



BANCO CREDITO INVERSIONES

Corporate Governance, Corporate Social Responsibility
& Ethics Code



The human being is gregarious.

Since the beginning of time, man has needed to work together to achieve large objectives. This was how civilizations were formed. This is how man has lived to the present day. However, in order for this life in society to be harmonious, it needs regulations that are closely linked to concepts and values. Our Bank has the philosophy of gradually improving the life of persons and society, so this year we are explaining our **corporate governance** culture and our **corporate social responsibility**.

We are doing this because we are part of this society and we want every day to improve our responsibility and work with Chile and its people.

With our people.

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Corporate Governance

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Chairman's Letter

The Board of the Corporation
Management of Bci
Shareholders
External Auditors and Credit-rating Agencies



Luis Enrique Yarur



To our shareholders, staff, customers and the public in general

Over its 67 years of life, Banco de Crédito e Inversiones has had as its central object the values that its shareholders have wanted to set as tutelary directions for the Institution's activities.

These values and principles, which form the base of the Bank's Mