of the employee who is an outstanding model of conduct and attitude 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 Bank’s chairman, chief executive and divisional managers distinguish those employees who have played a leading role in exemplary experiences, which transmit learning, best practice and reflect Bci’s attitude.







## Case study

### Customer experience focus



#### IMPLEMENTATION OF THE EXPERIENCE BRANCH MODEL THROUGHOUT CHILE:

The experience branch is a service model that gives employees the standardized tools and criteria they need to provide a memorable service and bond with customers. There was a large roll-out in 2013 to complete the implementation of the new experience branch model throughout Chile and in the business centers, on company platforms and large company platforms. In the year the Bank developed new models at Telecanal (Call Center), cash management services for the Commercial Banking area, and also changed the operational model of the Retail and SME Banking areas, thereby covering the Bank's main service and operation channels. This work was undertaken April through August, during which the areas in charge of the process visited the whole of Chile and trained employees onsite on protocols and roles. At the same time, the systems started to be applied to assure the sustainability of the strategy.

#### TRAINING:



The customer experience strategy largely depends on the mobilization skills of the Bank's leaders. For this reason, the training carried out in 2013 to implement this model was focused on this segment of employees, who participated in a coaching workshop attended by around 700 leaders in the organization, including managers and office heads. Similarly, and considering training as a key element in the understanding of the strategy, the Bank also modified the training curricula, adding new content, and holding in-person and distance workshops in which over 4,000 Bci employees participated. It trained all the Telecanal (Call Center) employees in this new methodology, using novel support elements and 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 head and customer satisfaction levels increased 13% and 15%, respectively.

#### Bci +1%:

With this continuous improvement program the Bank encouraged its 1,200 leaders and their teams to come up with solutions to improve the internal experience and customer experience with Bci. In 2013, the Bank's leaders met twice: the first of these to share ideas with their work teams, which helped to improve the processes used by employees; and the second time to review customer-related processes. This initiative involved 3,242 meetings and 3,503 ideas for improvement carried out in both areas.

**Bci +1%**



## 5.2 Customer Experience Assessment

Bci gets feedback from its customers by means of the direct comments it receives and the satisfaction surveys it conducts at each of its points of contact. 2012 through 2013, the Bank redesigned the customer complaint process enabling it to reduce complaints by 65% and meet all the requirements in the timescale mutually agreed on. Furthermore, the time taken to respond to complaints received from entities like the SBIF<sup>5</sup> and the National Consumer Agency (SERNAC)<sup>6</sup> decreased by over 60%. This progress was due to specific efficiency initiatives and the launch of the customer experience strategy.

To enhance its continuous improvement vision, Bci also conducted customer insight polls by means of the website, call center, and interaction of commercial executives. The Bank obtains a satisfaction index from each of these channels, which identifies the strengths and weaknesses of its management. With this data it also builds a general satisfaction index, which is a comprehensive assessment of the company's performance, particularly in the retail area.

The following were some of the most important aspects of the surveys conducted in 2013:

### SATISFACTION WITH THE COMMERCIAL REPRESENTATIVE (%)

YEAR	2009	2010	2011	2012	2013
Satisfaction level	77	78	79	82	83

### NET SERVICE QUALITY SATISFACTION (%)

H1 2009	H2 2009	H1 2010	H2 2010	H1 2011	H2 2011	H1 2012	H2 2012	H1 2013	H2 2013
54	57	52	68	71	72	71	74	74	76

### REQUEST AND COMPLAINT SOLVING LEVEL (%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2011	88	91	90	93	92	90	86	90	93	97	96	91
2012	89	86	79	69	70	74	74	80	79	79	88	84
2013	74	77	85	84	91	97	98	98	100	100	100	100

<sup>5</sup> Superintendency of Banks and Financial Institutions - [www.sbif.cl](http://www.sbif.cl)

<sup>6</sup> [www.sernac.cl](http://www.sernac.cl)

## 5.3

# 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, as follows:

---

### **"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.

---

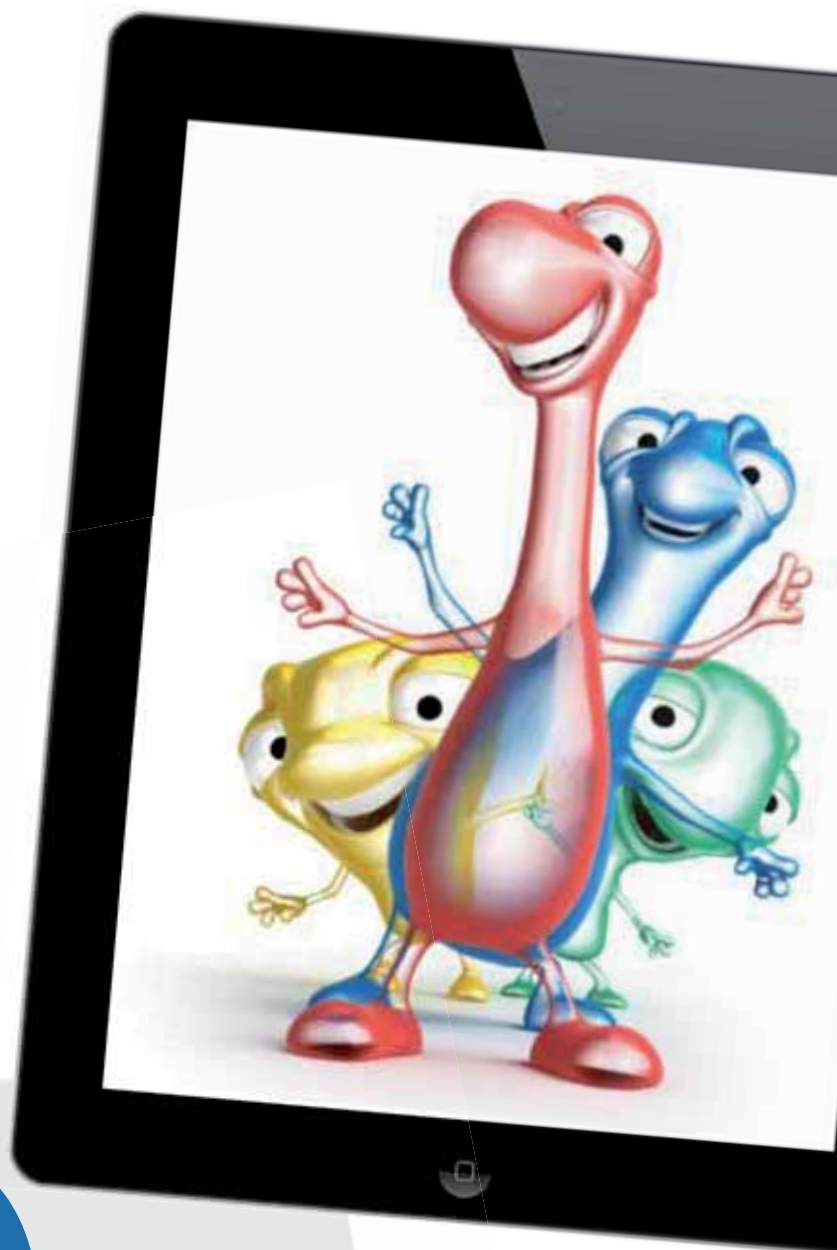
### **"CON LETRA GRANDE" (IN UPPERCASE) FINANCIAL EDUCATION PROGRAM**

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.



20  
MEASURES

The above three 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 make 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](mailto: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**

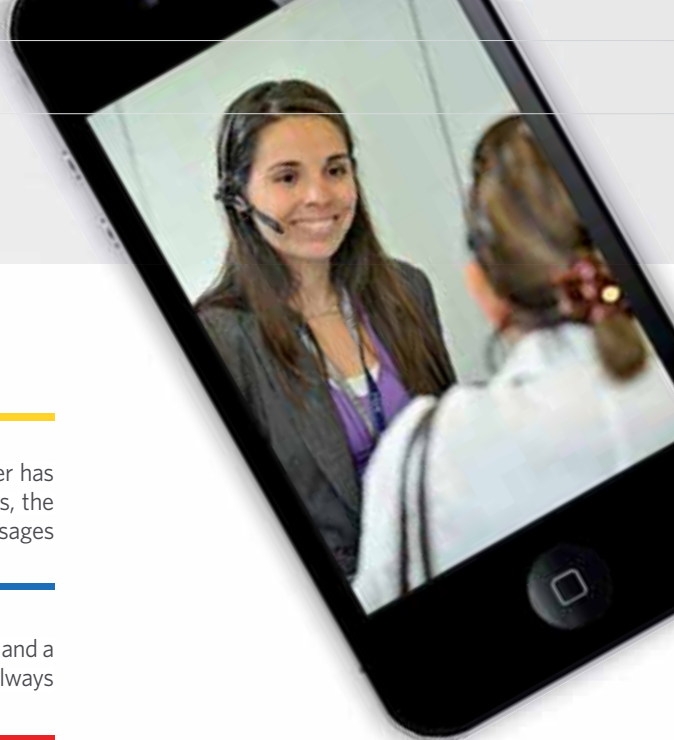
Bci Insurance Brokerage provides customers with the following service channels to inform them, resolve queries and so they can make transactions with their Bci insurance products:

- Website: [www.bci.cl/personas/seguros](http://www.bci.cl/personas/seguros)
- Email: [seguros@bci.cl](mailto: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.





## First Place in the Corporate Transparency Ranking

In 2013, Bci obtained first place in this ranking made by Universidad del Desarrollo, the Business Intelligence consultant, Chile Transparente, and KPMG. Besides considering aspects envisaged in the Transparency Law, this Corporate Transparency Index (CTI) assesses whether companies have good practice on information access for content, transparency, backup and updates.

Specifically regarding content, according to its importance in the final evaluation, the CTI weights aspects of "presentation and business," "corporate governance," "financial reporting," "taxpayer interest," "sustainability" and "digital tools." Just as in 2011, in the 2013 report Bci was top of the group of Best Practice on Corporate Transparency of Listed Corporations in Chile with a CTI of 90.4 points, which was a much higher grade than even the company in second place (82.8 points). This achievement consolidated the Bank's inter-area work in the last two years to increase the amount of information to which investors have access on the corporate website and to speed up the search process. The company's objective in 2014 is to carry on making progress with this to maintain this privileged position in the ranking and continue to enhance transparency in its investor relations.

## Transparency with employees

In 2013, the Bank also enhanced the co-creation processes with employees on transparency issues. The highlights were the in-person workshops organized on sales transparency, aimed at the retail area and the inclusion of these concepts in product talks and corporate induction, and over 100 employees participated in these programs. At the same time, some of the improvement measures were carried out and queries from the same subsidiaries were dealt with and which were channeled through the corporate email address: [transparencia@bci.cl](mailto:transparencia@bci.cl)



## Financial Education

Bci considers financial education as an essential requirement of its transparency policy to have more informed and financially responsible customers, and it is also a necessary step in the challenge of increasing people's bancarization levels.

Regarding this, up to 2012 the Bank undertook various initiatives to train the community on personal finance as part of a corporate program called financial peace of mind. Action entailed talks in municipalities and bank clinics and the launch of the website [www.tranquilidadeconómica.cl](http://www.tranquilidadeconómica.cl) with online courses and related content.

In 2013, the Bank launched [www.conletragrande.cl](http://www.conletragrande.cl), a website aimed exclusively at training people on everything they need to know for the efficient use of bank products and services.

This platform, which complemented previous financial education endeavors, contains audiovisual capsules, tips and informative material on the issues of most interest raised by customers and non-customers about the banking system. The Bank also broadcasts the **Con Letra Grande** (In Uppercase) television program every Wednesday at 15:00 hours, the first in Latin America totally dedicated to teaching about personal finance. Hosted by Bárbara Rebollo and Daniel Stingo and with the participation of outside and Bank experts, this program is aimed at addressing issues like saving and responsible borrowing in clear, pleasant and friendly language.

The content developed on this channel was proposed by Bci's own employees in early 2013 as part of the internal competition held by the Transparency area and which managed to get 212 people with new ideas.

Launched on October 9, by late December the site had excellent results of variables defined as important, like the number of visits, permanence on the website and percentage of return visits, etc.

Moreover, just as in 2012, in 2013 publication of the special series **"Financial Education for People"** continued in *El Mercurio* newspaper, on Emol.com and in the *Hoy x Hoy* newspaper. This publication, which led to the dissemination of a fortnightly page over six months, develops in a didactical way those aspects of basic finance that arouse the greatest interest among customers and non-customers of the financial system, like tax, mortgage loans, insurance and investment alternatives. The content was designed by Bci experts with the support of the faculty of economics and business of Universidad del Desarrollo and was selected, just as that for the "Con Letra Grande" channel, from proposals sent by employees during the competition organized for this by the Transparency area.



Bci Pyme

Bci Preferencial



Bci E-Factoring





## Mobile applications **for customers**

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



## 5.4 Digital Contactability

In 2012, Bci launched a new corporate channel model in its Retail Banking area to deal with the changes in customer habits in using the financial distribution channels and make a contribution to the business from the resource optimization standpoint. It is estimated it will be fully in place by 2015.

This strategy arose from two realities detected by the Bank: on the one hand, the change in the way customers are interacting with the Bank, which has led to fewer branch visits and greater use of digital and remote devices to make transactions; and on the other hand the growing cost of traditional service formats. Its development has also given the company the possibility of making progress with its purpose of providing customers standardized experience criteria and optimizing the delivery of products and services.

In 2013, this plan, which started out with the focus on the Personal Banking area, adopted a corporate nature when it was extended to the SME, Company and Corporate areas and subsidiaries. This change in vision entailed restructuring the area, new synergies and the design of transversal projects, which led to the strengthening of the program and a greater drive of the work that had been undertaken.

The following were the main areas of action on which the Bank focused as part of this strategy in 2013:

### Personalized connectivity

Along with the market intelligence area, in 2013 the corporate channel management continued to work on a new value proposal for customers heavily based on the concepts of mobility and personalization. The objective of this project is to provide through the Personal and SME banking areas products and services designed to meet the real needs of customers wherever they are, which entails thoroughly knowing their interests, ways of connecting, lifecycles and behavior (see the Mobile Banking case study). As this focus implies permanent monitoring by the Bank to a “full mobile” user, its idea is also to give its employees a mobile nature. This means having a sales force that can obtain data and offer the customer a cutting-edge personalized offering (the first contact) without waiting for the customer to go to the branch.

### Digitalization of processes

The digitalization of the main corporate processes will involve the Bank digitalizing current systems and transforming the new ones. The Bank's idea is to develop internal processes and products and services for customers with a digital origin or, in the case of part of the current offering, with different forms of delivery and an evolved presentation.

### Optimization of branches

This initiative, related to the objective of digitalizing processes, aims to provide offices with innovative mechanisms; for example, bar code or fingerprint identity authentication systems. As part of this optimization model, Bci is also focused on rethinking the network coverage to align it to customer behavior. This means making the branch platform lighter and modernizing its formats, among other aspects.





## Social networks

With the objective of finding out the “current and future customer,” and given the experience gained in 2012 on customer service and reputation management in this channel, in 2013 Bci analyzed the potential of social networks as a sales and distribution channel and generated a co-creation and testing experiment. The Corporation’s objective is to position itself as an innovative Bank, as a pioneer in the way of banking, providing untraditional and differentiating financial solutions adapted to a social market in which those participating need different ways and solutions they understand, support and which adapt to their lifecycles and moments. Bci launched *Conectados* (Connected) on Facebook, a specialized service area with tools to provide a financial service that helps to interact differently with the Bank.

## Specialized executives

The knowledge and specialization challenges raised by all this innovation are being addressed by Bci’s channel management in three ways:

- The unit hiring young and “native” professionals in the new technologies.
- The development of new competencies among employees in the support areas that provide services to the unit, and this work even entails entering into external partnerships.
- Training employees in areas like the Call Center to meet the new customer requirements. With the implementation of self-service models and the use of mobile devices, user queries have become more complex, which requires executives to have different knowledge. To make progress with this, in 2014 Bci will review the profile of those who operate these channels.



## 5.5 Innovation

Innovation is a core element of Bci's business culture. It is declared in its mission and is the constant creation of product and services giving it market recognition and consolidated reputation as a pioneer institution (see page 16).

Most of the innovation projects the Bank has developed in the last few years have been designed and executed by the innovation management unit created in 2007. Right from the outset, this management has focused on three specific areas:



This work is focused on permeating employees so they innovate in their jobs. Regarding this, in the last few years idea competitions have been held and innovation representatives have been created in each business



This is aimed at researching and testing disruptive technologies that support the Bank's business processes. This work has led to the inclusion of innovative tools in: the mobile, self-service, cybernetic security and social network areas, like *Chequemático* and *Dedo Fácil*.



This work area concerns the execution of innovation projects proposed by senior management or the same innovation management. They are initiatives that generally meet the need of resolving the gaps in the Bank or take advantage of new market opportunities.







The Bank carried out significant action and programs in each of these areas in 2013. Some of these were:

#### INNOVATION CLUB

This comprises 30 leaders in different areas, who have developed innovation or intra-enterprise projects. The CEO, senior managers and employees who have implemented innovation participate in it. Its objective is to rearticulate the Bank's innovation process based on the work of mentors or ambassadors per unit. In 2013, there were seven meetings, each of which addressed a different aspect of Bci's innovation challenge. Its members can also exchange ideas by means of a private social network set up especially for this.

#### ADN Bci (Bci DNA)

The CEO proposed this idea with the aim of opening up the Bank's innovation challenges to the community of innovators and entrepreneurs in Chile. It consisted of a public competition to receive proposals to solve the Bank's gaps in four specific areas. 2,000 people participated in the competition and it ended with an award ceremony for the best ideas after a process of participative selection. The winning projects have a binding nature, which means they will be carried out by the Bank. Bci's idea is to repeat this experience in 2014 with the focus and conditions to be defined. Likewise, the ADN Bci Employees was launched, an internal platform that supports the development of innovative projects by means of the innovation club mentors.

#### INNOVATION PROJECTS

The main business and process solutions developed in 2013 were: a system that facilitates the contactability of commercial executives by forwarding the emails they receive each day so they answer before 5 pm; a mechanism enabling retail companies to get the cash from their daily business by means of a safe connected to the corporate checking account; a system that instantly gives money desk operators all the information they need to close forward operations without having to operate with the minimum prices; and a project to digitalize corporate documents and the use of mobile devices by the Board of Directors.



## **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.



3Ba

SOFTWARE  
ONLINE!  
BCI



Hola!  
JUAN PABLO  
(E)

MEJOR  
EMPER

ADN BCI 

BILLETE DE PASAJE Y TALÓN DE EQUIPAJE

NOMBRE PASAJERO

Juan Traverso


DESTINO

SILICON VALLEY



6723 5 012345 67890



ADN BCI 

ASIENTO

268

A

DESTINO

SILICON VALLEY

008475247634994



## Case study

# Mobile Banking Development

After starting to be developed as an innovation project in 2008 and then two implementation attempts, in 2013 this new channel managed to consolidate from the operating, penetration and marketing standpoint. This development was driven by all the progress made by the Bank throughout the year to draft a value proposal that will make a difference in the market.

**1.** The definition of a mobile business and distribution model that is attractive to the different customer segments. Regarding this, Bci made technological modifications to its mobile web proposal shifting to a comprehensive model with applications aligned to the new trends.

**2.** Having updated the value proposal, the Bank developed specific applications for individuals (Bci, Preferential, Tbank and Nova Mobile Web), SME and Factoring, along with applications complementing the value proposal, highlighting Bci Investment.

**3.** It started to work on new solutions, products and services with a specially formed team and *ad hoc* methodology.

All these achievements enabled Bci to end up 2013 with favorable trends for each of the annual objectives originally set for this channel:

**a) Number of users:** There were over 200,000 mobilenauts in the Mobile Banking area in 2013. Forecasts for 2014 are even more optimistic, considering that the number of users has increased substantially and steadily since the introduction of Apps in the second half of the year. Bci estimates that the 47,000 customers who have joined this channel by using applications will increase considerably when the dissemination campaign and the official launch of these tools takes place in January 2014.

**b) Business volume:** The mobile model also had an impact on the business volume. Firstly, because it is a channel that generates revenue that did not exist before the mobile proposal, and secondly due to the use and increase in bank transactions, which is evident for example in the higher average loan amount.

**c) Customer experience:** To measure the service quality, in 2013 and after the incorporation of Apps, the Bank used as a satisfaction criterion the mark users themselves give in the virtual stores where they purchase such applications, mainly the Apple Store and Google Play. In the former, the Bci Personal Banking app ended up with a score of 4.4, and in the latter 4.1, both on a scale of 1 to 5.

For the Bank, the business opportunities of the Mobile Banking area are promising. Due to this, Bci's decision is to work in the future to carry on expanding them with a sound, segmented and personalized value proposal for customers. Regarding this, the challenges the Bank has established to make progress in this area in 2014 are to bolster the mobile proposal for customers and employees focused on new revenue and the development of innovative and cutting-edge products and services.





## 5.6 Shared Value

Bci shared value is an initiative that was launched in 2012 with the aim of enhancing those products and services of the Bank's businesses with a high transformation impact on the living conditions of the community. Ever since its creation, this project has focused on designing solutions that are particularly aimed at entrepreneurs, which is a segment with a large ability to generate jobs and is considered a key aspect of the country's economic development.

In 2013, work was focused on providing solutions not necessarily related to financing but of equal importance for the sustainability of businesses, like training and guidance. Some of the greatest progress attained with this performance was the following:

### Entrepreneurship Route

The objective of this initiative, which entailed organizing workshops for entrepreneurs in twelve cities in Chile, was to enhance the enterprise ecosystem in the regions and position Bci on this issue locally. As a result, the tour also helped to boost the shared value concept among employees of the whole territory and thereby advance with the purpose of making them an enterprise benchmark of their surroundings. The Route was organized by the Bank with ProPyme<sup>7</sup>, an organization that promotes enterprise, and covered the districts of Puerto Montt, Concepción, Coquimbo, Antofagasta, Viña del Mar, Temuco, Valdivia, Iquique, Punta Arenas, Copiapó and Talca. The courses included presentations by representatives of the Chilean Economic Development Agency (CORFO<sup>8</sup>) and ChileCompra<sup>9</sup>, along with Bank executives. These talks were complemented by others given by Google experts on the potential of the Internet and presentations by specialists of the Chilean Internal Revenue Service<sup>10</sup> on the advantages of electronic invoicing. About 5,000 people attended these meetings, including entrepreneurs and micro-entrepreneurs, a segment with a high presence in the regions.

### Redefinition of the NACE value proposal

Bci Nace is the only line of business of this type in the Chilean banking sector whose aim is to help entrepreneurs fulfill their dreams from the outset of their enterprises with tools designed to meet their specific needs, like a checking account plan, support networks and special financing lines that consider working capital, leasing, factoring, loans with state guarantees and loans for foreign trade.

In 2013, the performance of this area was marked by its transfer to the new SME Banking area, which facilitates the synergies and development of joint initiatives with other commercial units of the Bank. At the same time, it worked to strengthen the Nace value offering by adding elements gained from the experience built up over these years on the relationship with these kinds of enterprises. This redefinition considers raising more knowledge about the characteristics of customers, a realignment of the structure to align it with the needs of a very demanding segment in terms of service, and shifting to the nature of loans to make them more segmented.

Nace ended 2013 with 7,200 customers, a figure in line with the forecasts and in keeping with annual management more focused on exploration and knowledge than massivity. In business terms, loans to new customers in 2013 amounted to Ch\$8 billion, which raised Nace's total loans to Ch\$42 billion in 2013.

<sup>7</sup> [www.propyme.cl](http://www.propyme.cl)

<sup>8</sup> [www.corfo.cl](http://www.corfo.cl)

<sup>9</sup> [www.propymechile.com](http://www.propymechile.com)

<sup>10</sup> [www.sii.cl](http://www.sii.cl)

## Renace

Renewed enterprise is an important part of entrepreneurs' lifecycle. In fact, 50% of the enterprises of less than five years' old end up failing. In this context, in 2006 Renace was created with the aim of giving a second chance to the business recovery of those customers and former customers of the Bank who, despite their business failure, always paid their debts. This program entails a special fund of Ch\$10 billion a year from which Bci provides financing to entrepreneurs who, based on their credit history, are proposed by the same executives who originally attended them. The program benefitted 200 people in 2013. Bci's objective in 2014 is to make Renace more widely known as part of shared value and launch a new service model for entrepreneurs.



## Business Event

The Bci-organized business events started in 2008 with the aim of bringing together in the same place entrepreneurs and SMEs with businessmen, chambers of commerce and large purchasing companies to thereby foster new commercial contacts and generate possible business opportunities. In 2013, this event was held in Antofagasta with 600 meetings between SMEs and the purchasing divisions of 30 large companies in the great north of Chile for potential business of Ch\$30 billion. Bci shared value also attended the event with a Nace stand, on which projects were presented and training was given to attendees.



## Shared Value Study in Chile

In 2013, Bci participated with five other large national companies in the co-creation of a document driven by FSG, the Michael Porter and Mark Kramer consultancy company and creators of the shared value concept, whose objective is to analyze how this strategy can be scaled to country level. The work, second in the world after that developed in India, will be officially released in 2014.

## Microenterprise

With the aim of becoming the leading private bank for microenterprise services, in 2013 Bci started to apply a new service model for this segment, accounting for 90% of the companies established in Chile and 40% of the formal jobs in the country.

This format, especially designed to deal with customers whose main characteristic is unstructured management processes, considers more innovative accessibility by the Bank and always onsite, with a highly specialized executive able to make decisions on contact with the customer.

In 2013, the Bank consolidated the process of setting up microenterprise banking as part of the execution-targeted management, whose main areas of action were to transfer this area to the new SME Banking unit, restructure operational aspects of the system and continue the executive certification programs.

All this progress enabled the Bank to serve over 6,000 new microenterprise customers, of whom 30% were not bancarized.





## 2014 Plans

### Streamlining solutions

The objective is to give answers to customer loan requests as soon as possible after contact. In late 2013, the loan delivery term was 4-5 days. The target is to reduce that time to a maximum of 48 hours. To such end, Bci will work so that 90% of the evaluations do not go through the risk area but are approved or rejected by the same commercial area.

### Improve executive contactability

Tablets will be given to Bank executives in 2014 so that at the same point of contact they can receive the business information, enter it and activate the operation evaluation process.

### Add new channels for the dissemination of the service

In 2014, a "universal referral" system will be opened, which means that any customer or employees will be able to refer potential customers and partnerships with trade associations with the idea of serving microentrepreneur groups as a whole as part of agreements that consider commercial advantages or the possibility of undertaking joint campaigns.

## Bci Outstanding Entrepreneur Award 2013

In 2013, Bci celebrated the XI version of this award, which distinguishes the best entrepreneurs of the year in different categories, and the jury comprised the economy undersecretary Tomás Flores, Bruno Philippi, Jorge Awad, and Markos Kulka, among others. Renzo Bustos, an entrepreneur from Iquique at Constructora Saenz, won with his project that eliminates toxic mist from copper production.

### Shared Value Category



**Gold**

Germán Moreno  
Constructora Blakom



**Silver**

Pedro Mardones  
Constructora Vertex

### NACE Category



**Gold**

José Andrés Urrutia  
Candy Store



**Silver**

Fabrizio Napoli  
Eskapate

### Customer Experience Category



**Gold**

Roberto Zepeda  
Equipos Médicos Zepeda



**Silver**

Mabel Gaillard  
Office Depot Gaillard Librerías  
y Servicios

### Innovation Category



**Gold**

Renzón Bustos  
Constructora Saenz



**Silver**

Gustavo Orellana  
Restauraciones Pisani

### Woman Entrepreneur Category



**Gold**

Patricia Ramírez  
CGA Ingeniería y  
Consultores Ltda.



**Silver**

María Teresa Capos  
Metaldesign



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 helpdesk, 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 place and didn't give up until it found a solution.

**Javier Bassi • Power of Attorney • Dangerous & Dry Cargo S.A.**



# 6.

## Quality of working life

---

Part of Bci's current strategy is based on the virtuous equation of happy employee = happy customer = happy shareholder. This maxim, which arose in the Bank, has been the main characteristic of the organization in its 76-year history. Nevertheless, as of 2012 it has sought to systemize it, creating a unique experience for each employee.





One of the core aspects of Bci's mission is its employees and their families, concern for them and their care and personal and professional development. For this reason, there are many and varied initiatives, programs and benefits that have been implemented over the years, and that now form part of the current value offering Bci gives its employees, and which has helped to strengthen the Bank's distinctive organizational culture.

In 2011, Bci launched an organizational transformation process with the aim of consolidating the Bank as the leading company on customer experience. To achieve this challenge, it understood that all employees in the organization needed to know, commit to and participate in the implementation of this strategy. Bci believes that to give its customers memorable experiences it is essential to have happy and committed employees (as outlined in the virtuous equation).

Regarding employee experience, in 2012 the Bank reviewed some human resources processes to improve the employee experience as of 2013 and even be able to give them memorable experiences at the most important times for them in their professional and personal lives. In this context, some of the processes addressed were: understanding the employee, value proposal, selection and training, among other aspects.

The objective of understanding the employee process was to get to know them beyond the demographical data usually analyzed in companies, i.e., find out their motivations, needs and concerns in the professional and personal area. The information obtained was the starting point to draw up and implement a new and improved value proposal for employees and their families, which mainly considered four stages:





## 6.1 Benefits and Conciliation Programs

The core concept of communicating the new value proposal in 2013 was: "Live Happily. You're Different, your Benefits Too." The new initiatives and programs were transmitted around this concept related to benefits, quality of life and development, with the key objective emphasizing that the Bank effectively meets the varied interests, motivations and particular needs of each employee.

Some of the new value proposal initiatives implemented in 2013 with the concept of "Live Happily" were:

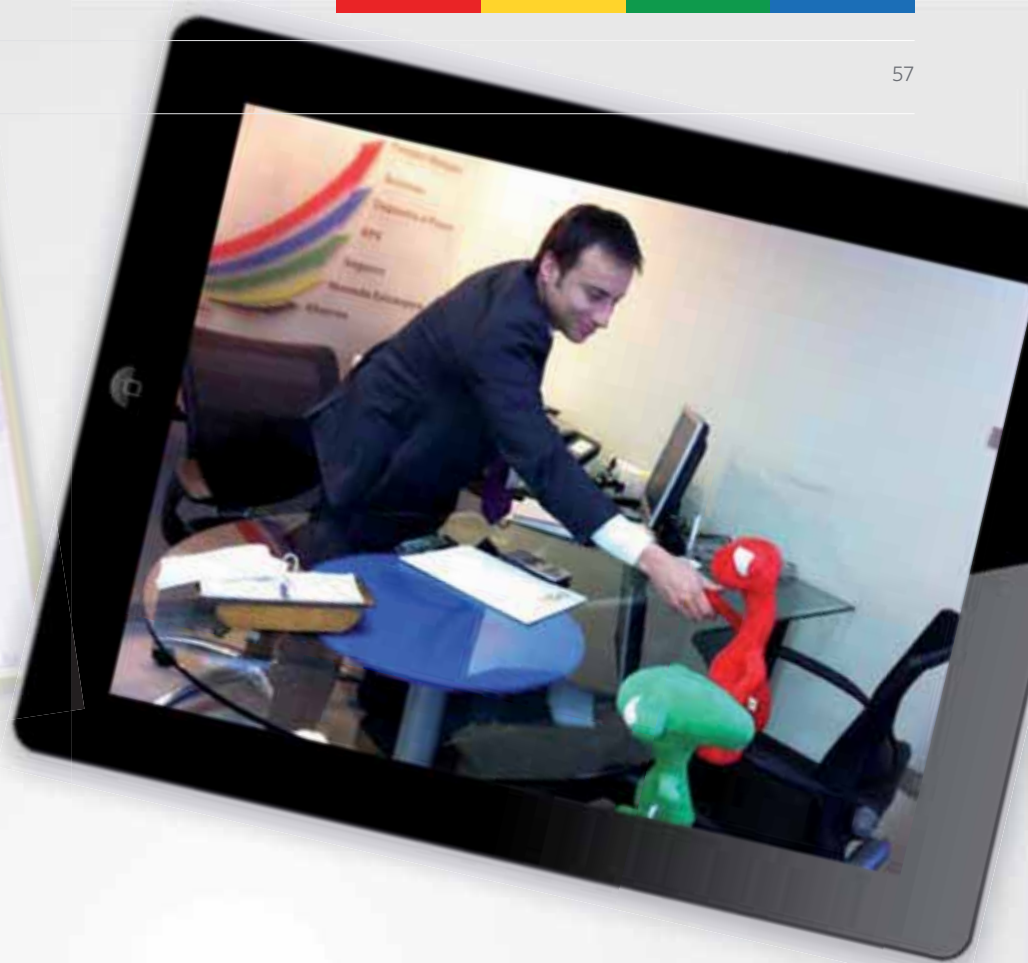
- **New benefits and quality of life website** <sup>11</sup>
- **"Months for You" program**
- **Annual bonus flexibility**
- **"Flexible Days" program**
- **Social enterprise funds**
- **Massify the "Flexible Working" program**
- **Professional development fair**
- **Increase in scholarship coverage for employees**

Moreover, in June 2013 the Bank updated its Benefits Manual, developed by a multidisciplinary team that used the results of studies conducted in 2012 as a basis, adding a focus group, needs raised by human resources business partners, and the main queries received in the labor welfare area, among other factors.

The improvements and new initiatives included in the Benefits Manual meet the various employee interests, concerns and needs, enhancing even more the value proposal given by Bci to its employees and their families.

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





The main Benefits Manual improvements were:

### Five new benefits:

1. **Vacation allowance in the off-peak season.**
2. **"Social Enterprise Fund" program: this is a corporate fund of UF3,480 per annum to co-finance group initiatives at national level, designed and managed by and for employees in the cultural, social and sports areas.**
3. **Special allowance for Bci fathers (due to birth).**
4. **"Flexible Days" program.**
5. **Massification of the "Flexible Working" (TAM) program**

### Improvements of 11 current benefits:

1. **Increase of the Professional Development Scholarship Fund (see Development and Training).**
2. **Increase in the "Taking Care of Children at Home Allowance" for mothers.**
3. **Creation of the "Dual Dependent Transport Support Allowance."**
4. **Increase in the "University Fees Allowance."**
5. **Increase in the annual bonus of the subsidiaries Normaliza, and Análisis y Servicios.**
6. **Annual bonus flexibility (annual bonus of UF44.28 for full-time employees and UF28.78 for part-time employees. This bonus is paid in instalments during the year and employees can choose the amount and month when they prefer to receive the instalments, and there are limits defined).**
7. **Incorporation of non-dependent children to the complementary health insurance.**
8. **Incorporation of grandchildren as dependents to the complementary health insurance.**
9. **Increase in the children's age limit for Christmas gifts.**
10. **Compensation for "public holiday shifts."**
11. **Extension of the summer time.**

**The update of the Benefits Manual will entail Bci investing over US\$20 million in benefits in the next three years.**

## Conciliation Programs

The new benefits package has conciliation programs, like Flexible Working (TAM), Flexible Days program and a School for Parents, among others.

### FLEXIBLE WORKING PROGRAM

The TAM program has been running since 2003 and every year has become sounder and more professional. In 2012, a pilot program was launched in two managements. Due to the good results and that it is now evident that a flexible work schedule and location is a global trend with an impact on employee commitment, motivation and productivity, in 2013 TAM coverage was extended to the whole Bank. After varied analysis, the Bank reached a simple, innovative and efficient implementation format, which consists of four-month application periods with a maximum of 100 places for those employees interested (10 for working from home, 20 for mixed working and 70 for flexible working). In 2013, there were two application periods, one in July and the other in November, with 148 employees entering the program, modifying their work schedule or workplace based on their personal needs and in co-ordination with their bosses.

#### TAM MODALITIES



##### **Flexible Work Schedule**

Flexibility over the time the employee enters and leaves work.

**116** employees



##### **Mixed Working**

Allows employees to work part of the working day at home

**24** employees



##### **Working from home**

The work station is transferred to the employee's home.

**8** employees

### FLEXIBLE DAYS PROGRAM

The Flexible Days program started up in July 2013 and allows employees to choose the time benefits that best suit their interests, lifecycle and concerns. The program has a portfolio of 21 time benefit alternatives, which seek to cover the different interests of mothers, fathers, those married with or without children, single employees and grandparents, among others. Some of the benefits include the time to be with their children or grandchildren on their birthdays, celebration of wedding anniversaries, and time to play sports, among others. Each employee has 12,000 points a year and, in the case of large families, has additional points for each child under 12 years.

The system consists of employees choosing the benefits they want to use each year, which also have a score allocated. This program provides a personalized offering, meeting the time needs of each of the employees, thereby fostering the conciliation of the different generations that now live together in the working world.

### SCHOOL FOR PARENTS

In late 2013, the Bank launched an initiative targeted at employees with children and future mothers or fathers called "Bci School for Parents." It is an annual program, which has a cycle of 12 talks and two workshops aimed at promoting knowledge and parental competencies. The aim of this initiative is to develop a moment guided by experts so employees can learn and put into practice the knowledge acquired, and share experiences and good practice among participants. 224 employees participated actively in the School in the year.

This initiative is developed jointly with the team of the I want You Protected program, which besides the individual and free service given for years on psychological, legal and financial matters for employees and their families, now also provides parental counseling and there are also talks at the School.

The themes of the first two talks were: How to be parents in the 21st Century and Do we bond with or are we in communication with our children?





GREAT  
PLACE  
TO  
WORK®

## 2013 Accolades

As a result of this effort, in 2013 Bci was in 15th place in the annual ranking made by **Great Place to Work (GPTW)**<sup>12</sup>. This was a 9-place improvement on the 2012 ranking, positioning the Bank in second place compared to the rest of the companies that have over 2,000 employees.

Moreover, in the ranking of the **"Best Companies for Working Parents,"** drawn up by Fundación Chile Unido and the Ya magazine supplement of *El Mercurio* newspaper, in 2013 Bci was once again one of the best companies, climbing one place (from seventh to sixth place) on 2012, positioning it as one of the best companies in the "Large Company" category out of a total of 66 public and private organizations.



## 6.2 Job creation and recruitment

In 2013, the recruitment and selection department continued the work of aligning the selection process to the experience strategy embraced by the Bank with the Different Recruitment program, carried out through social networks, labor fairs, corporate trainee and professional internship. One of the results of these initiatives was the places for senior cashiers increasing from 17 to 25, due to the Bank's participation in the Mercado Laboral Estación Mapocho, Feria Laboral Senior 2013 and Trabajosenior.cl fairs.

The aim of the Different Recruitment program is to position Bci in the group of recent university graduates. It therefore sponsored the Startech Conference, a technology conference attended by Google, Apple, Facebook and BlackBerry, among other companies. With this it attained 800 registered applicants on the website TrabajaenBci.cl.

Regarding the initiative of recruiting through the Facebook, Twitter and LinkedIn social networks, the Bank attained a monthly average of 6% recruitment of employees in 2013, due to daily publications of current vacancies nationally.

Furthermore, the corporate trainee process was launched in January with job position publications on various websites. After a selection process of the 1,200 resumes received, 12 applicants reached the evaluation stage with heads, of whom six entered various areas of the Bank.

The business units requested 180 places on the professional internship program. To meet this requirement, the Bank launched a campaign for employee children who will need to do their professional internship through the First Internship Fair for Employees' Children.



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





### ***Bci Sin Límites*** **(Bci Without Limits)**

Bci values the talent of those people with some degree of disability, and in 2013 therefore decided to enhance the *Bci Sin Límites* labor inclusion program model for people with disabilities. It therefore investigated how to provide more and better professional development opportunities for these employees, training leaders on these issues to assure, more than increase, the hiring rate.

In 2013, it increased the distribution of people with disabilities by area, not only for the telephone service but also in other parts of the organization, like operations, Normaliza, TBanc, Factoring, and risk analysis, among other areas.

It also entered into a partnership with Teletón (charity event for the disabled), which led to giving work opportunities for youngsters with disabilities to do their professional internship at Bci. In June, the month of culture at BCI, there was an art exhibition by the children of the Teletón who participated in a painting workshop to raise awareness and attract the talent of people with different skills.

There was training for the teams to know how to deal with the hiring of a co-worker with disability. Branch heads were also trained on how to serve customers with disabilities. Moreover, the "practical labor inclusion guide for people with disabilities" was drafted, which is focused on supporting all employees to include employees with disabilities and give their bosses tools.

**In May, Teletón gave Bci the Teletón Ambassador Award 2013, which recognizes companies that support the labor inclusion of people with disabilities.**



**In October, Bci received Chile's Sello Inclusivo (Inclusive Recognition) (Gold Category),** the top award by the National Service for the Disabled (SENADIS<sup>13</sup>) for obtaining this recognition in two categories: labor inclusion and universal access to the surroundings.



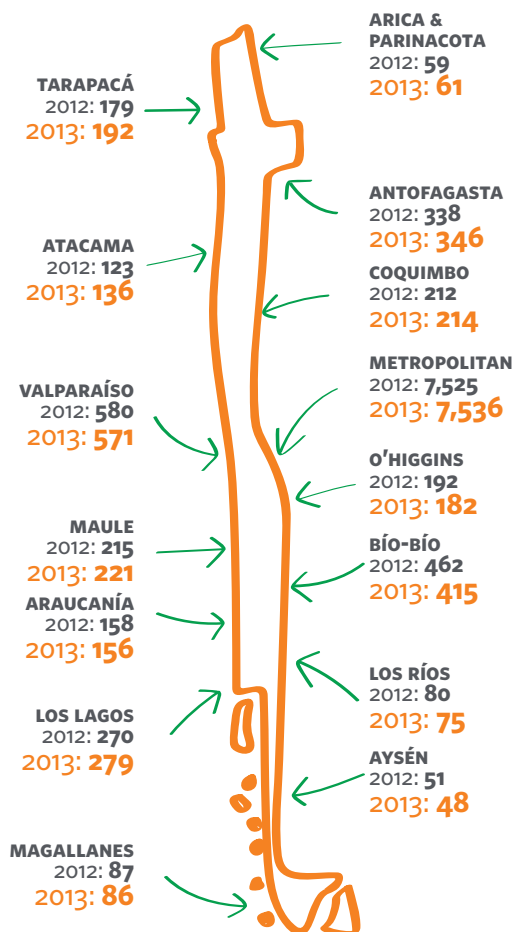
## 6.3

### Bci Corporation Workforce

For the year ended December 31, 2013, Bci had a total workforce of 10,518 employees. 97% of them had an indefinite contract and the annual average employee turnover rate was 17.4 in the year.

	2011	2012	2013
women	5,658	5,961	5,928
men	+ 4,500	+ 4,570	+ 4,590
TOTAL	10,158	10,531	10,518

#### EMPLOYEES



**2012 TOTAL: 10,531**  
**2013 TOTAL: 10,518**

#### EMPLOYEE BY TYPE OF CONTRACT

	2012			2013		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Indefinite contract	4,432	5,679	10,111	4,500	5,747	10,247
Fixed-Term contract	138	282	420	90	181	271
<b>TOTAL BCI EMPLOYEES</b>	<b>4,570</b>	<b>5,961</b>	<b>10,531</b>	<b>4,590</b>	<b>5,928</b>	<b>10,518</b>

#### ANNUAL AVERAGE EMPLOYEE TURNOVER

	TOTAL HIRING (A)	TOTAL DISCHARGES (D)	Nº OF PEOPLE HIRED AT THE END OF THE REPORT (PE)	EMPLOYEE TURNOVER INDEX
2011	3,070	2,278	9,740	27.5
2012	2,403	2,215	10,376	22.3
<b>2013</b>	<b>1,774</b>	<b>1,899</b>	<b>10,533</b>	<b>17.4</b>

Employee turnover index =  $A + D / 2 * 100 / PE$

A= Hiring of employees in the period considered (incoming)

D= Discharges of employees (by the company or the decision by employees) in the period considered (outgoing)

PE = Actual average of the period considered

## 6.4

# Professional development and training

Professional development at Bci is related to the growth of employees, giving them new knowledge, skills and experiences that enhance their performance, commitment and growth in the Corporation.

## Profesional Development

The development strategy is based on three main areas:

- 1** Providing comprehensive management, i.e., investing in development, training and benefits for the entire Corporation.
- 2** Giving employees a different development experience, facilitating their growth according to their needs, motivations and interesting projection.
- 3** Leveraging the sustainability of the business, attracting, retaining and developing successors for the different roles in the Corporation, defining an attractive value offering for them.

Bci uses a competencies-based management model as a tool to guide and facilitate the development of its employees. Therefore, development and growth opportunities essentially arise from this methodology, which defines the corporate competencies and others inherent to the job position.

In 2013, with the aim of updating the competencies model in accordance with the corporate strategy, the Bank updated the Make the Customer's Life Easier competency and also added the innovation competency.

One of the main management tools to facilitate employee development has been the performance evaluation. To enhance this and support the management of new heads and those with greater seniority in the Bank, in 2013 various performance evaluation workshops were held.

The main professional development opportunities in 2013 were:

### FURTHER DEVELOPMENT SCHOLARSHIP PROGRAM

Besides the job position-related training, in 2013 Bci increased the investment available for scholarships, assigning UF42,000 a year to further development programs, further qualifications and postgraduate degrees, some of which are undertaken abroad. In addition to this fund for further development scholarships, Bci has 160 scholarships a year to complete higher education studies, aimed at employees who have started a career and have to suspend it for different reasons but who want to complete these studies with the Bank's financial support.

### FUTURE OFFICE HEAD PROGRAM

One of the needs identified in 2012, due to the large movement of office heads to other positions, was the difficulty of quickly filling the vacancies generated. For this reason, in 2013 the Bank designed and implemented a program to identify executives with a high potential and interest in becoming commercial office heads. The program has the following stages: identification, selection and training. Only executives with a minimum of two years' service in the Bank can apply to the program.

### PROFESSIONAL AND PERSONAL DEVELOPMENT FAIR

To give employees all the information about the opportunities they have to further their professional and personal growth, and motivate them to become the drivers of their own development, the Bank held the First Professional and Personal Development Fair. This comprised three blocks: stands on which the human resources team personally advised over 1,100 employees who participated in the four days of this stage; the second block consisted of practical professional development workshops, whose aim was to give employees tools to identify their professional interests, strengths, and learn to draw up a professional development plan. Four workshops were organized for this with a total of 102 participants. Lastly, there was a business talk block, whose objective was to broaden the employee vision and be able to motivate their professional growth.

The challenge in 2014 is mass coverage of the regions and also the further development of important areas in the Bank with mass job positions.





## Training

Bci's training model is comprehensive and is carried out through training programs that meet corporate and specific needs of the Bank's managements.

The training area's mission is to design, develop and implement those strategies, policies and processes that strengthen the skills of the organization and its employees by means of learning initiatives, employee training and knowledge management.

All the training of Bci's employees is therefore organized into four training categories or areas with a transversal theme.

The highlight in 2013 was the creation of the Virtual Campus, a training platform that provides a better learning experience for employees in Santiago and the regions, which was launched as a pilot plan in December in four managements. In 2014, the objective will be for all employees to have access to these development and learning tools.

Moreover, in 2013 the Bank held a ceremony of recognition to give thanks for the work and dedication of Bci's over 220 internal facilitators, who are the creators of many of the programs held each year, as they best know the technical areas and can also transmit the Bci culture.

At the close of 2013, the average number of yearly man-hours of training per employee was 41 and, regarding coverage, 76% of the total workforce in the regions received training.

### TRAINING INDICATORS

YEAR	2010	2011	2012	2013
Training hours per employee	49	49	50	41
Employees trained in Santiago/ Total workforce in Santiago (%)	93%	91%	92%	87%
Employees trained in Regions / Total workforce in Regions (%)	93%	90%	94%	76%



## ATTRIBUTES OF BCI'S LEADERS







### LEADERSHIP: BCI LEADER ACADEMY

The main objective of Bci's Leader Academy is to embed and promote the culture and attributes of the Bci leader in the daily practices of the organization and develop a distinctive and unique leadership style that is the main competitive advantage and driver of the business growth.

In 2008, Bci defined its leadership hallmark and started to impregnate it in leaders with the Bci Leader Academy Program phase 1, positioning it as the most important initiative in forming leaders. This phase was called "Leadership and Personal Transformation."

The highlight in 2013 was the launch of phase 2 of the Bci Leader Academy called "Leading the Experience," focused on the individual reality of leaders. This phase aims to enable heads to lead the customer and employee experience strategies with the focus on the role of the leader as the coach, who assures the performance of each employee and the team. It includes experience and high performing team tools (meta learning model of Marcial Losada) and best practice on change management, creativity and innovation, which enable leadership to be applied in daily activities. It considers the participation of leaders who share a common reality and have a relationship with customers and internal suppliers. At management level, it aims to bolster the strategic vision of areas and businesses. This year Bank Chairman Luis Enrique Yarur, CEO Lionel Olavarria, first line managers, and other leaders in the Bank who had already done phase 1 participated in this phase 2.

Bci Leader Academy phases 1 and 2 are conducted by in-house facilitators, especially leaders in the Bank who are an example to be emulated and with their expertise and experiences enhance the culture and profile of the Bci employee.





## 6.5

### Work Environment

Bci aims to be the best company to work for and develop. With this premise, every year it conducts an organizational climate survey, whose objective is to get employee insight on different areas of the work environment that affect individual performance and achievement of the business results.

In 2013, it attained an internal environment survey index of 84.6%, consolidating the steady upward trend of this rating by employees since 2009. All this is commensurate with the corporate mission of making employees the core base, and the objective of the experience strategy expressed by the virtuous equation: happy employee = happy customer = happy shareholder.

#### INTERNAL ENVIRONMENT SURVEY RESULTS GENERAL SATISFACTION INDEX



#### Bci Reconoce (Bci Recognition)

One of the key aspects of attaining “happy employees” is recognizing their work and giving positive and timely feedback to those people who stand out for their outstanding performance, contribution to the Bci culture and leadership.

In 2009, the Bank launched the *Bci Reconoce* program, which has different recognition opportunities and tools, such as the recognition kit with which leaders can give timely and contingent recognition to the employees of their team; management level recognition ceremonies, which are aimed at recognizing outstanding employees in the Bci employee profile and experience criteria, in a more formal and visible environment; online recognition, which seeks to enhance recognition of peers by means of a virtual platform; and the annual *Bci Reconoce* ceremony, in which 182 employees were distinguished in 2013, either for their commitment to and long-term relationship with Bci on completing 25 years or more working in the Bank, for outstanding performance or for embodying the Bci values and profile.



## Labor Relations

At the close of 2013, Bci had three trade unions with a total of 191 members.

The collective bargaining process with the National Union ended on January 6, 2014, with both parties signing a collective contract establishing the common work conditions and remuneration for the 2014–2016 period.

The joint work activities with these trade unions are developed through the labor relations management.

### TRADE UNION ORGANIZATIONS

COMPANY	NAME	Nº OF MEMBERS
Bci	Bci National Trade Union	186
Análisis y Servicios	Iquique Trade Union	2
Normaliza	Normaliza Trade Union	3
<b>Total members</b>		<b>191</b>

## 6.6

### Gender equality and remunerations

In regard to gender equality, the focus in 2013 was on providing a group of flexible new time or money benefits that make a contribution to the quality of life and welfare of all employees and that are in addition to their remuneration. Women benefit most in this area with initiatives like the 50% increase in the Caring for Children at Home Allowance and Flexible Days program. The TAM program is another initiative that also mostly meets the needs of female employees, borne out by the fact that over 75% of the participants on this program are women (see page 58).

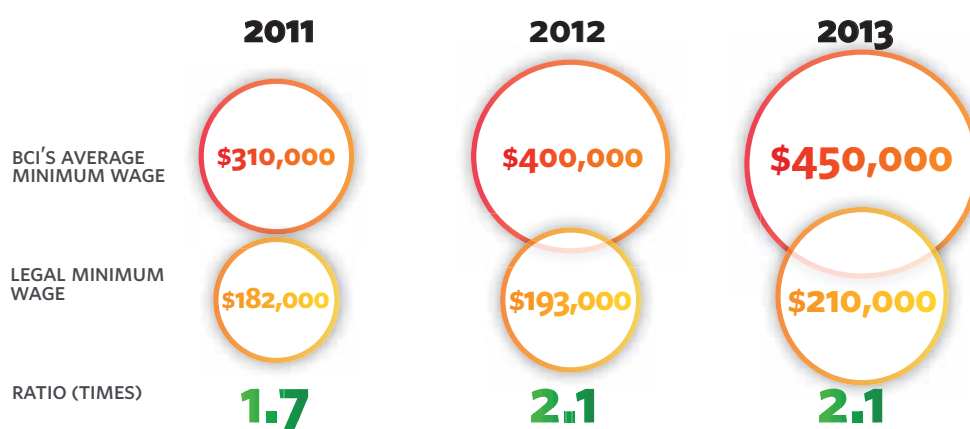
Women accounted for 56.4% of the Bank's total workforce in 2013, and 536 of them were heads and seven of them senior managers. It should be highlighted that in the same period 98.8% parity was maintained between the salaries of men and women for the same job position on entering the Bank. This is because Bci's human resources management is based on a corporate policy of an objective compensation model according to merit, potential and performance, which excludes any considerations of gender, religion or other similar variable. The average minimum wage of Bci employees in 2013 was 2.1 times higher than the legal minimum wage in Chile.

#### WOMEN HEADS BY YEAR





## BCI'S AVERAGE MINIMUM WAGE &amp; LEGAL MINIMUM WAGE (IN CH\$)



Moreover, in 2013 Bci offered an increase in the guaranteed minimum wage as part of the new benefits package. Employees on the guaranteed minimum wage of Ch\$400,000 gross a month had a real 12.5% increase to Ch\$450,000, which is 19% higher than the average taxable wage of the banking sector.

In regard to employees of the subsidiaries Normaliza and Análisis y Servicios, their annual bonus will be increased by 18%. This measure, after steady increases in the last 10 years, will come into force as of January 2014.

## REMUNERATION BY JOB POSITION

JOB POSITION	2011			2012			2013		
	Nº OF EMPLOYEES	TYPE OF REMUNERATION		Nº OF EMPLOYEES	TYPE OF REMUNERATION		Nº OF EMPLOYEES	TYPE OF REMUNERATION	
		FIXED	VARIABLE		FIXED	VARIABLE		FIXED	VARIABLE
Senior Management	10	63%	37%	10	68%	32%	10	63%	37%
Managers	70	81%	19%	79	84%	16%	81	77%	23%
Executives	6,379	85%	15%	6,580	78%	22%	6,617	87%	13%
Administration and services	3,699	95%	5%	3,862	93%	7%	3,810	90%	10%
<b>Total workforce</b>	<b>10,158</b>			<b>10,531</b>			<b>10,518</b>		



## 6.7

### Safety and occupational health

One of the highlights in the work safety area in 2013 was the holding of the Second National Meeting of Joint Management-Worker Committees, organized by the Bank with the Instituto de Seguridad del Trabajador (IST)<sup>14</sup>. This meeting, held in Viña del Mar, was attended by the representatives of the Bank's joint management-worker committees<sup>15</sup> from Iquique to Punta Arenas.

The representatives of the committees shared their knowledge of prevention and health over two days in working groups. The objective was to give participants tools to gain a more leading role and responsibility in the safety and occupational health areas.

Due to this joint work of the Bank and employees on work protection, Bci has maintained the lowest accident rates in the banking sector for over 15 years.

ACCIDENT RATE  
(%)

1.04

1.08

1.25

FREQUENCY  
RATE\*

4.75

4.95

5.51

2011

2012

2013

\*Frequency rate: number of people injured with disability of any kind per million man-hours worked.

Frequency rate = employees injured x 1 million hours worked.

<sup>14</sup> Worker Safety Institute - [www.ist.cl](http://www.ist.cl)

<sup>15</sup> 39% of Bci's employees are members of joint management-worker health and safety committees.



## Occupational health

The occupational health management focus in 2013 was on launching and implementing the "I Feel Well" program as part of the Live Happily program. This initiative includes action to help the employee's time in the workplace to be comfortable and enjoyable. For this, it promotes physical care and stress management. The main activities offered to employees are grouped into five categories: healthy breaks, nutrition workshops, stress management, workstation and safety.

Aligned with the first experience criterion of safety, Bci is the first bank to promote healthy lifestyles in work environments by certifying in August 2013 TBanc, Telecanal, Bci Factoring, Bci Corredora de Seguros and Bci Corredora de Bolsa as Health Promoting Workplaces<sup>16</sup>. This certification, granted jointly by the Ministry of Health and Labor Ministry, is one of the visible rewards of the work done by the Bank as of 2011 as part of the Live Healthily program.

Such distinction recognizes companies that implement an ongoing policy of promoting healthy lifestyles with various activities like training workers on a healthy diet, taking active and recreational breaks during working hours to prevent occupational diseases, providing access to physical education and informative programs to prevent smoking and the consumption of alcohol, and participating in different workshops on self-care and personal development.



## Accolades

In 2013, Bci received 12 public accolades for its work safety and occupational health management:

- 3 awards from Chile's National Safety Council<sup>17</sup> for the lowest frequency rate at Bci (TBanc and Telecanal).
- 2 international awards for the safety and occupational health management system OHSAS 18001:2007: TBanc and Telecanal.
- 5 accolades by the Ministry of Health and Labor Ministry given to Bci Factoring, Bci Corredores de Seguros, TBanc, Telecanal, Proservice Coyancura.
- Recognition by the Worker Safety Institute (IST) for risk prevention management in 2013.
- TBanc's joint management-worker committee received an award for outstanding management in 2013.

<sup>16</sup> [www.eligevivirsano.cl/wp-content/uploads/2013/11/cartilla-trabajo.pdf](http://www.eligevivirsano.cl/wp-content/uploads/2013/11/cartilla-trabajo.pdf)

<sup>17</sup> <http://cnsdechile.cl/>





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 such 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



## 7. Corporate Governance

**Having good corporate governance is one of the key pillars underpinning Bci's sustainable development. In 2013, the Board of Directors therefore not only focused on the Bank's risk management and corporate control but also on its strategic management and the effective work of directors and regulatory compliance. This enabled it to suitably address compliance with the highest standards.**

### 7.1 Board of Directors

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

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





In an ordinary Board meeting held on April 2, 2013, the Board, which shall remain in office until the first shareholders' meeting in 2016, comprises 9 directors

**1.**

**Luis Enrique Yarur Rey**  
Chairman

**2.**

**Andrés Bianchi Larre**  
Vice-Chairman

**3.**

**Juan Manuel Casanueva Préndez**  
Director

**4.**

**Lionel Olavarria Leyton**  
CEO

**5.**

**Máximo Israel López**  
Director

**6.**

**Juan Ignacio Lagos Contardo**  
Director

**7.**

**José Pablo Arellano Marín**  
Director

**8.**

**Mario Gómez Dubravcic**  
Director

**9.**

**Francisco Rosende Ramírez**  
Director

**10.**

**Dionisio Romero Paoletti**  
Director



## Director Profile

The Bank's directors are elected based on their intellectual, professional and ethical attributes. Moreover, they are people who have been outstanding in their respective areas of action. Although there are no formal requirements for being on the Board, beyond what is laid down by law, the Board has traditionally been made up of professionals and businessmen who are unrelated to the controlling agreement or the Yarur family, with the only exception being the 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 (ESE) at Universidad de los Andes; 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 Universidad de Chile and an 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; Chairman of the Chilean Central Bank, of the Dresdner Banque Nationale de Paris and Banco Credit Lyonnais Chile; as well as adjunct executive secretary of the Economic Commission for Latin America. He was a professor of economics at the University of Chile and the Catholic University, visiting professor at Boston University and visiting researcher at Princeton University in the United States.

**José Pablo Arellano Marín**  
Director

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

**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.

**Juan Manuel Casanueva Préndez**  
Director

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

**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.

**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 AFT. 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.



**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 S.A. 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, 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. 1995 through 2013, he was Dean of the Economic and Administrative Sciences Faculty of the Catholic University of Chile and is associate researcher at the Public Studies Center, in addition to being a columnist for the *El Mercurio* and *El País* (Uruguay) newspapers.

**Lionel Olavarria Leyton**  
CEO

He holds a degree in industrial civil engineering from the University of Chile, and MA in economics and business administration from Instituto de Educación Superior de Empresas (IESE), Spain. He is currently Chairman of the Chilean Association of Banks and Financial Institutions' CEO Committee; member of Visa's Latin American Consultancy Council; a director of Bci Seguros Generales S.A., Bci Seguros de Vida S.A., Empresas Juan Yarur S.A.C., Tuves S.A., and Chairman of Bci Factoring. He was previously an engineering consultant in Chile and Spain, with positions of the controller of Chemical Bank, Spain, and commercial manager of Banco Santiago. He was the founding Chairman of Redbanc S.A., Chairman of Transbank S.A., Edibank S.A., Servipag S.A., a director of Parque del Sendero S.A., and Salcobrand S.A., Chairman of Artikos Chile S.A., Banco Conosur, Bci Corredor de Bolsa S.A. and Bci Asesoría Financiera S.A., and a director of Financiera Solución (Peru). He was Chairman of the Chilean Global Compact network. He has 38 years of experience in banking and 32 years of seniority at Bci, and has been the CEO since 1993.

## Board of Directors (as of December 31, 2013)

NAME	POSITION	DATE ELECTED
Luis Enrique Yarur Rey	Chairman	October 21, 1991 to date
Andrés Bianchi Larre	Director	April 24, 2007 - March 29, 2010, Director March 30, 2010 - April 1, 2013, Vice-Chairman April 2, 2013 to date Vice-Chairman
José Pablo Arellano Marín	Director	March 16, 2011 - April 1, 2013 April 2, 2013 to date
Juan Manuel Casanueva Préndez	Director	1995-2001 April 24, 2007 - March 29, 2010 March 30, 2010 - April 1, 2013 April 2, 2013 to date
Mario Gómez Dubravcic	Director	May 24, 2011 - March 29, 2012 March 30, 2012 - April 1, 2013 April 2, 2013 to date
Máximo Israel López	Director	April 2, 2013 to date
Juan Ignacio Lagos Contardo	Director	April 2, 2013 to date
Dionisio Romero Paoletti	Director	March 30, 2010 - April 1, 2013 April 2, 2013 to date
Francisco Rosende Ramírez	Director	March 30, 2010 - April 1, 2013 April 2, 2013 to date

*Máximo Israel López and Francisco Rosende Ramírez are independent directors, as they meet the requirements laid down for this in article 50 bis of Law N°18.046 on corporations.*



## Operation

The Board of Directors convenes monthly in ordinary meetings to analyze and resolve the main issues of their competence, especially to review the management reports and results of the Corporation, and receive periodic information on matters analyzed and approved by the different Bank Committees. It also holds extraordinary meetings if management of the Bank's business so requires.

Pursuant to what is set forth by law, these meetings are constituted by the absolute majority of the members and agreements are reached in accordance with the sole participation of the directors attending the meeting, and there are no matters for which a larger quorum is needed for their approval<sup>18</sup>. The chief executive acts as the secretary to the Board in ordinary and extraordinary board meetings, assisted by the Bank's general counsel. Details of the operation of the Board can be found in the Bank's by-laws and are available on the corporate website<sup>19</sup>.

## Committees and their operation

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

The following Committees currently operate:

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

### BOARD MEETING ATTENDANCE (FOR THE YEAR ENDED DECEMBER 31, 2013)

NAME	2011	2012	2013
Luis Enrique Yarur Rey	12	12	11
Andrés Bianchi Larre	12	12	12
Dionisio Romero Paoletti	7	8	7
Mario Gómez Dubravčić*	7	12	12
Francisco Rosende Ramírez	12	12	12
Juan Manuel Casanueva Préndez	8	10	11
José Pablo Arellano Marín**	10	12	12
Juan Ignacio Lagos Contardo***	-	-	9
Máximo Israel López***	-	-	9

(\*) He became a director on May 24, 2011

(\*\*) He became a director on March 16, 2011

(\*\*\*) He became a director on April 2, 2013

## Board Committee Reference Terms

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

The following were the issues dealt with by the committees comprising directors in 2013:

<sup>18</sup> Further information about the Board's functions can be found in the 2007 corporate governance and CSR report, pages 30 and 31. ([www.Bci.cl/accionistas](http://www.Bci.cl/accionistas)).

<sup>19</sup> <http://www.Bci.cl/medios/BCI2/accionistas/pdf/Estatutos2011.pdf>

## Board's Executive Committee

### FUNCTIONS AND FACULTIES:

- Decide on the Bank's loan and financial operations submitted for its approval.
- Approve the general policies on financial, loan and operational risk.
- Approve the loan and financial investment policy manuals, and the powers they vest, including risk models, among others.
- Establish interest and discount rates for the different operations of the Bank, and set the loan and financial investment limits in Chile and overseas and the maximum losses allowed.
- Examine the information of the different economic sectors and analyze their evaluation, establishing the loan and financial exposure limits applicable to such areas.
- Establish the country risk exposure limits, after analyzing the risk rating and other variables that impact external financing.
- Review at least half yearly the report on loans classified as bad loans and have measures to adjust such standing.
- Determine the resources that will be periodically allocated to allowances and write-offs, notwithstanding assuring compliance with the regulation applicable to these events.
- Decide on the purchase, sale and constitution of liens on any kinds of chattels and real estate, securities and rights of any kind, notwithstanding the limitations and prohibitions laid down in the General Banking Law.
- Appoint and discharge company employees, establish their remuneration and other benefits, determine their functions, powers and responsibilities.
- Establish branches, agencies and other offices and terminate their operations.
- Grant general and special powers of attorney submitted for its approval for the due operation of the company and operational needs.
- Approve specific donations, subject to applicable legislation.

- Generally enter into all the acts, business or contracts it deems useful or necessary for the Bank's operation and its line of business.

- Conduct an annual self-evaluation of the operation of the Committee reporting this to the Board of Directors

**Composition:** It comprises five incumbent directors of the Bank. The four directors who are not part of this committee are alternate members. It is chaired by the Chairman of the Bank.

**Operation:** It convenes twice a week.

**Quorum:** The minimum quorum for meetings is three incumbent or alternate members.

**Agreements:** Agreements are reached by the majority votes of the members attending, except for those cases in which a higher number of votes is needed in accordance with law or the by-laws.

**Appointment of members:** The Board decided to appoint Luis Enrique Yarur Rey, Andrés Bianchi Larre, Juan Manuel Casanueva Préndez, Mario Gómez Dubravcic and Francisco Rosende Ramírez as incumbent members of the Executive Committee in 2013 for a three-year term; and Dionisio Romero Paoletti, José Pablo Arellano Marín, Máximo Israel López and Juan Ignacio Lagos Contardo as alternate members. CEO Lionel Olavarría Leyton shall act as secretary to the Committee, assisted by Carlos Andonaegui Elton, the general secretary and manager.

**Replacements:** Should any of the incumbent members be absent, they shall be replaced by an alternate. The alternate members of the Executive Committee can attend all the meetings, but if incumbent members are present they shall have no right to vote.

## Directors' Committee

Due to being independent directors in accordance with what is laid down in article 50 bis of the Law on Corporations, Francisco Rosende Ramírez and Máximo Israel López shall be members of the Committee due to their right. Moreover, the Board appointed Andrés Bianchi Larre to be on the same Committee. The corporate counsel and financial controller participate regularly in the meetings. Furthermore, the Chairman can invite those directors, managers and advisors he deems fit.

By provision of the Superintendency of Banks and Board agreement, the Committee is also in charge of the functions of the Audit Committee. The reference terms of the Directors' Committee regarding its composition and structure, operation and functions are set out in article 50 bis of the Law on Corporations, in the updated compendium of regulations of the Superintendency of Banks and Financial Institutions, and in the by-law approved in a Board meeting held on March 23, 2010.

Carlos Andonaegui Elton, the general secretary and manager, shall be the secretary to the Directors' Committee, and Pedro Balla Friedmann, the general counsel, shall be his replacement.

## Finance and Corporate Risk Committee

### FUNCTIONS AND FACULTIES:

- Review the large commercial exposure of the money desk and country risk.
- Review the performance of allowances and write-offs based on profitability and risk per product and banking area, and compare them with the competition.
- Review the main portfolio impairment and origin of new customers.
- Find out about the performance of risk models.
- Follow up on the progress of the Basel II project, according to the different models to be implemented.
- Find out about and control the strategies of the ALCO Committee based on market variables; the asset and liability structure of the balance sheet; the capital budget and Basel capital forecasts.
- Review the short- and long-term funding strategy, currency gap and term.
- Oversee market data and forecasts (rates and currencies).
- Review the interest rate strategy, inflation and currency, and current trading positions.
- Review the portfolio strategy and current standing of local and foreign investments.
- Oversee compliance with the internal limits and main financial risk variations.
- Analyze the main loan and operating risk management indexes.

**Composition:** It comprises five directors of the Bank and is chaired by the Chairman of the Bank. The CEO, CEO Corporate & Investment Banking, the corporate risk manager, the sales & trading manager, the treasury and international business manager, the financial risk manager and chief economist can participate in this Committee without a right to vote. Moreover, the Chairman can invite those directors, managers, and advisors he deems fit.

**Operation:** It convenes once a month.

**Quorum:** The minimum quorum for meetings is three members.

**Agreements:** Agreements are reached by the majority votes of those attending.

**Appointment of members:** The members of the Committee are appointed by the Board of Directors. The Board decided to appoint Luis Enrique Yarur Rey, Andrés Bianchi Larre, Juan Manuel Casanueva Préndez, Mario Gómez Dubravcic and Francisco Rosende Ramírez as members of the Finance and Corporate Risk Committee in 2013 for a three-year term. CEO Lionel Olavarría Leyton shall act as secretary to the Committee, assisted by Carlos Andonaegui Elton, the general secretary and manager.





## Compensation Committee

### FUNCTIONS AND FACULTIES:

- Establish the general compensation policies applied in the company, including remunerations, bonuses and benefits per employee segments.
- Analyze the compensation system in relation to the industry or other comparative systems.
- Establish those aspects that affect remunerations, both those contractually agreed on as fixed and those from incentives, targets or other variable factors.
- Establish compensation systems that assure they are aligned with the Bank's mission, which strives to assure employees a dignified quality of life, stable work and personal, professional and family development opportunities, suitably promoting and rewarding good performance.

**Composition:** It comprises five directors of the Bank and is chaired by the Chairman of the Bank.

**Operation:** It convenes at least twice a year.

**Quorum:** The minimum quorum for meetings is three members.

**Agreements:** Agreements are reached by the majority votes of those attending.

**Appointment of members:** The members of the Committee are appointed by the Board of Directors. The Board decided to appoint Luis Enrique Yarur Rey, Andrés Bianchi Larre, Juan Manuel Casanueva Préndez, Mario Gómez Dubravcic and Máximo Israel López Ramírez as members of the Compensation Committee in 2013 for a three-year term. CEO Lionel Olavarría Leyton shall act as secretary to the Committee, assisted by Carlos Andonaegui Elton, the general secretary and manager.

## Corporate Governance and CSR Committee

### FUNCTIONS AND FACULTIES:

- Propose those issues that shall be debated periodically in accordance with the nature of its mission and objectives.
- Review the annual corporate governance report and that the Board and Bank committees are aligned to it, proposing recommendations and their working practices.
- Propose modifications to the Bank's power of attorney structure and establish the general policies on the appointment of company proxies and representatives.
- Oversee compliance with appointing directors and managers
- Periodically review the Code of Ethics, establishing those adjustments and updates it requires or that the Committee deems necessary.
- Establish procedures, policies and programs on donations and other social welfare activities.
- Review and approve the Bank's sustainability report.
- Review the business practices of the Bank and its subsidiaries, and the impact they might have on the reputation, image and prestige of the Corporation.
- Review the shareholder proposals, the Bank's service quality and information to them, and management's response to their requirements, if any.
- Evaluate management's performance of activities inherent to the Committee's work, its alignment to the company's mission and performance with strengthening the Bank's competitive and distinctive skills of adhering to the principles of corporate governance and CSR.
- Conduct an annual self-evaluation of its operation as a Committee, reporting this to the Board.

**Composition:** It comprises five directors of the Bank and is chaired by the Chairman of the Bank.

**Operation:** It convenes at least four times a year.

**Quorum:** The minimum quorum for meetings is three members.

**Appointment of members:** The members of the Committee are appointed by the Board of Directors. The Board decided to appoint Luis Enrique Yarur Rey, Andrés Bianchi Larre, Mario Gómez Dubravcic, José Pablo Arellano Marín and Juan Ignacio Lagos Contardo as members of the Corporate Governance and CSR Committee in 2013 for a three-year term. CEO Lionel Olavarría Leyton shall act as secretary to the Committee, assisted by Carlos Andonaegui Elton, the general secretary and manager.

## Issues addressed by the Board's Committees

The following were the issues addressed by the Board's committees in 2013:

### BOARD'S EXECUTIVE COMMITTEE

For the year ended December 31, 2013, it held 77 meetings in which:

- It examined and approved major financial and loan operations involving high amounts.
- It reviewed necessary action to implement regulatory, legal and administrative changes.
- It analyzed the situation and evolution of Chile's economic sectors, and established the loan and financial exposure limits for each of them.
- It examined before the Board meeting the letters sent by the Superintendent of Banks after his annual visit and the action to comply with his remarks.
- It approved the annual branch plan and the opening, moving and closure of offices.
- It analyzed and preliminarily approved the monthly balance sheets.
- It vested general and special powers of attorney.
- It approved credit write-offs and non-banking assets and determined the resources to be allocated to allowances and write-offs.
- It reviewed issues, analyzed beforehand by the Directors' Committee, and approved transactions between related parties.
- It approved the purchase and sale of real estate.
- It authorized specific donations.
- It examined and approved the international financing plan.
- It authorized the issuance of standard, subordinated and international bonds.
- It was informed of and analyzed the reports from the Special Accounts Management on the financial and payment status of customers, natural people and corporations.
- It approved general policies and their modifications, particularly those related to credit, market and operational risks and set different limits for these.
- It approved risk models.
- It approved the programs to transfer goods received or awarded in payment in 2013.

- It set country risk exposure limits after analysis of the risk rating and other variables affecting external financing.
- It analyzed the situation of economic sectors, and of the Bank's company customers.
- It reviewed the portfolio diversification reports.
- It was informed of the scope and impact of the Dodd-Frank Wall Street Reform and Consumer (DFA).
- It analyzed the risk rating of countries likely to receive Bci financing.
- It was regularly informed of the progress with the process of purchasing City National Bank of Florida (CNB).
- It reviewed the results of the risk rating processes in 2013.

### DIRECTORS' COMMITTEE

For the year ended December 31, 2013, it held 23 meetings in which:

- It analyzed the annual report issued in January 2013 by the external auditors, with recommendations to improve the administrative and accounting procedures.
- It examined and proposed to the Board the independent auditors and risk rating agencies, which were submitted to the consideration of the Ordinary Shareholders' Meeting.
- It thoroughly analyzed the 2013 audit plan for the Bank and subsidiaries with the participation of representatives of the external auditors and risk rating agency.
- It analyzed the internal control report and the 2012 audited financial statements and consolidated financial statements with the attendance of representatives of the external auditors.
- It reviewed and approved the annual management report sent to the Bank's Chairman and to be presented in the Ordinary Shareholders' Meeting.
- It analyzed and approved the activities undertaken by the compliance management regarding the prevention of asset laundering and criminal risk pursuant to Law N°20.393.
- It examined and approved the modifications to the Audit Manual.
- It analyzed and approved the annual operation plans of the Controllershship for 2013 and was regularly kept informed of progress in the year.
- It regularly received and analyzed the Controllershship reports, particularly those related to risk management concerning the Bank, its subsidiaries and the Miami branch.
- It analyzed the progress with plans to comply with the remarks and revisions made during visits by the Superintendent of Banks and Financial Institutions (SBIF), external auditors, the Controllershship Management and by the Federal Reserve of Atlanta (FED) related to the Miami branch.
- It analyzed operations with related parties, which were submitted for the approval of the Board and/or Executive Committee, to be undertaken in market conditions.
- With the participation of representatives of Fitch Ratings and Feller Rate, it was informed of how risk ratings are conducted according to international and local rating scales.
- It appraised the legal risks based on the information provided by the Bank's corporate counsel.
- It was informed of and approved the results of the performance self-evaluation process in 2013.
- It reviewed the hiring conditions of related companies that are usual suppliers of Bci.
- It examined the legal risks, according to the information prepared by the Bank's legal department.
- It appraised the results of the mortgage loan insurance tender, in accordance with the related regulation.
- It reviewed the reply proposal to the letter sent by the Superintendent of Banks, which contains the remarks of his annual review.

#### FINANCE AND CORPORATE RISK COMMITTEE

For the year ended December 31, 2013, it held 11 meetings in which:

- It regularly analyzed the macroeconomic and market environment, inflation and monetary policy rate forecasts, exchange rate variations and their impact.
- It appraised the evolution of the main financial risk indicators as a balance sheet strategy, which include liquidity indexes and strategy, financing and mismatch sources, hedges and investments, as well as trading positions and strategies.
- It analyzed the main indexes and variables of credit and operating risks every two months.
- It approved the new financial indexes and equivalent risk factors.
- It analyzed and approved the consolidated liquidity stress model proposal.
- It analyzed the financial and risk situation of the large global markets, especially Europe and the United States, the effects and impacts these situations could have on Chile and the Bank, and the necessary prevention measures, particularly to safeguard suitable liquidity.
- It examined the comparative report of the standing of international banks.
- It reviewed the results of the evaluation of the new anti-cyclical allowance model.
- It analyzed and agreed to increase the current liquidity barrier.

#### CORPORATE GOVERNANCE AND CSR COMMITTEE

For the year ended December 31, 2013, it held four meetings in which:

- It analyzed the activities and plans of the communications and CSR management for 2013.
- It analyzed the strategy, sustainability model and related plans for 2013.
- It analyzed the management of donations and social contributions.
- It analyzed progress with the various CSR programs for customers, suppliers, and community commitment.
- It was informed about the Sustainability Report contents.
- It reviewed the results of the evaluations made in 2013 by the Bank's Board and the Boards of subsidiaries on different aspects related to their operation.
- It analyzed the results of the Business Monitor of Corporate Reputation (MERCOR), and of the annual Prohumana surveys on the national CSR ranking.
- It reviewed the proposal of corporate governance regulations for banks, which the SBIF made available for public queries and then transformed into a regulation.

#### COMPENSATION COMMITTEE

For the year ended December 31, 2013, it held two meetings in which:

- It analyzed and approved the 2013 compensation strategy.
- It assessed the progress with and achievements of specific objectives in 2013.
- It made workforce forecasts according to the business needs.



## Directors' participation in the management of Bci subsidiaries or of Empresas Juan Yarur S.A.C.

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

DIRECTOR	POSITION	COMPANY
Luis Enrique Yarur Rey	Chairman	Banco de Crédito e Inversiones S.A
	Chairman	Empresas Juan Yarur S.A.C.
	Director	Bci Seguros Vida S.A.
	Director	Bci Seguros Generales S.A.
Mario Gómez Dubravcic	Director	Banco de Crédito e Inversiones S.A
	Director	Bci Seguros Vida S.A.
	Director	Bci Seguros Generales S.A.
Lionel Olavarria Leyton	CEO	Banco de Crédito e Inversiones S.A
	Director	Empresas Juan Yarur S.A.C.
	Director	Bci Seguros Vida S.A.
	Director	Bci Seguros Generales S.A.

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

DIRECTOR	POSITION	COMPANY
Luis Enrique Yarur Rey	Chairman	Empresas JY S.A.
	Chairman	Empresas Jordan S.A.
	Chairman	Inversiones SB S.A.
	Director	Inversiones Belén S.A.
	Director	Empresas Lourdes S.A.
	Director	Banco de Crédito del Perú
	Director	Credicorp
Andrés Bianchi Larre	Director	Empresas Copec
José Pablo Arellano Marín	Director	Plaza S.A.
J.Manuel Casanueva Préndez	Chairman	GTD Teleductos S.A.
	Chairman	Telefónica del Sur
	Chairman	Cía. de Teléfonos de Coyhaique
Mario Gómez Dubravcic	Director	Servipag
	Director	Artikos
	Director	Administrador Financiero del Transantiago S.A.
	Director	Inmobiliaria Salcobrand
	Director	Glaciar S.A.
Máximo Israel López	Director	Depósito Central de Valores
	Director	ECONSSA CHILE S.A.
	Director	CITI S.A.
Dionisio Romero Paoletti	Chairman	Banco de Crédito del Perú
	Chairman	Credicorp
	Chairman	Banco de Crédito de Bolivia S.A.
	Chairman	Pacífico Peruano Suiza Compañía de Seguros y Reaseguros
	Chairman	Pacífico Vida Compañía de Seguros y Reaseguros
	Chairman	Alicorp S.A.A.
	Chairman	Ransa Comercial S.A.
	Chairman	Industria del Espino S.A.
	Chairman	Palmas del Espino S.A.
	Chairman	Agrícola del Chira S.A.
	Chairman	Inversiones Centenario S.A.A.
	Chairman	Hermes Transportes Blindados S.A.
	Chairman	Cementos Pacasmallo S.A.A.

## Board's Self-evaluation Process

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

In 2013, the main issues addressed were the length of meetings, the time taken to analyze the monthly balance sheet, the adequacy and timeliness of the information provided, the way and time available to deal with the issues on the agenda, the formalities of meetings, the application of corporate governance principles and regulations, issues addressed and outstanding, follow-up on agreements, the relationship with the Bank's management and subsidiaries, and attendance of committees comprising directors.

As a result of the Board self-evaluation process in 2013, the main objectives and targets of the Board for the year were focused on asking management to put more emphasis on analyzing the monthly balance sheets, add risk aspects that are important in the monthly earnings report, distribute immediately the circular letters of the Superintendency of Banks and Financial Institutions without needing to wait for the next Board meeting, enhance follow-up of issues required by directors, appraise the possibility of holding at least one Board meeting a year in the regions, make progress with drafting a manual on the prevention of negative practice on free competition, provide information to the Board on major issues that have been analyzed in the Directors' Committee, and fine tune some procedures to raise the effectiveness of the working and operation of the Board and its committees.

## Board Remuneration

The Shareholders' Meeting held on April 2, 2013 endorsed the remunerations structure for directors.

### FIXED MONTHLY REMUNERATION

150 monthly tax units (UTM) for each member of the Board except the Chairman, who shall receive a fixed remuneration of 850 UTM, according to his functions and complying with the special mandate the Board has vested in him.

### ATTENDANCE REMUNERATION

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

### VARIABLE REMUNERATION

0.4% of the net profit, considering the average profits in 2011, 2012 and 2013. The profit share will be divided by 10 with two tenths going to the Chairman of the Board as Chairman of the Bank and complying with the mandate vested in him by the Board, and one tenth to the other directors.

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

The total remunerations paid to the Board in 2013, considering fixed and variable amounts, amounted to Ch\$2,235,037,959.

## Board's Policy on Transactions with Related Parties

The Bank has a "customary policy"<sup>20</sup> which sets out what operations are deemed to be customary between Bci and its directors, senior managers, main executives, their spouses and relatives up to the second degree by blood, as well as all entities directly or indirectly controlled by them, pursuant to the Law on Corporate Governance<sup>21</sup>.

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

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

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

<sup>20</sup> <http://www.bci.cl/medios/bci2/accionistas/pdf/informativo/PoliticaSobreHabitualidad.pdf>

<sup>21</sup> Article 147 of Law 18.046.



## 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.







Always

Ready!



## 7.2 Senior Management

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



1.

**Lionel Olavarria Leyton**  
Chief Executive Officer



2.

**Eugenio Von Chrismar Carvajal**  
Chief Corporate & Investment  
Banking Officer



3.

**Ignacio Yarur Arrasate**  
Chief Retail Banking Officer



5.

**Juan Pablo Stefanelli Dachena**  
Chief SME Officer



6.

**Antonio Le Feuvre Vergara**  
Chief Corporate Risk Officer

4.

**Diego Yarur Arrasate**  
Chief Commercial Banking  
Officer



7.

**Pablo Jullian Grohnert**  
Chief Human Resources Officer



8.

**Pedro Balla Friedmann**  
General Counsel



9.

**Ximena Kutscher Taiba**  
Audit and Compliance Head



11.

**José Luis Ibaibarriaga Martínez**  
Chief Financial Officer and  
Controller



10.

**Mario Gaete Hörmann**  
Chief Operating and Technology  
Officer



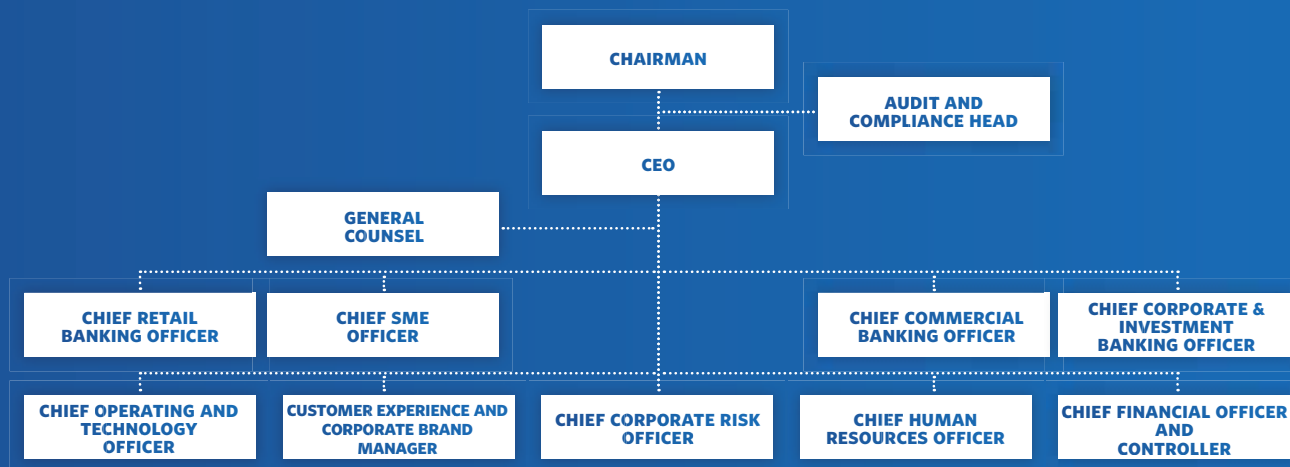
12.

**Rodrigo Corces Barja**  
Customer Experience and  
Corporate Brand Manager





## Senior Management



Bci split its operation into banking areas based on segmentation that allows it to provide a different service and the customer experience it is targeting. In 2013, it created the SME banking area through which it handles microenterprise, entrepreneur and small business.

## Retail Banking

This area is focused on individuals, entrepreneurs and small entrepreneurs with a wide range of loan, savings and protection products. Its products and services are available in 384 branches throughout Chile and different remote channels, like the Internet, Telecanal (Call Center), mobile devices and ATMs.

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.

## 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: microenterprise, entrepreneur and small business.

The SME division is also in charge of the Bci's Nace and Renace programs, the Outstanding Entrepreneur Award, and the Entrepreneurship Route, which as part of our shared value strategy seeks to support our customers in the financial area and the daily management of their enterprises.



## Commercial Banking

The aim of this division is to offer products and services 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.

To meet the diverse needs of its customers, the Commercial Banking division has 25 commercial platforms throughout the country. They all serve customers with commercial executives and specialists in each of those areas.

## BCI Corporate & Investment Banking

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

It is targeted at large corporations, financial institutions, high net worth investors and the financial market with financial service needs of a high value. The aim of Bci Corporate & Investment Banking is to proactively offer comprehensive solutions to each customer by means of strategic planning per customer, in which all the specialist areas participate.



## 7.3 Investor Relations

In 2013, the Bank undertook activities to enhance investor relations, highlighting the following:

- The bases were published of the issues and the applicants to be on the Board in 2013 to be put to the vote of the Annual Ordinary and Extraordinary Shareholders' Meeting.
- The Bank made an annual conference call with the participation of the CEO, in which the results were reported.
- Meetings and individual conference calls were held with institutional investors like pension fund administrators (AFPs), mutual fund administrators, stock brokers, insurance companies, and international investors from the U.S.A., Europe, Asia and Latin America.

It should be noted that the Bank was ranked in first place of Corporate Transparency for the quality and timely delivery of important information for investors. That was due to investor relations practice, like maintaining relations with and providing information to national and international risk rating agencies, making presentations for investors, producing and publishing quarterly earnings releases of the Bank, the executive production of the Bank's Annual Report, and participation in roadshows to place bonds in international and local markets.

### Main Management Committees

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

The following are Bci's main management committees<sup>22</sup>:

- Operating Risk Committee
- Bank Operating Risk Committee
- Information Security and Technology Risk Committee
- Regional Credit Risk Committee
- Corporate Credit Committee
- Corporate Investment Banking Credit Committee
- Commercial Banking Credit Committee
- Steering Committee
- Strategic Planning Committee
- Asset Laundering Prevention Committee
- Ethics Committee
- Assets and Liabilities Committee (ALCO)

<sup>22</sup> To learn more about the function of each committee, see Bci's 2007 Corporate Governance and CSR report at [www.Bci.cl/accionistas](http://www.Bci.cl/accionistas)



## 7.4

### Shareholders' agreement

Shareholders related to the Yarur Family, who as of 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 is available to other shareholders and interested third parties.

## 7.5

### Prevention and control of money laundering, financing of terrorism and corruption

The corporate compliance and prevention management is in charge of detecting, overseeing and reporting unusual or suspicious operations that might be related to money laundering, financing of terrorism and bribery to comply with the principles and values of the Bci Corporation.

In 2013, the risk rating agency Feller Rate re-certified the criminal risk prevention model pursuant to the provisions of Law 20.393 of Bci and its subsidiaries.

The whistleblowing facilities, set up to receive information on the foregoing offenses, received 85 reports in 2013 that was five time more than in 2012. This was due to the training and dissemination program that generated greater employee awareness at corporate level.

#### Fraud prevention

The information security department, established in 2011 and which reports to the computer operation management, is a unit that monitors and manages the internal and external security controls. One of the areas that reports to it is the fraud prevention unit, which is in charge of overseeing financial transactions in the in-person and remote channels, giving the alert for any abnormal behavior that might be considered to be suspicious of fraud.

In 2013, the Bank witnessed a large increase in fraud attacks worldwide and also in the domestic market, seeing unprecedented criminal cases and modalities, which compelled the Bank to make a large effort and deploy all the potential of the experience of the department and its units, quickly designing and implementing risk patterns, detection rules and restrictions to control the growing threat. The timely action, precise execution of the fraud intelligence model, and the correct decisions made for this suitably managed the risk for customers, prevented financial losses and maintained the Bank's unquestioned status as a leader on security.

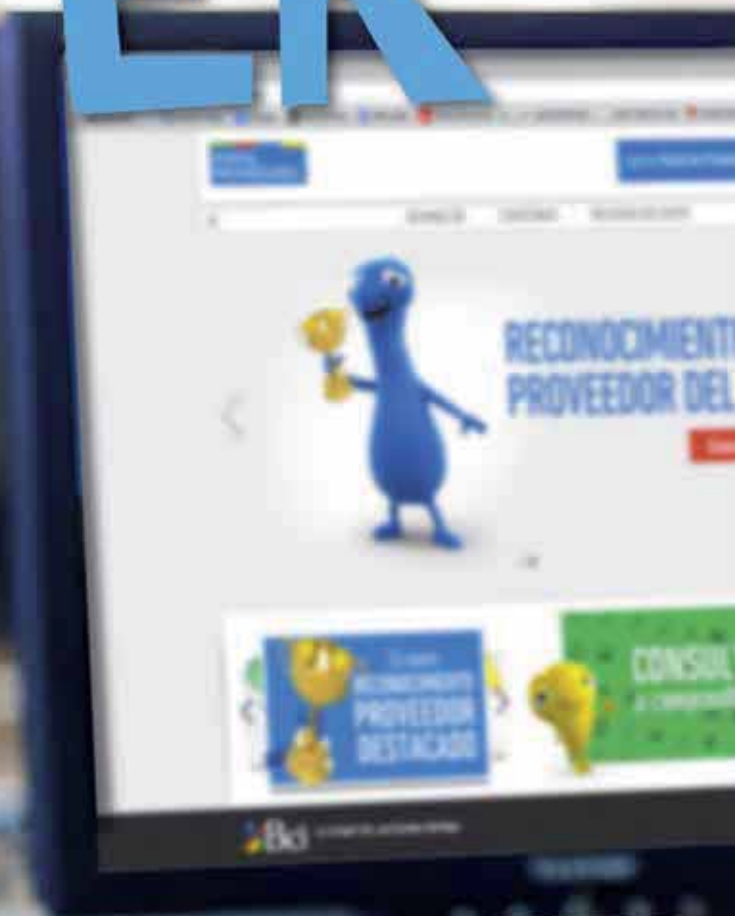
#### Regulatory compliance

The function that enables the Corporation to assess and manage the risk of non-compliance with the internal and external regulatory obligations is managed by the compliance area. In 2013, it focused on improving the quality of information given to customers and regulators, and enhancing the internal processes to assure regulatory compliance. This focus allowed for greater diligence and a better customer experience in keeping with one of the pillars of our corporate strategy.

# 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 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.**



# 8.

## Sustainable Suppliers

---

The development of SMEs has been one of Bci's main pillars since it started up as a bank. It is stated in the corporate mission, and this special focus on enterprise has led to preferential support and financing programs in the last few years, and to the inclusion of a shared value model that drives Chile's economic, social and environmental progress. In that context, the continuous progress and sustainability of its suppliers has become one of the Bank's top priorities. Bci strives to forge mutually beneficial supplier relations, based on top quality processes and standards, and on principles like loyalty, transparency and regulatory compliance.

Bci has a portfolio of occasional suppliers and recurring suppliers. The latter category comprises around 500 companies of different sizes, which are those on which the Bank specifically focuses all its help and development initiatives.

To continue to make progress with this goal, in 2013 Bci continued to bolster its supplier interaction channels, encouraging them to embrace good management practice and rewarding their contribution excellence. The highlights of this work were the CSR meetings organized for suppliers, the official launch of the new Bci supplier website and that virtually all invoices are paid in less than seven days.

## 8.1

### Supplier payment and **"Sello ProPyme"**

In 2011, Bci was awarded the *Sello ProPyme* (Pro-SME Distinction) by the Ministry of Economy, which distinguishes those companies that pay 100% of their suppliers in no more than 30 days. In 2012, the Bank obtained from the same government department the verified payment term (CPPV) certificate, which updated the *Sello ProPyme* and consolidated the company's new achievements in this area, like reducing the supplier payment term to three days on average and channeling 100% of internal payments through the Systems Application Programming (SAP) system.

In 2013, the Bank made further improvements to its processes to continue to improve its commitment of timely and efficient supplier payment. This work, which involved enhancing the relationship between the Bank's payment center line and the administrative service units, increased the number of suppliers whose invoices are paid in less than seven days to virtually 100%. Likewise and as established by the certification, in 2013 the Bank commissioned an independent auditor to review the compliance to renew the *Sello ProPyme*.

The Bank's objective in 2014 is to carry on optimizing its invoice payment systems to make them even faster and more effective.



## 8.2

### CSR meetings with suppliers

With the aim of encouraging its suppliers to include CSR aspects in their management and thereby make a direct contribution to the sustainability of these companies, in 2013 Bci organized a cycle of workshops on this. There were five work meetings in the year, each focused on a specific CSR aspect, attended by 330 representatives of the Bank's suppliers.

Besides experts on the different facets of sustainability, executives from different Bci areas got involved to present the Bank's experience in this area. The specific issues addressed in these CSR Meetings were:



Based on the results of the evaluation survey conducted by the communications and CSR management after each of these events, there was 99% general satisfaction with the initiative. Likewise, the number of participants who considered that the program met their expectations and helped their business averaged 98%. Considering the supplier satisfaction with these meetings and the interest of those attending to continue to participate in this kind of training, the objective is to repeat the cycle of workshops in 2014. The following were the main opinions of the participants in the same survey:

*"Very good initiative to share the Bank's CSR mission with suppliers"*

*"It was nice to participate in the talks that have helped our company"*

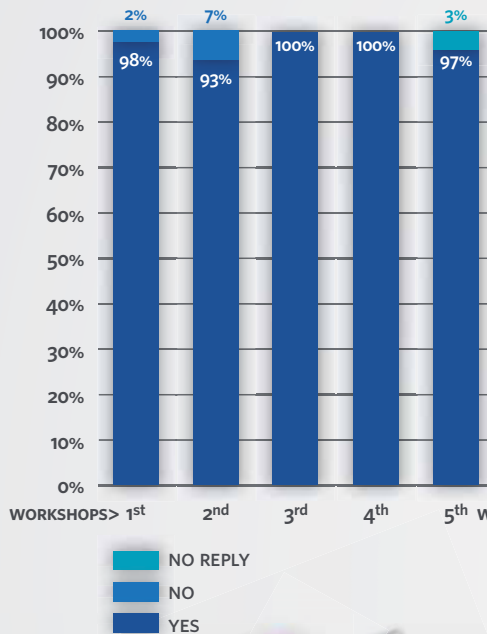
*"Excellent initiative. In the three meetings I attended, I felt more than a supplier and part of the Bci strategy"*

*"Very good initiative. It helps to get suppliers closer to Bci"*

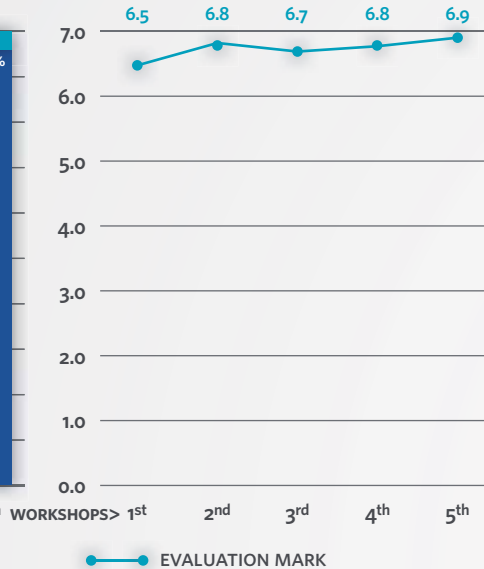
*"Very good. It stimulated thought and reflection on how to add value to our role as a supplier of the Bank."*

## CSR Meeting Evaluation

### HAS THE ISSUE ADDRESSED HELPED YOU AND YOUR BUSINESS?



### GENERAL SATISFACTION



At the same time, Bci handed out a CSR self-evaluation questionnaire to its recurrent suppliers. The objective of this was to help these service providers to identify their current responsible practice application level, create awareness among them of the need to include a sustainable focus in their performance and disseminate the Bank's commitment to this management

vision. Out of the 120 companies that answered the questionnaire, the Bank selected a subset of companies which it visited to draw up a CSR plan and thereby have more sustainable suppliers that generate value for Bci and improve competitiveness.

## 8.3 Supplier dialogue

Bci continued to implement the supplier meeting program, which is an important opportunity to listen to supplier companies, enabling them to understand those aspects of their management that need to be improved. Recently, for Bci it has become an opportunity for reflection with suppliers on the innovation challenges set by the Corporation.

The Bank organized one breakfast meeting a month in 2013. 12 companies on average attended each of these meetings, along with the procurement manager, a representative from the procurement area and managers from the service units related to the sector.





## 8.4 Supplier website

In 2013, the Bank officially launched its new supplier website. This tool, whose pilot plan started to operate in late 2012, allows suppliers to find out about the status of their invoices and purchase orders, and access important information and content for their business, like Bci's procurement policy or the requirements for participating in the Outstanding Supplier Award, and talk to the company in a two-way conversation.

During the year and once the system had been set up, the Bank's efforts were aimed at massifying its use among recurring suppliers. This work meant that at year end 230 companies out of a total of 500 were using the website regularly.

The implementation of this platform coincided in 2013 with the publication of corporate transparency measure 21 on the need of making an application of this kind available to suppliers.

## 8.5

### Good supplier practices

To encourage recurrent suppliers to include responsible measures in their performance, in 2013 Bci distributed a pamphlet with 10 good service practices to these companies. The publication contained tips on conduct, aspect and attitude, particularly targeted at external company employees who provide service to the Bank's internal customers and final customers.

On the other hand, Bci took advantage of the dialogue generated at the breakfast meetings with suppliers to find out how these companies have adopted these recommendations. In 2014, the Bank will continue to bolster this content, this time by means of informative spaces on the supplier website.

Bci oversees good supplier practice, particularly in the area of regulatory compliance and labor commitments, by means of the same consultant in charge of the tender process. This follow-up is above all focused on honoring the obligations with workers like paying wages and social security contributions.

## 8.6

### Recognition

In 2013, Bci once again gave awards for the Outstanding Supplier and Outstanding External Company Employee. 930 employees of suppliers were entered for the latter award by the same number of internal employees of all the Bank's areas. Recognition for each one of the winners in the five categories, consisting of a diploma of recognition and a giftcard, was given at a breakfast meeting to which the winners, the general manager of the company for which they work, and the manager of the Bci area to which they provide services were invited.

Bci gave the Outstanding Supplier Award early in the year. This award is given to those companies whose work and commitment are a contribution to meeting Bci's common purpose which is to "make dreams come true with trusting relations throughout our customers' lives."



**Outstanding  
SUPPLIER AWARD**

- **Carey y Cía. Ltda. law office** in the outstanding track record category.
- **ML Consulting** in the innovation and future vision category.
- **Agencia de Viajes Turavión Ltda.** in the best customer experience category.
- **Servicios y Asesorías ADA Ltda.** in the CSR category.
- **Productora de Eventos y Comunicaciones Sobregolf** in the enterprise category.

## 8.7

### Bci supplier experience

The progress made by Bci with its supplier relations was recognized by these companies in two satisfaction surveys conducted by the Bank in 2013. In the first of these in March, the replies were an improvement on 2012, mainly regarding the perception of performance aspects like the payment process and the degree of closeness. The main challenge of the survey was the clear and early provision of the characteristics of development projects. This engagement facet was considered to be very important by suppliers, as it determines whether these companies are able to timely meet Bci's requirements.

#### H2 2013 SUPPLIER SURVEY

##### Business Relationship

Bci favors and encourages a long-term relationship with your mutually beneficial company **91%**

The quotation or tender process is handled with the same opportunities as for other suppliers **94%**

##### Bci Payment Center

The payment process is quick and timely **90%**

The supplier payment process is accurate (without errors) **94%**

The payment dates are honored **90%**

##### Overall Rating and Suggestions

How satisfied are you as a supplier of the Bci Corporation? **85%**

Bearing in mind all the aspects of your relationship as a supplier of the Bci Corporation, do you consider it to be a reliable company and easy to do business with? **91%**

The main objective set in 2014 in this area is to draw up and implement a supplier experience model, based on the customer experience focus the Bank has been implementing in all areas since 2012. With this strategy, the Bank will address some of the gaps there still are in its supplier relations, it will create new communication and engagement channels, it will promote supplier development, it will seek to enhance the supplier website and will speed up the procurement system processes, among other aspects.







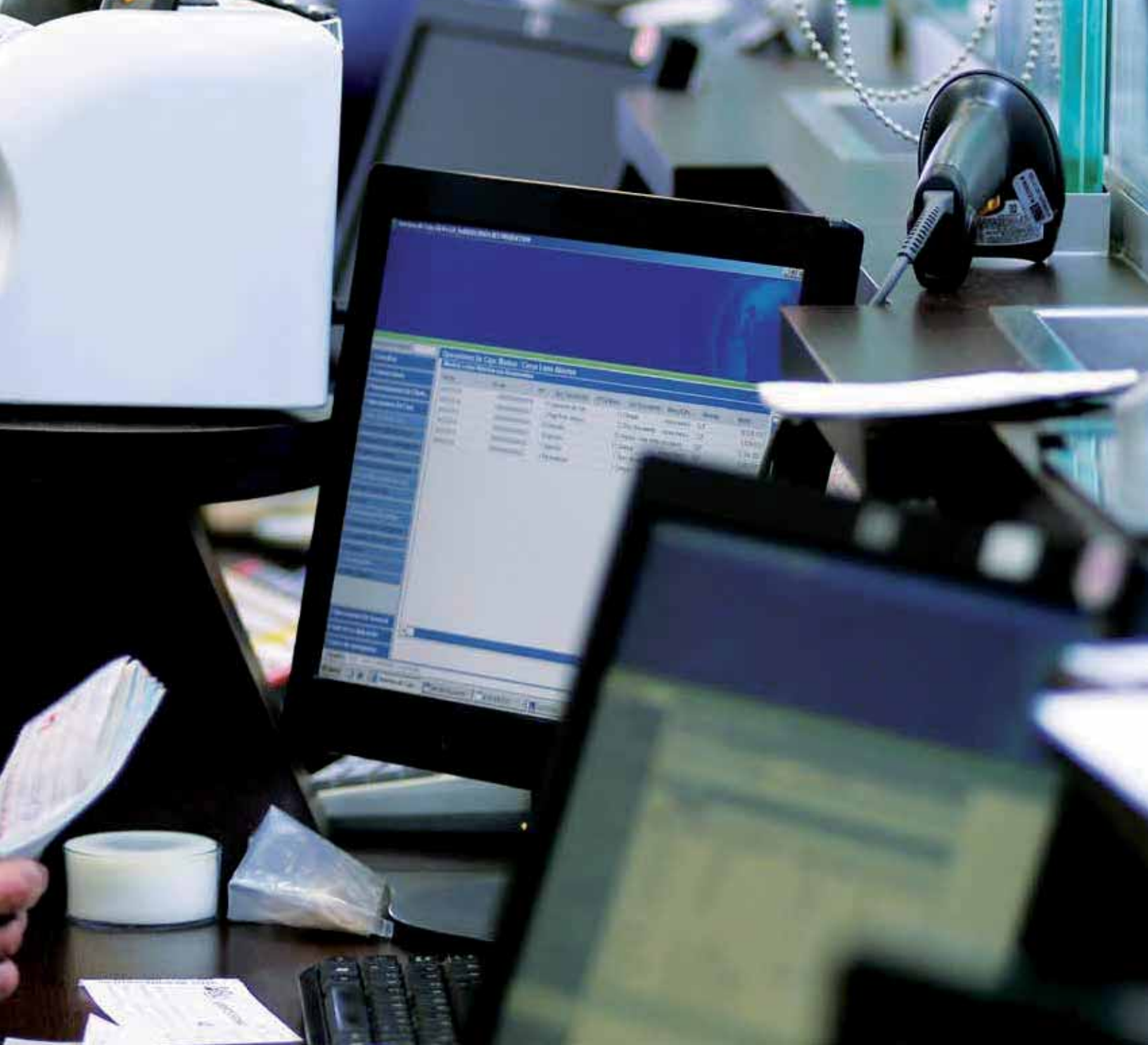
## A different experience

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**

# OPPORTUNITIES *for* EVERYBODY

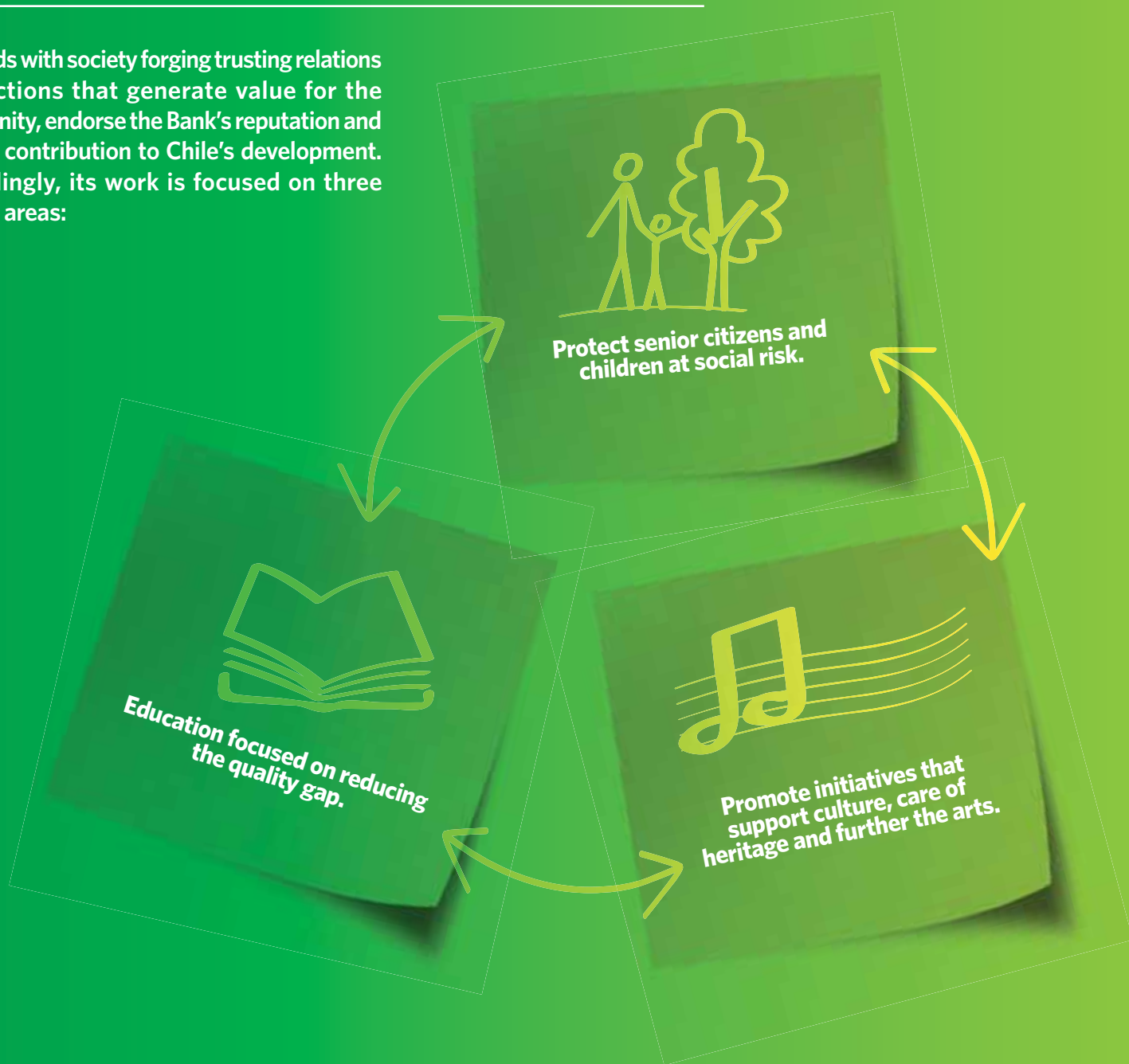




# 9.

## Community commitment

Bci bonds with society forging trusting relations with actions that generate value for the community, endorse the Bank's reputation and make a contribution to Chile's development. Accordingly, its work is focused on three priority areas:







## 9.1

### Corporate volunteers

In early 2012, Bci put the new corporate volunteer strategy in place. This required the annual design of a work schedule with the three Bci-supported foundations: Las Rosas Foundation<sup>23</sup>, Corporación Crédito al Menor (CCM), and Mi Parque Foundation<sup>24</sup>. It was developed from the corporate volunteer plan created in 2011, whose key objectives were to bolster the Bank's commitment to society, make a contribution to a suitable work environment, and enhance leadership skills in internal teams.

In 2013, Bci complemented these guidelines with the launch of its volunteer policy. This document defines Bci's corporate volunteer program and the way in which the Bank gives its employees the possibility of volunteering their time and skills for the service of the community. In general terms, the volunteer policy outlines the objective, operation and work areas of this task at Bci, and informs the organization of all the benefits of this program.

#### EXCERPT OF THE VOLUNTEER POLICY

##### CORPORATE VOLUNTEER OBJECTIVES

*Generate a feeling of employee pride with Bci; enhance Bci's bond with the community with which it engages and foster leadership and teamwork skills.*

##### AREAS OF ACTION

*Protection of senior citizens and children at social risk; care of the environment*

##### BENEFITS FOR VOLUNTEERS

*Any Bci employee shall have two hours a month in his or her working hours to participate in volunteer programs. Bci shall provide the resources needed to undertake activities, like transport and food, and opportunities to disseminate these activities, like the website "Yo me sumo" (I'm in) and other internal and external means.*

Besides publishing the corporate volunteer policy, in 2013 Bci created the Volunteer Committee, whose aim is promote participation and get the opinion of volunteers about the programs. Likewise, it generated the "I'm a Volunteer" recognition pin and started to develop activities by area, beyond those of a transversal nature. This initiative increased the number of participants in volunteer programs to 529 in 2013, a 71.2% increase on 2012.

**The number of employees participating in corporate volunteer activities increased by 71.2% in 2013.**

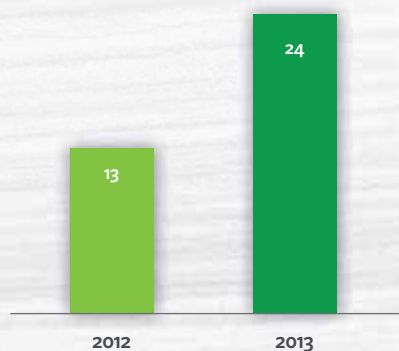
<sup>23</sup> [www.flrosas.cl](http://www.flrosas.cl)

<sup>24</sup> [www.miparque.cl](http://www.miparque.cl)

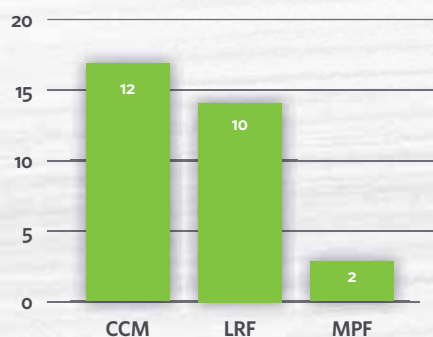
Out of the 24 volunteer activities undertaken in 2013, Corporación Crédito del Menor accounted for 12, the Las Rosas Foundation for 10, and the Maipú and Larapinta communities through the Mi Parque Foundation accounted for the remaining two.

The most important volunteer activities carried out in 2013 with each of the institutions that receive support from Bci were as follows:

**TOTAL VOLUNTEER ACTIVITIES UNDERTAKEN IN 2012-2013**



**TOTAL VOLUNTEER ACTIVITIES UNDERTAKEN IN 2013 BY BENEFICIARY ORGANIZATION**



INSTITUTION	ACTIVITIES	Nº OF VOLUNTEERS
<b>Corporación de Crédito al Menor</b>	Sports workshops, Independence Day celebration, mathematics and English workshops, visit to Fantasilandia, visit to Telecanal (Call Center), vegetable garden workshop, visit to the zoo, Easter and the Resurrection, celebration of a meaningful Christmas, and team activities from different areas of the Bank.	485
<b>Las Rosas Foundation</b>	Escorted visit to the Calle Vidaurre Home, recreational visit to the Melipilla Home, escorted visit to the San Juan de Pirque Home, vegetable garden workshop at the Isla Maipo Home, visit to the Ranchillos-María Pinto Home, clean-up operation at La Reina home, Christmas celebration at the Ñuñoa Home, 2km walk, annual collection for Las Rosas Foundation and visit to the Casablanca Home.	135
<b>Mi Parque Foundation</b>	Planting in the Larapinta Garden and planting at the Plaza La Granja	68

The highlight of these activities was the annual collection for the Las Rosas Foundation due to its importance in sustaining this institution. This was carried out on November 8 and 30 Bci volunteers acted as street collectors.

To get new donations for this same institution, throughout December Bci ran the "Make a donation to the Christmas dinner for the senior citizens of the Las Rosas Foundation" campaign, which successfully met all the expectations.



## 9.2

### Commitment to education

Bci has been a strategic partner of the Enseña Chile Foundation<sup>25</sup> since 2010, and channels its contribution with an annual money donation and by participating actively on its Management Council, in its Communications Committee, and by providing professional volunteers for some of its activities.

The aim of Enseña Chile is to build a movement of national professionals of excellence in various disciplines who commit to transforming education in Chile by teaching at vulnerable schools for two years. Its work model is inspired by the Teach For America<sup>26</sup> project, a US institution that has become the most important provider of teachers for low-income sectors in the United States.



<sup>25</sup> [www.ensenachile.cl](http://www.ensenachile.cl)

<sup>26</sup> [www.teachforamerica.org](http://www.teachforamerica.org)







## 9.3 Different culture

### Concert for the community

In 2013, Bci organized its renowned “Free Concert for the Community” for the seventh year running. The event, held on November 23 in the Araucano Park, was attended by President Sebastián Piñera and his wife Cecilia Morel.

The work chosen for this concert was Carmina Burana by the German composer Carl Orff, in the version of the Catalan theatrical group “La Fura dels Baus.”

This mise-en-scène, which involved over 150 artists on the stage, took place as part of the partnership signed by Bci and the Municipal Theater. Regarding this and considering that the presentation coincided with the fire that affected this iconic cultural center in Santiago, whose program also included this work as the November attraction, both institutions decided to stage two free concerts instead of just one as originally programmed.

Over 15,000 spectators attended the two concerts, a record figure that easily tripled the attendance of 4,000 people in 2012.



## Guided Art Tours

With the aim of showing the community the important art collection conserved in its corporate building, every year Bci organizes an open "Guided Art Tour" April through November.

As part of this activity, targeted at customers, employees and the community in general, visitors can see the 47 pieces of silver, 24 ceremonial stones of the Mapuche culture and 70 Chilean paintings of this artistic and cultural collection, whose creation was the idea of Juan Yarur Lolas in 1940.

Nine guided visits were held in 2013 in which 140 people participated, whose satisfaction with the initiative for 98% of the cases was a mark of 6 to 7, according to the survey conducted by the Bank after each tour. These nine annual visits were complemented in May with a further three as part of the Cultural Heritage Day, an official program to which Bci adhered, and which opened 300 historical buildings and monuments in Chile free of charge to the community.

These visits, which brought together over 90 people, were run by an art historian, whose presentation showed the value of some of the paintings in the set owned by the Bank, including works by artists like Pedro Lira, Alberto Orrego Luco, Alfredo Valenzuela, Roberto Matta, Claudio Bravo and Benito Rebolledo.

**Bci participated in the  
"Cultural Heritage Day"**

DIFFERENT  
culture

more than  
230  
people



## 9.4

# Protection of senior citizens and children at social risk

As part of its sustainability strategy, the Bank includes with great conviction its commitment to senior citizens through the Las Rosas Foundation, and the support of children at social risk through Corporación Crédito al Menor (CCM).

### Las Rosas Foundation

Bci's sustainability strategy action area includes with great conviction senior citizens, in a society that is ageing and needs to open up opportunities for this increasingly more majority and influential age group. The Bank has set the target of promoting the participation of senior citizens in our society and giving more value to their contribution to it.

#### FOURTH 2KM WALK "HERE THE YEARS DON'T APPLY"

In 2013, Bci organized for the fourth year running the 2km walk for senior citizens. With the motto "Here the years don't apply," the aim of this activity was once again to make people aware of the value of senior citizens and their contribution to society. The event, which was sponsored by the National Senior Citizen Service (SENAMA<sup>27</sup>), and the Chilean Geriatrics and Gerontology Society, was held in the Araucano Park in the district of Las Condes in early October and managed to bring together 1,060 senior citizens, double the turnout of 450 senior citizens in 2012.

With this initiative, developed for the benefit of the Las Rosas Foundation, the Bank aims to generate integration, physical activity and leisure outdoors so senior citizens can lead a more active and healthier life.

#### LAS ROSAS FOUNDATION COLLECTION

To help with the annual collection for this institution, 30 Bci volunteers worked as street collectors and a further five were in charge of organizing the internal collection in the Bank.

#### CHRISTMAS CELEBRATION

The purpose of this was to spend time with residents at four homes of the Foundation in the Metropolitan region over Christmas. The celebrations were organized on different dates and in which 33 volunteers participated.

### Corporación Crédito al Menor

Corporación Crédito al Menor (CCM) was established in 1990 by a group of Bci employees to provide protection to girls and teenage girls whose rights have been gravely violated and who have no protective family.

In 1993, Bci built "Villa Jorge Yarur Banna" in the district of La Pintana, which has 10 family houses that can take in 60 girls.

#### CAMPAIGN TO BOOST MEMBERSHIP

With the aim of making more Bci people aware of supporting CCM girls, in 2013 a campaign was launched to boost membership, with 485 employees becoming members of CCM. At the close of 2013, member employees accounted for 36.8% of CCM's income.



### CCM Mission

*"Our mission is to provide protection to girls and teenage girls whose rights have been gravely violated, promoting their education and comprehensive development in an environment of family life with the aim of attaining their social and/or family reinsertion."*





## 9.5 Social Contribution

Commensurate with its Donations Policy, the funding given by the Bank for this purpose "must finance works or projects that generate social, educational and/or cultural wealth for a large number of people, preferably poor people." Based on these guidelines, in 2013 Bci donated Ch\$3,693,462,757 to social, educational and cultural activities, which was an increase on the Ch\$3,072,039,513 in 2012.

The table below shows the amounts donated by the Bank to each of its priority action areas throughout the year.

**Bci's SOCIAL CONTRIBUTION BY AREA (CH\$ MILLION)**

AREA	2010	2011	2012	2013
Education	663	892	651	498
Culture	1,075	1,368	1,562	1,513
Society	493	649	857	1,682
<b>Total</b>	<b>2,231</b>	<b>2,909</b>	<b>3,070</b>	<b>3,693</b>

# 10.

## Environmental Commitment

---

Bci has had an environmental strategy since 2013 with which it seeks to become a bank renowned for its environmental commitment and for generating long-term value, minimizing its footprint with innovative solutions that make a contribution to Chile's sustainability. To achieve these objectives, this strategy considers three main areas of action (sustainable operation, sustainable customers and mobilization to action), in each of which it sets concrete targets, related activities and specific timescales.



In 2013, Bci's environmental management was marked by the drafting of its environmental strategy. This document was the company's decision to reorder and systemize with clear and formal guidelines all the initiatives carried out in the environmental area in the last few years. From the strategic standpoint, for Bci to define these guidelines was also the opportunity of enhancing a responsible management approach increasingly more important as a differentiating element in the market.

To draft it, the company analyzed the best domestic and international practice on this,

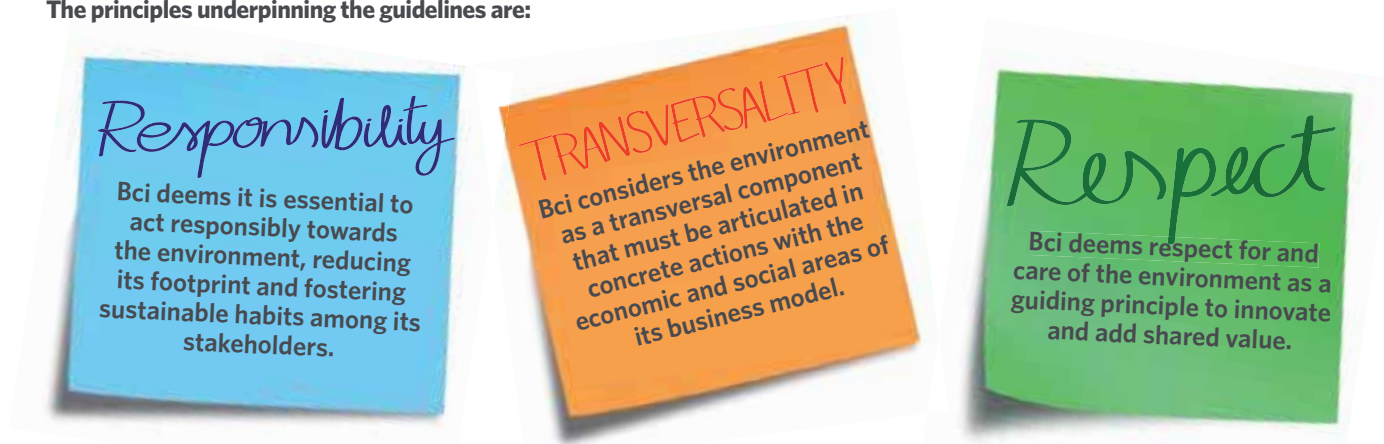
and held a round of in-depth interviews with experts from the Bank and outside professionals. Likewise, it organized a program of co-construction workshops in which around 45 executives from the risk, administration and communications areas, energy efficiency commission and human resources, product and procurement managements participated, and during which the main aspects of the model were outlined.

The outcome of this transversal effort was a strategy whose core objective is to allow Bci

to "be a bank renowned for its environmental commitment, generating long-term value and minimizing its footprint with innovative solutions to make a contribution to Chile's sustainability."

The environmental strategy aims to mobilize employees, customers and suppliers with specific initiatives in the challenge of environmental care and systematically informing its employees, customers, suppliers, shareholders and the community, along with opinion leaders, the authorities and social organizations of these actions and their results.

#### The principles underpinning the guidelines are:



This environmental strategy recognizes three main areas of action to achieve its objective: sustainable operation, sustainable customers and mobilization to action. Each of them sets out specific areas of improvement with concrete challenges and activities established to achieve such targets.

The action plans considered in this strategy include new activities and actions that are part of the Bank's historical environmental management. In 2013, the initiatives undertaken for the first time included supplier training on environmental issues (further information is available in the Supplier chapter), and in the ongoing program category there was progress attained with energy efficiency (further information is available on the next page).

The shift in approach that the roll-out of the strategy will entail for these plans is outlined in the specific targets assigned to each one and the timescales defined to carry them out. Regarding this, it should be highlighted that the Bank has established specific metrics to oversee these commitments and thereby generate steady annual improvement.

The table below shows the roadmap proposed by the company for its environmental management in the 2014 to 2016 period.

#### Areas and objectives envisaged in the strategy

AREA	OBJECTIVE
<b>Sustainable Operation</b>	Undertake concrete and innovative action to regulate and minimize the direct and indirect environmental footprint of the Bank's activities.
<b>Sustainable Customers</b>	Develop and drive environmentally innovative products and services.
<b>Mobilization to Action</b>	Make stakeholders aware and train them so they make a real and conscious commitment to environmental care.





## 10.1

### Sustainable Construction

In 2010, Bci decided to launch a special program to give its network of new offices and corporate buildings energy efficiency and sustainability aspects and standards for the construction processes themselves. This project had its first big milestone in 2011 with the inauguration of the ecological Vitacura branch, a service point that started up with Leadership in Energy and Environmental Design (LEED) certification, which certifies that environmental sustainability principles were used in its construction, like renewable energies, water management, energy efficiency, environmental quality in interiors and material and resource management. In 2012, this same office officially received the German Passivhaus<sup>28</sup> energy efficiency certification, certifying the building has an hermetic construction preventing energy loss and a low energy demand for heating and refrigeration, among other aspects.

In 2013, Bci's main progress with this work was securing LEED certification for the two new corporate buildings built in Santiago, one in Alcántara street in the district of Las Condes, and the other in Huérfanos street in downtown Santiago.

#### LEED certification for new buildings

Whereas the Alcántara building received basic LEED Core & Shell for normal use from December 2013, the building in Bandera/Huérfanos street, whose inauguration ceremony was held in October, secured basic LEED New Building certification. Some of the components used in the construction of both buildings were:

Home control efficient  
lighting system

Efficient air-conditioners

Efficient protection shell for  
thermal and acoustic control

Efficient water consumption  
devices

Bci has set a target in this area to carry on making progress with the inclusion of some sustainable construction aspects in its new branches, like efficient lighting and air-conditioning systems, and to continue to develop pilot plans to install solar panels in specific offices, like Tocopilla.

<sup>28</sup> [www.passiv.de](http://www.passiv.de)



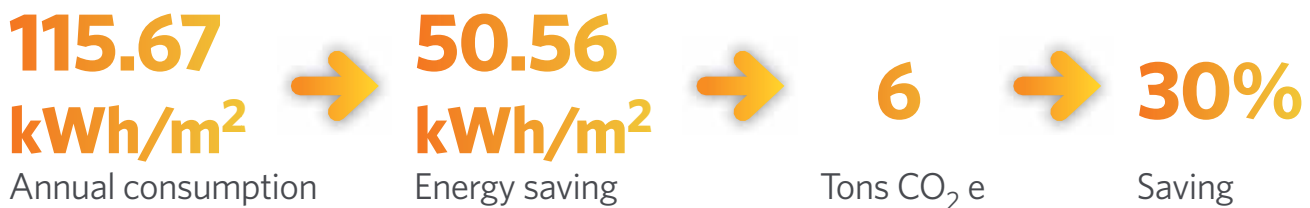


## Ecological Vitacura branch performance

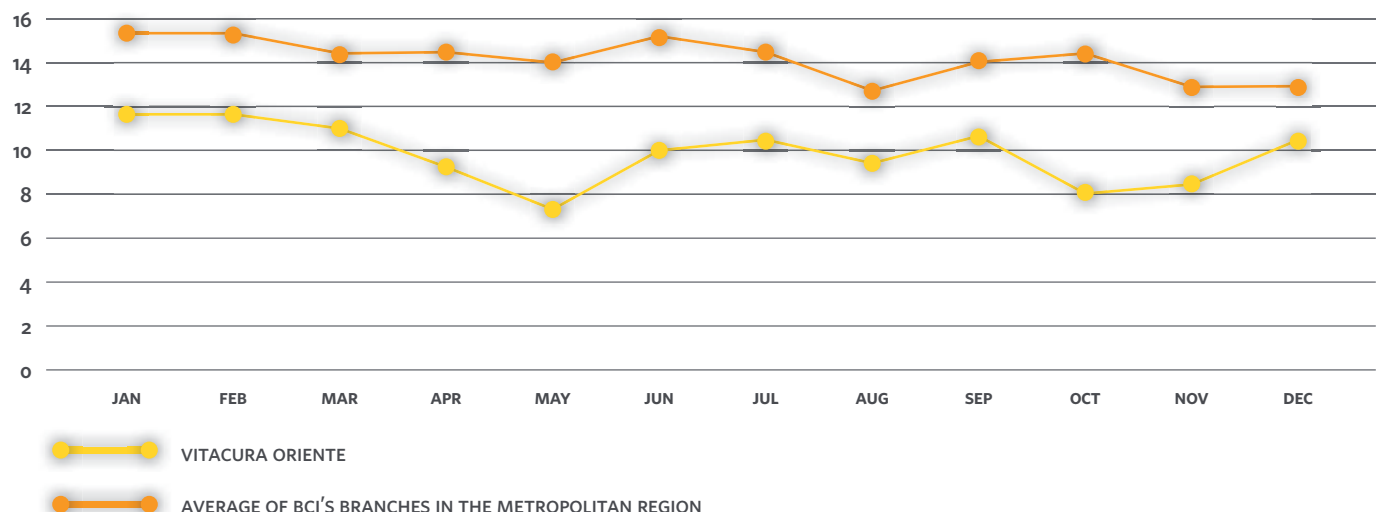
Considered to be the first building in Chile and Latin America to secure Passivhaus energy efficiency certification, the Vitacura branch stands out for the quality of its protective membrane allowing for thermal and acoustic control, the use of solar panels that provide 20% of the total power needed by the facilities and efficient interior and exterior lighting systems.

The energy consumption of this branch was 115.67 (kWh/m<sup>2</sup>) in 2013, which was a 30% saving on the average consumption of 166.23 (kWh/m<sup>2</sup>) of Bci's branches in the Metropolitan region. This 50.56 kWh/m<sup>2</sup> efficiency meant a reduction of 6 tons of CO<sub>2</sub> equivalent in the year.

### ENERGY PERFORMANCE OF THE VITACURA ORIENTE BRANCH



### ENERGY CONSUMPTION PER M<sup>2</sup> (KWH/M<sup>2</sup>)





## 10.2

### Energy Efficiency

In 2013, Bci started to gather and process the energy efficiency and consumption data using a more systemized methodology and a corporate scope criterion. To such effect, it was supported by the external consultant Efizity<sup>29</sup>, a firm specialized in service like energy management and cost optimization based on a real time and centralized data collection model. This joint work arose after such consultant was the finalist in the Green Start-Up competition, organized by Fundación Chile and Universidad del Desarrollo and sponsored by Bci. As such, the company's innovation management invited Efizity to present its services to the Bank's real estate area.

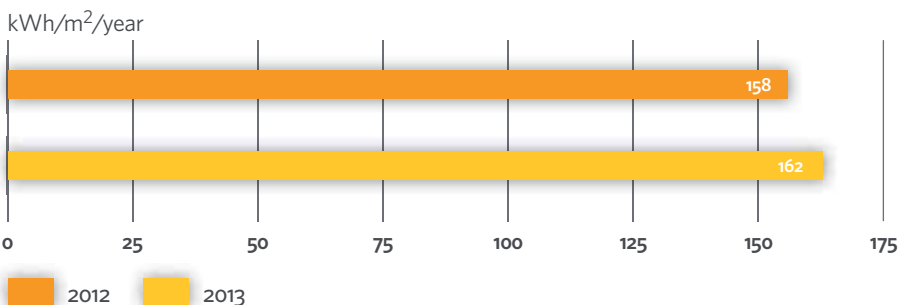
This systematic vision of its energy performance enabled Bci in 2013 to accurately gauge its energy consumption, launch new efficiency initiatives and set realistic future targets in this area.

Moreover, the highlights of the year were the programs to replace traditional lighting with LED-type lighting, the analysis work and execution of new projects by the Bank's Energy Efficiency Commission and the release of the corporate energy efficiency policy.

#### Direct energy consumption

In 2013, Bci and Efizity jointly established a new energy consumption calculation model based on the energy efficiency policy and which measures the energy consumption intensity by area ( $\text{kWh}/\text{m}^2$ ). This electric power consumption criterion envisages the energy efficiencies made with improvements to the current infrastructure and the incorporation of new buildings with better environmental performance. Taking the consumption in 2012 as the comparison baseline, the measurement results in 2013 were as follows:

ENERGY CONSUMPTION INTENSITY BY AREA ( $\text{kWh}/\text{m}^2/\text{YEAR}$ )



The measurement of the  $\text{kWh}/\text{m}^2$  a year involves the real consumption of buildings and branches that are connected to the Chilectra, CGE, EMEL, Chilquinta and SAESA electric power distribution companies. These buildings and branches account for 89% of the  $\text{m}^2$  that Bci manages in total.

Based on the performance forecasted early in the year, Bci set a target of reducing its energy consumption by 10% by 2020.



<sup>29</sup> Efizity provides an online platform that automatically collects and manages the energy consumption of branches, which will facilitate access to data that is vital for energy management and to know how much energy the Bank consumes.



## Energy Efficiency Commission Management

This commission was established in early 2013 and convenes once a month. It comprises the branch and head office managers, the procurement manager, and the maintenance head, who runs it. It is also supported by the heads of different units, like the helpdesk head and the people in charge of the corporate buildings. It is responsible for the energy efficiency management of all the Bank's buildings, and the analysis of short, medium and long-term projects developed for this.



### Main programs undertaken in the year

- Replacement of the traditional fluorescent tube lighting of branch facade signs with LED lighting. By year end, this change had been applied to 75 offices. In 2014, the Bank will continue this change to the remaining 167 offices in Chile. This project entailed an investment of Ch\$700 million. It is estimated that the payback will be in 24 months. In practical terms, it will enable each office to reduce its facade lighting consumption by 70%.
- Installation of solar panels for hot water in the Telecanal building. Considering the success of this program, the Bank's decision is to repeat it in 2014 in other buildings where there is a cafeteria.
- Launch of a centralized data platform to monitor the power billing of all the branches in Chile.

These actions, plus others of a focused scope, like the change of lighting in the head offices, enabled the Bank to reduce its Ch\$3 billion electricity budget for 2013 by Ch\$200 million. The objective in 2014 is to attain similar efficiencies.

### FEATURES OF THE MAIN ENERGY EFFICIENCY PROJECTS UNDERTAKEN IN 2013

PROJECT	DESCRIPTION	INVESTMENT	ESTIMATED ANNUAL SAVING IN CH\$
<b>Replacement of facade signs</b>	Replacement of the fluorescent tube lighting of current signs with LED lighting.	Ch\$240 million	Ch\$119 million
<b>ACS Telecanal Building</b>	Installation of solar panels to provide the cafeteria with hot water	Ch\$8.9 million	Ch\$1.48 million
<b>Banco Nova Lighting</b>	Replacement of 375 fluorescent lights with LED lights	Ch\$18 million	Ch\$5.9 million
<b>Checking Account Building Lighting</b>	Replacement of 260 fluorescent lights with 500 LED lights	Ch\$48 million	Ch\$4.1 million



### Energy Efficiency Certification for innovation at the Valparaíso branch

Bci secured Energy Efficiency Certification for its energy efficiency advances at its Valparaíso branch. This certification is given by the Ministry of Energy and its aim is to identify and reward those companies that have established energy efficiency as a transversal policy, which have responsible monitoring units and energy management, and which have set specific targets to reduce energy consumption.

### Bci's Energy Efficiency Policy

To meet the main requirements set out in the Energy Efficiency Certification application bases, in the first half of 2013 Bci through its Energy Efficiency Commission focused on defining an energy efficiency policy. The outcome of this process was a guideline document that sets clear targets for reducing energy consumption with a set of efficiency initiatives, and in some cases execution started in 2013.



### New "construction energy consultants"

The Energy Efficiency Certification afforded the Bank the possibility of sending four of its executives for special training to get a certificate as a "construction energy consultant." Such courses, which will be given by the Chilean Energy Efficiency Agency in January 2014, will enable the company to have qualified specialists to carry on enhancing the corporate sustainable construction program.



## Energy Efficiency Challenges for 2014

Bci's challenges to carry on making progress with its energy efficiency model in 2014 include initiatives like:

### Create a ranking of branches to promote the reduction of energy consumption.

The Bank attempted to initially launch this project in 2013 as part of the collaboration between Bci and the consultant Efizity, but it was finally delayed as there was a prior need of gathering all the bank data on energy management. Once this task has been completed, the company will resume the idea in 2014 of ranking offices to generate competition among them based on their energy performance.

### Generate an interactive channel so Bci's employees send the Energy Efficiency Commission their suggestions on this.

The option being analyzed is to open a specific mailbox on the Intranet to receive such proposals.

### Train the Bank's customers on energy efficiency issues.

Bci is appraising the possibility of working with the Chilean Energy Efficiency Agency to give the Bank's customers tips on efficient energy consumption developed by this institution.

## FEATURES OF THE ENERGY EFFICIENCY PROJECTS FORECASTED FOR 2014

PROJECT	DESCRIPTION	INVESTMENT	ESTIMATED ANNUAL SAVING IN CH\$
<b>Replacement of signs in 2014</b>	Replacement of the fluorescent tube lighting on the current signs of 167 branches with LED lighting	Ch\$707 million	Ch\$119 million
<b>Branch automation system</b>	Installation of automated monitoring and control systems using Zwawe technology.	Ch\$50 million	Ch\$1.48 million



## 10.3

### "Wake up, the environment is in your hands" Program

This initiative has been developed since 2006 with the aim of not only creating awareness among Bci's employees of the need of taking care of the environment but also involving them actively in the Bank's water, paper and energy consumption reduction, and waste management programs.

In 2013, one of the advances of this work was the extension of the waste paper collection plan to all Bci's corporate facilities in downtown Santiago. Despite the increase in areas where the campaign was held, the amount of paper sent to recycling through the San José Foundation was lower than in 2012. This was due to the new bank regulations under which customers are given more hard copies that reduces the potential amount of paper to be recycled. The 54 tons removed in 2012 therefore dropped to 53 tons in 2013.

In regard to water consumption, the Bank continued to step up the installation of efficient consumption devices, like faucets with timers.

**Bci planted 3,000 trees in 2013 to help compensate for the carbon footprint generated by its mass events**

### Zero Emission Events

Commensurate with its strategic objective of reducing the environmental footprint caused by its activities, in 2013 Bci once again measured the carbon footprint of its mass activities to help compensate for the greenhouse gas emissions they generate by planting trees.

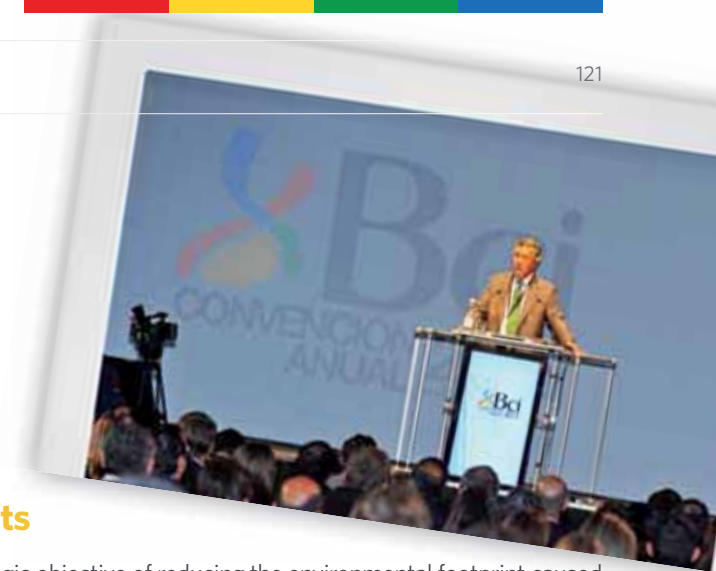
As part of this program, the Bank, with the support of the consultant Valor Sustentable, calculated that the five events with an audience of over 300 people organized in the year generated 114 tons of CO<sub>2</sub> equivalent, i.e., the Convention in March, the award ceremony for employees the same month, the Business Meeting in Antofagasta, the senior citizen walk and the Christmas Concert for the community. To help compensate for this impact, Bci had to plant 234 trees, but it planted 3,000 trees, which were planted by the NGO "Reforestemos Patagonia" (Let's Reforest Patagonia) in an activity called "Reforestón" (Huge Reforestation Campaign) 2013.

#### MATERIAL CONSUMPTION DATA IN 2013

TYPE OF CONSUMPTION	2010	2011	2012	2013
<b>Paper consumption in tons</b>	48.4	57.18	77.72	<b>53</b>
<b>Water consumption in thousands of m<sup>3</sup></b>	205	192.8	216.7	<b>263.6</b>

EVENT	DATE	EMISSIONS CO <sub>2</sub> E (TONS)	EQUIVALENT NATIVE TREES*
Convention	March 12	36.3	74
Award Ceremony	March 21	13.1	27
Antofagasta Business Meeting	October 1	22.9	47
Senior Citizen Walk	October 6	8.9	19
Concert for the Community	November 23	32.8	67
<b>TOTAL</b>		<b>114</b>	<b>234</b>

(\*): The number of equivalent native trees to compensate the emissions shown in this table is calculated considering that each tree captures 0.49 tons of CO<sub>2</sub> throughout its life.



# 11.

## Economic Performance

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

NET INCOME AND SHARE OF THE BANKING SECTOR<sup>1</sup>



(\*) Figures under new SBIF regulations.

(1) The banking sector excludes Bci and Corpbanca's investment in Colombia

## 11.1 The Banking sector and Bci in 2013

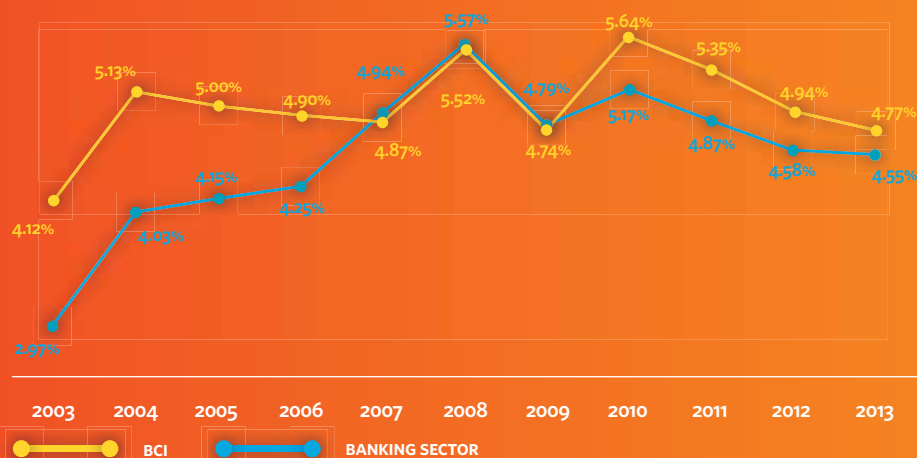
The graphs below show Bci's results and performance from 2003-2013, and the figures are given in nominal Chilean pesos:

### 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.

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 SECTOR<sup>1</sup>

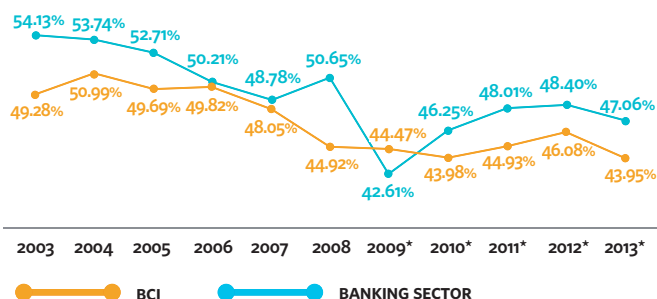


1) The banking sector excludes Bci and includes Corpbanca's investment in Colombia



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 RATIO<sup>1</sup>: BCI & THE BANKING SECTOR<sup>2</sup>



(\*) Figures under new SBIF regulations.

(1) A lower ratio means greater efficiency.

(2) The banking sector excludes Bci and includes Corpbanca's investment 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 SECTOR<sup>1</sup>



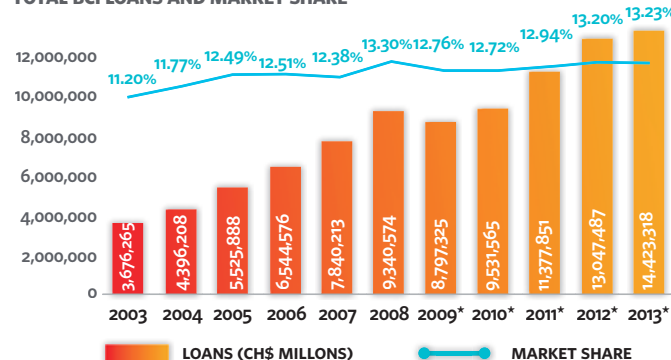
(\*) Figures under new SBIF regulations.

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

#### b) Market share

Bci's total loans (net of interbank 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 SHARE<sup>1</sup>



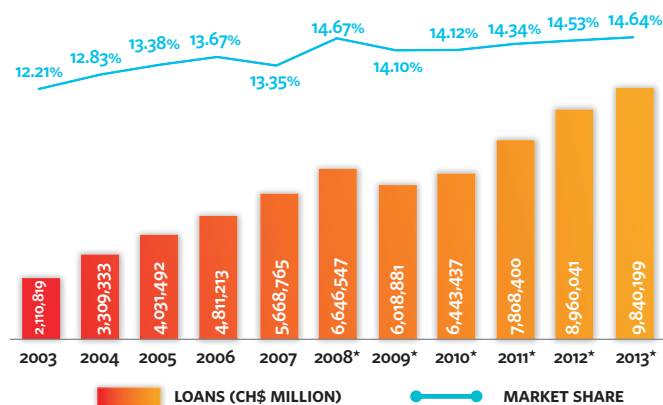
(\*) Figures under new SBIF regulations.

(1) Market share excludes Corpbanca's investment in Colombia

Total loans comprise commercial, consumer and mortgage loans. As 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.

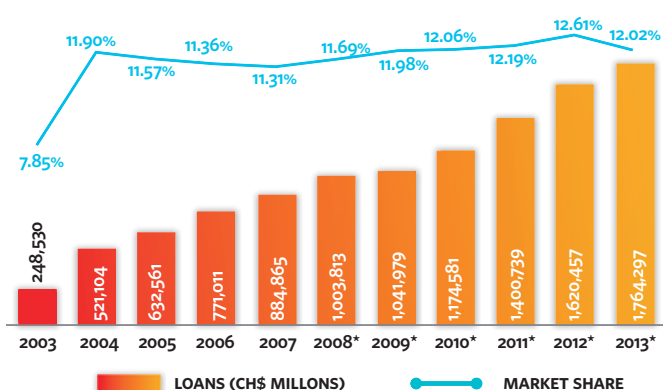
#### COMMERCIAL LOANS<sup>1</sup>



(\*) Figures under new SBIF regulations.

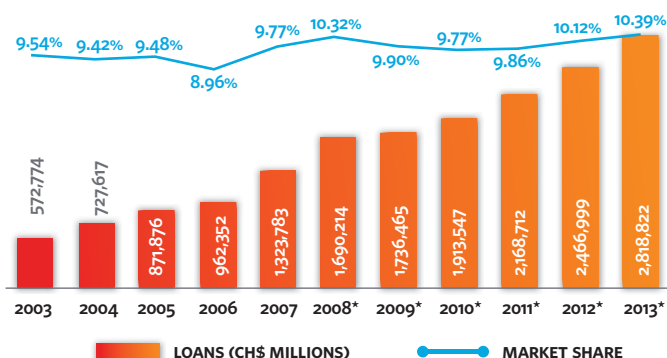
(1) Market share excludes Corpbanca's acquisitions in Colombia

#### CONSUMER LOANS<sup>1</sup>



(\*) Figures under new SBIF regulations.

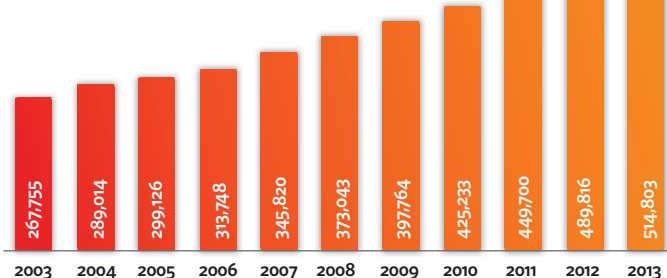
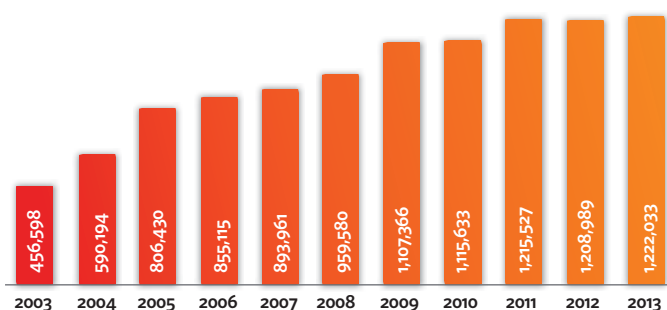
(1) Market share excludes Corpbanca's acquisitions in Colombia

**MORTGAGE LOANS<sup>1</sup>**

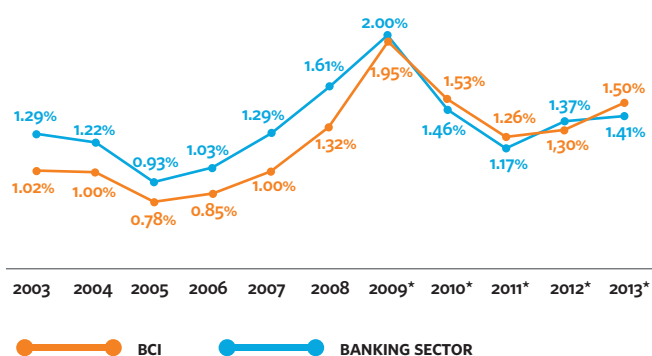
(\*) Figures under new SBIF regulations.

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<sup>30</sup> 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 SECTOR<sup>1</sup>**

(\*) Figures under new SBIF regulations.

(1) The banking sector excludes Bci and includes Corpbanca's investment 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.

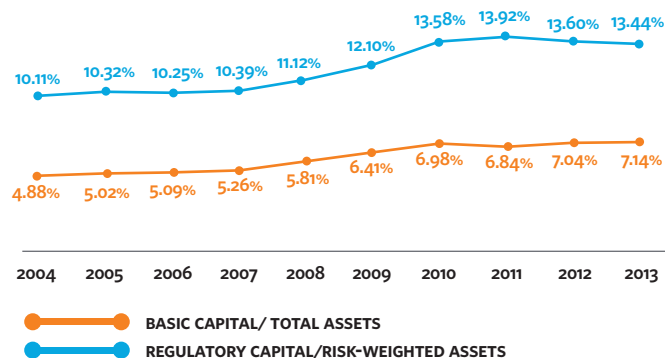
**ALLOWANCES TO TOTAL LOANS: BCI AND THE BANKING SECTOR<sup>1</sup>**

(\*) Figures under new SBIF regulations.

(1) The banking sector excludes Bci and includes Corpbanca's investment 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: BASEL RATIO**<sup>30</sup> Non-interest bearing deposits

## 11.2

### Economic value generated and distributed

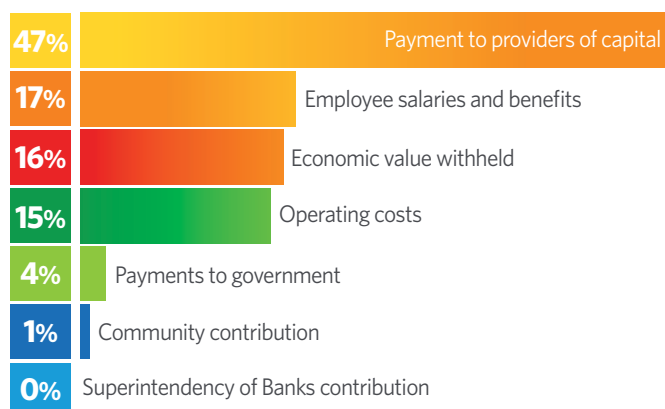
The economic value generated by Bci in 2013 amounted to Ch\$1,464,748 million, which was a 5.2% year-on-year increase. In terms of economic value distributed, as shown in the table below the company generated value for its product and service providers, its employees, shareholders, financial creditors, the community and the Chilean IRS.

<b>ECONOMIC VALUE GENERATED<sup>1</sup></b> (given in Ch\$ million)	<b>2013</b>	<b>2012</b>
<b>a) Revenue</b>	<b>1,464,748</b>	<b>1,392,496</b>
Revenue	1,456,889	1,385,937
Income from investment in corporations	7,859	6,559
<b>ECONOMIC VALUE DISTRIBUTED</b>		
<b>a) Operating costs</b>	<b>(215,166)</b>	<b>(209,032)</b>
Administration expenses and others <sup>2</sup>	(174,738)	(170,182)
Depreciation and amortization	(40,428)	(38,850)
<b>c) Employee salaries and benefits</b>	<b>(251,957)</b>	<b>(234,923)</b>
<b>d) Payment to providers of capital</b>	<b>(682,453)</b>	<b>(668,180)</b>
Shareholders (dividends)	(91,565)	(86,073)
Financial resource providers <sup>3</sup>	(590,888)	(582,107)
<b>e) Payment to government (income tax)<sup>4</sup></b>	<b>(62,135)</b>	<b>(55,847)</b>
<b>f) Superintendency of Banks contribution<sup>5</sup></b>	<b>(4,995)</b>	<b>(4,444)</b>
<b>g) Community contribution<sup>6</sup></b>	<b>(7,586)</b>	<b>(4,163)</b>
<b>h) Economic value withheld<sup>7</sup></b>	<b>240,456</b>	<b>215,907</b>

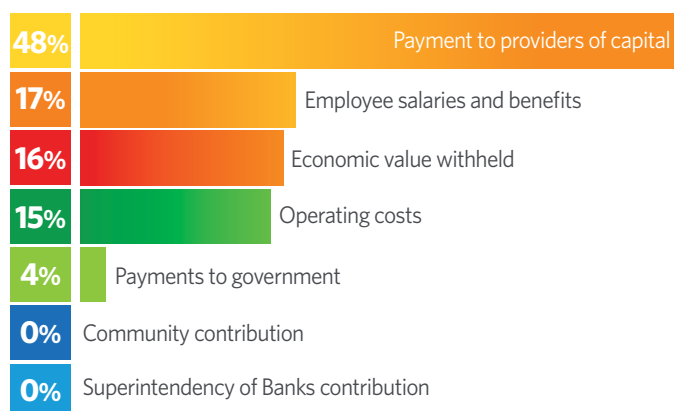
#### NOTES:

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

#### ECONOMIC VALUE DISTRIBUTED 2013



#### ECONOMIC VALUE DISTRIBUTED 2012



## 11.3

### Financial assistance received from the government

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

#### CREDITS 2011-2013

ITEMS	2011	2012	2013
Credit for training expense	1,249	1,213	1,423
Credit for donations	20	1,779	1,572
Credit for fixed asset purchases	1,250	15	12
<b>Total government contribution</b>	<b>2,519</b>	<b>3,007</b>	<b>3,007</b>

\*Total donations are tax items less expenses for various sponsorships - membership fee expenses



## 11.4

Financial  
Overview 2013

				UNDER NEW REGULATIONS¹						CHANGE	
CONSOLIDATED BALANCE SHEET	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%	
<b>Total net loans</b>	<b>6,325,576</b>	<b>7,615,284</b>	<b>9,397,768</b>	<b>9,406,660</b>	<b>8,743,772</b>	<b>9,383,286</b>	<b>11,173,148</b>	<b>12,836,430</b>	<b>14,195,222</b>	<b>10.6%</b>	
Financial Investments	845,762	1,019,781	1,452,092	1,458,519	1,951,298	1,346,687	2,072,068	1,994,900	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%	
<b>Total assets</b>	<b>8,766,574</b>	<b>10,029,139</b>	<b>12,796,372</b>	<b>12,762,937</b>	<b>13,121,522</b>	<b>13,195,284</b>	<b>16,109,661</b>	<b>17,926,578</b>	<b>20,246,669</b>	<b>12.9%</b>	
NIBDs	1,543,020	1,776,766	2,021,931	2,021,931	2,400,959	2,844,029	3,172,480	3,618,365	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%	
<b>Total Liabilities and shareholders' equity</b>	<b>8,766,574</b>	<b>10,029,139</b>	<b>12,796,372</b>	<b>12,762,937</b>	<b>13,121,522</b>	<b>13,195,284</b>	<b>16,109,661</b>	<b>17,926,578</b>	<b>20,246,669</b>	<b>12.9%</b>	

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

				UNDER NEW REGULATIONS <sup>1</sup>						CHANGE
FINANCIAL INDICATORS	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 <sup>2</sup>	12.51%	12.38%	13.30%	13.30%	12.76%	12.72%	12.94%	13.20%	13.23%	0.03
Risk										
Allowance expenses <sup>3</sup> (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 <sup>4</sup> (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 <sup>5</sup> (December of each year)	8,984,343	11,792,742	18,510,037	18,510,037	24,827,278	12,925,182	14,434,020	10,472,378	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

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

<sup>2</sup> Excludes Corpbanca Colombia.

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

<sup>4</sup> ATM withdrawals.

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

# 12.

## Appendices

### 12.1

## Memberships and voluntary agreements

Bci participates in all the sectorial organizations, chambers of commerce and trade associations in which it is possible to share its experience on sustainable management and business. Moreover, this relationship

enables it to know the best practice in this area and to be a pioneer on industry, environmental and social issues.

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



## 12.2

### International partnerships and agreements

Bci has commercial relations with a network of over 1,000 correspondent banks worldwide to facilitate and optimize the foreign trade operations of its customers.

#### Partnership with Banco Popular, Spain

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



#### Cooperation Agreement with Banco de Crédito del Perú

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



#### Cooperation Agreement with Banco Internacional de Costa Rica

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



#### Cooperation Agreement with Banco Credicoop in Argentina

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



#### Cooperation Agreement with Intesa San Paolo, Italy

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



#### Partnership with Wells Fargo in the USA

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



# 12.3

## Sources **consulted**

To draw up this 2013 Sustainability Report, 768 written materials were reviewed to support the information, and 37 people participated by means of interviews and providing information. As every year, the Board of Directors reviewed the final version.

### **Bci Culture and Community**

- Communication and CSR manager

### **Corporate Governance**

- General secretary and manager
- Information security department assistant manager
- Corporate compliance and prevention manager
- Regulatory compliance head
- Business development management analyst

### **People**

- Human resources manager.
- Compensation executive, compensation and management assistant management.
- Compensation assistant manager, human resources management.
- Corporate recruitment and selection assistant manager.
- Personnel process and service head.
- Value offering and communication executive, organizational development and training management.
- Labor welfare head, human resources management.
- Organizational studies project head, organizational development and training management.
- Manager training assistant manager, organizational development and training management.
- People development head, people development department.
- Corporate health, safety and environmental head, labor relations management.
- Labor relations executive, labor relations management.
- Labor relations executive, labor relations management.
- Value offering, communications and competencies head

### **Customers**

- Customer experience manager, Commercial and Private Banking.
- Customer experience management manager, Retail Banking.
- Customer experience and corporate image manager
- Change management manager.
- Transparency manager, Change management.
- Innovation manager.
- Development and mobile innovation assistant manager.
- Channel manager.
- Online and mobile sales manager.
- Commercial Banking business manager
- Nace and Renace program executive
- Emerging Banking manager.

### **Suppliers**

- Procurement manager, procurement and supplier management.

### **Community**

- CSR head.
- CSR executive.

### **Environment**

- Real estate management support executive.
- Manager of Efizity, a Bci consultant on energy issues

## Written Sources Reviewed

- Press coverage analysis, January 2013
- Press coverage analysis, January 25 – February 7, 2013
- Press coverage analysis, March 1-31, 2013
- Press coverage analysis, April 1-30, 2013
- Press coverage analysis, May 1-31, 2013
- Press coverage analysis, June 1-30, 2013
- Press coverage analysis, July 1-31, 2013
- Press coverage analysis, August 1-31, 2013
- Press coverage analysis, September 2013
- Press coverage analysis, October 2013
- *Contacto* online May 2013
- *Contacto* online April 2013
- *Contacto* online October 2013
- Noticeboard December 2012
- Noticeboard March 2013
- Noticeboard April 2013
- Noticeboard May 2013
- Noticeboard June 2013
- Noticeboard July 2013
- Noticeboard September 2013
- Noticeboard October 2013
- Noticeboard November 2013
- 716 Intranet notes
- Luis Enrique Yarur Speech – Convention 2013
- Luis Enrique Yarur Speech – US bank purchase 2013
- Luis Enrique Yarur Speech – Award Ceremony 2013
- 2013 communication strategy
- Enseña Chile final report 2013, December 2013
- Board's Extraordinary Meeting N°33 minutes
- Board's self-evaluation process methodology
- Board's self-evaluation process result 2013
- Board meeting and committee director attendance report
- Cases of business ethics, BCI
- Information for the fraud prevention section
- Investor relations area activities 2013
- 2013 report on corporate transparency in Chile
- *Contacto* online and noticeboard magazines 2013
- "Bci business culture" internal document
- "Bci Financial Education – *Con Letra Grande*" presentation
- "Customer experience and image management 2013" presentation with 2013 objectives by area.
- "Bci business culture" internal document
- Enseña Chile Foundation final report 2013
- 2013 noticeboard
- "Bci business culture" internal document
- Corporate volunteer policy
- Corporate volunteer performance report 2013, drawn up by Trascender Foundation
- Internal and external campaign images of the "Concert for the Community and "Guided Art Tours"
- Bci's environmental strategy
- Zero emission events summary report, drawn up by Valor Sustentable
- 2012 *Contacto* online and noticeboard magazines
- "Bci business culture" internal document
- Sustainability Report
- Energy performance report 2013 by Efizity
- Real estate management executive summary 2013
- Social enterprise fund bases
- "Capital for your Interests" presentation
- User manual of the "Capital for your Interests" mini website
- Induction presentation

# 12.4

## Global Compact Principles

### Global Compact

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

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

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

### Principles

#### HUMAN RIGHTS

**1.** Businesses should support and respect the protection of internationally proclaimed human rights.

**2.** Make sure that they are not complicit in human rights abuses.

#### LABOR

**3.** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**4.** The elimination of all forms of forced and compulsory labor.

**5.** The effective abolition of child labor.

**6.** The elimination of discrimination in respect of employment and occupation.

#### ENVIRONMENT

**7.** Businesses should support a precautionary approach to environmental challenges.

**8.** Undertake initiatives to promote greater environmental responsibility.

**9.** Encourage the development and diffusion of environmentally friendly technologies.

#### ANTI-CORRUPTION

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



# 12.5

## GRI Index

GRI ELEMENT	Reporting Level	Global Compact Principle	Page Number
<b>PROFILE</b>			
<b>1. STRATEGY &amp; ANALYSIS</b>			
1.1. Statement from the most senior decision-maker of the organization.	●		5 - 7
1.2. Description of key impacts, risks and opportunities.	◐		5 - 7
<b>2. ORGANIZATIONAL PROFILE</b>			
2.1. Name of the organization.	●		12
2.2. Primary brands, products and/or services.	●		12 - 14
2.3. Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●		14 - 14
2.4. Location of the organization's headquarters.	●		12 and 14
2.5. Countries in which the organization operates.	●		12
2.6. Nature of ownership and legal form.	●		12
2.7. Markets served.	●		12 - 14
2.8. Scale of the reporting organization.	●		12 - 14
2.9. Significant changes during the reporting period.	●		No significant changes in the reporting period.
2.10. Awards received in the reporting period.	●		16 and 17
<b>3. REPORT PARAMETERS</b>			
<b>REPORT PROFILE</b>			
3.1. Reporting period for the information provided.	●		8
3.2. Date of most recent previous report.	●		8
3.3. Reporting cycle.	●		8
3.4. Contact point for questions related to the report or its content.	●		Flap
<b>REPORT SCOPE &amp; BOUNDARY</b>			
3.5. Process for defining report content.	●		8
3.6. Boundary of the report.	●		8
3.7. State specific limitations on the scope or boundary of the report.	●		8
3.8. Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities.	●		8
3.9. Data measurement techniques and the bases for calculations.	●		8
3.10. Explanation of the effect of any re-statements of information provided in earlier reports.	●		8
3.11. Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●		8
3.12. Table identifying the location of the standard disclosures in the report.	●		132 - 135
3.13. External assurance.	●		8
<b>4. GOVERNANCE, COMMITMENTS, AND STAKEHOLDER ENGAGEMENT</b>			
4.1. Governance structure of the organization.	●		74 - 83
4.2. Indication of whether the Chair of the highest governance body is also an executive officer.	●		76
4.3. Number of members of the highest governance body that are independent or non-executive members	●		77
4.4. Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	◐		78 and 93
4.5. Linkage between payment for members of the highest governance body, senior managers, executives, and the organization's performance.	●		85 The Board has a fixed and variable remuneration depending on the company's profits. Payment of senior management is related to meeting the BSC targets, which include social and environmental factors.
4.6. Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●		The processes to avoid potential conflicts of interest in the operation of the Board are set out in the Bank's "Manual on handling and disseminating information for the market" and in the Code of Ethics.

GRI ELEMENT		Reporting Level	Global Compact Principle	Page Number
<b>4. GOVERNANCE, COMMITMENTS, AND STAKEHOLDER ENGAGEMENT</b>				
4.7.	Processes for determining the qualifications and expertise of the members of the highest governance body.	●		76
4.8.	Internally developed statements of mission vision and values.	●		26
4.9.	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance.	●		The Corporate Governance & CSR Committee is responsible for identifying risks & opportunities in relation to the Bank's economic, social and environmental performance, and how to oversee performance.
4.10.	Processes for evaluating the highest governance body's own performance.	●		85
<b>COMMITMENTS TO EXTERNAL INITIATIVES</b>				
4.11.	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	P7	Regarding its commercial and financial activities, Bci does not generate direct material impacts on the environment. However, through financing projects, it may indirectly affect ecosystems. The entity therefore requests environmental impact studies (EIS) for projects whose investment is over UF 300,000 prior to the approval of financing, also with the condition of environmental certificates being provided by the pertinent authorities during the course of the project, thus maintaining a preventive focus that benefits the environment.
4.12.	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●		Throughout the report.
4.13.	Memberships in associations.	●		129
<b>STAKEHOLDER ENGAGEMENT</b>				
4.14.	List of stakeholder groups engaged by the organization.	●		8
4.15.	Basis for identification and selection of stakeholders with whom to engage.	●		18 - 19
4.16.	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●		18 - 19
4.17.	Key topics and concerns that have been raised through stakeholder engagement.	●		8
<b>ECONOMIC DIMENSION</b>				
DMA	Management Approach	●		122
<b>ECONOMIC PERFORMANCE</b>				
EC1	Economic value generated and distributed.	●		125
EC2	Financial implications of climate change.	●		The company has not considered conducting studies on this issue, but will assess this.
EC4	Financial assistance received from government.	●		125
<b>MARKET PRESENCE</b>				
EC5*	Ratio of standard entry level wage compared to local minimum wage.	●	P1	69
EC6	Policy, practices and proportion of spending on locally-based suppliers.	●		In 2013, the Bank maintained the proportion of local to international suppliers in the last three years, and around 98% of the suppliers are locally-based.
EC7	Procedures for local hiring and proportion of senior management hired from the local community.	●	P6	All senior management positions are filled by Chilean professionals.
<b>ENVIRONMENTAL DIMENSION</b>				
DMA	Management Approach	●	P 7, 8 and 9	112 and 113
<b>ENERGY</b>				
EN3	Direct energy consumption by primary energy source.	●	P8	117
EN5*	Energy saved due to conservation and efficiency improvements.	●	P8, P9	117 - 119
<b>EMISSIONS, EFFLUENTS AND WASTE</b>				
EN16	Total direct and indirect greenhouse gas emissions.	●	P8	121
EN22	Total weight of waste by type and disposal method.	●	P8	121
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●		There were no fines or sanctions for non-compliance with environmental regulations.

GRI ELEMENT		Reporting Level	Global Compact Principle	Page Number
<b>SOCIAL DIMENSION</b>				
<b>LABOR PRACTICES AND DECENT WORK</b>				
DMA	Management approach	●	P 1, 3 and 6	54 The human resources management safeguards compliance with the objectives set by the Bank for its employees.
<b>EMPLOYMENT</b>				
LA1	Total workforce by employment type, employment contract, and region.	●		61
LA2	Total number and rate of employee turnover.	●	P6	61
LA3*	Benefits provided to full-time employees	●		56 and 57
<b>LABOR-MANAGEMENT RELATIONS</b>				
LA4	Percentage of employees represented by unions.	●	P1, P3	67
LA5	Minimum notice period(s) regarding operational changes.	●	P3	Bci has no policy on this.
<b>OCCUPATIONAL HEALTH &amp; SAFETY</b>				
LA6*	Percentage of total workforce represented in joint management-worker health and safety committees.	●		70
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities.	●	P1	70
LA8	Education programs in place for HIV or serious contagious diseases.	○		Not Relevant
<b>TRAINING &amp; EDUCATION</b>				
LA10	Average hours of training per year per employee.	●		63
LA11*	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.			62 - 65
LA12*	Percentage of employees receiving regular performance and career development reviews.			100% of employees
<b>DIVERSITY &amp; EQUAL OPPORTUNITY</b>				
LA13	Composition of management and governance bodies.	●	P1, P6	62, 72 and 73, 82 and 83
LA14	Salary ratio of women to men.	●	P6	Bci makes no gender distinction. It therefore reports the ratio of local minimum wage compared to that of the Corporation.
<b>HUMAN RIGHTS</b>				
DMA	Management approach	●	P1, P2, P3, P4, P5 and P6	Bci has different bodies and channels for upholding the rights laid down in law and in its Code of Ethics, such as the Ethics Committee, and "¿Qué hago?" telephone and e-mail facilities, among others.
<b>INVESTMENT AND PROCUREMENT PRACTICES</b>				
HR1	Percentage of significant investment agreements that include clauses incorporating human rights concerns.	●	P2	100% of its suppliers, as set out in the supplier policy.
HR2	Percentage of significant suppliers and contractors that have undergone human rights screening.	●	P2, P6	There were no remarks.
<b>NON-DISCRIMINATION</b>				
HR4	Total number of incidents of discrimination and corrective actions taken.	●	P1, P6	The Ethics Committee was informed of a series of situations involving failure to comply with or breaches of the Code of Ethics, in each case taking action to rectify the situations and proposing disciplinary action, when necessary.
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>				
HR5	Incidents in which the right to exercise freedom of association and collective bargaining may be violated.	●	P1, P3	Bci recorded no incidents in 2013.
<b>CHILD LABOR</b>				
HR6	Incidents of child labor, and measures taken to contribute to the abolition of child labor.	●	P1, P5	Bci recorded no incident in 2013. Bci does not have employees in its workforce who do not comply with what is set forth in the labor regulations of Chapter II, articles 13 to 18 of the Labor Code.
<b>FORCED LABOR</b>				
HR7	Risk or incidents of forced labor, and measures to contribute to the elimination of all forms of forced labor.	●	P1, P4	Bci complies with labor and civil laws.
<b>SOCIETY</b>				
DMA	Management approach	●	P10	104 The communications and CSR management is in charge of achieving the Bank's objectives regarding the community.



GRI ELEMENT		Reporting Level	Global Compact Principle	Page Number
COMMUNITY				
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	●	P1	104 - 111
CORRUPTION				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	◐	P10	30 and 31
SO3	Percentage of employees trained in the organization's anti-corruption policies and procedures.	●	P10	30 and 31
SO4	Actions taken in response to incidents of corruption.	●	P10	31
PUBLIC POLICY				
SO5	Public policy positions and participation in public policy development and lobbying.	●	P10	The Code of Ethics provides all the guidelines that must be followed regarding Bci's government relations.
SO6*	Total value of financial and in-kind contributions to political parties and related institutions by country.	●	P10	Bci complies with the provisions of the law regulating this issue.
ANTI-COMPETITIVE BEHAVIOR				
SO7*	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●		There were no actions of this kind in 2013.
REGULATORY COMPLIANCE				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations related to society engagement (government, community, academic institutions, NGOs, etc.).	●		There were no sanctions or significant fines in 2013.
FINANCIAL SERVICES SECTOR SUPPLEMENT				
SOCIETY PERFORMANCE				
FS13	Access points in low-populated or economically disadvantaged areas by type.	◐		39
FS14	Initiatives to improve access to financial services for disadvantaged people.	●		39
PRODUCT RESPONSIBILITY				
DMA	Management approach	◐	P1 and P8	34
CUSTOMER HEALTH AND SAFETY				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	○	P1	Not relevant
PRODUCT AND SERVICE LABELING				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	P8	Bci complies with all regulations and voluntary codes on this.
PR4*	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	P8	There were no incidents of non-compliance in 2013.
PR5*	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●		36
MARKETING COMMUNICATIONS				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●		Bci complies with all regulations and voluntary codes on this.
PR7*	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.	●		There were no incidents reported in 2013
CUSTOMER PRIVACY				
PR8*	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	P1	There were no incidents reported in 2013.
COMPLIANCE				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●		There were no incidents reported in 2013.
FINANCIAL SERVICES SECTOR SUPPLEMENT				
PRODUCT PORTFOLIO				
FS1	Policies with specific environmental and social components applied to business lines.	◐		See indicator 4.11
FS2	Procedures for assessing and screening environmental and social risks in business lines.	◐		
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	◐		See indicator 4.11
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	●		See indicator 4.11
FS5	Interactions with clients/investors/business partners regarding environmental and social risks and opportunities.	◐		There are no formal training processes on this policy.



#### **CONTACT**

Please contact us, should you want any further information.

#### **COMMUNICATIONS AND CSR MANAGEMENT**

##### **ADDRESS**

Alcántara 99, piso 6, Las Condes, Santiago de Chile.

##### **TELEPHONE**

+562 2692 7357

##### **E-MAIL**

ccorpor@bci.cl - www.bci.cl

##### **PRODUCED BY**

Communications and CSR management

##### **COMPOSITION, EDITING AND GRI GUIDELINES CONSULTANCY**

Yasmina Zabib

##### **COLLABORATION**

Beatriz Calderón  
Ivo Barraza

##### **DESIGNED BY**

Grupo Oxígeno

##### **PHOTOGRAPHS**

Ana María López / Thomas Wedderville

##### **BCI PHOTOGRAPH ARCHIVE**

Carlos Fernández

##### **PRINTED BY**

Fyrma Gráfica



**PEFC**<sup>TM</sup>

PEFC/24-31-3000

Promoting sustainable  
forest management

[www.pefc.org](http://www.pefc.org)

This report is PEFC-certified, assuring that the paper used comes from sustainably managed forests and controlled sources.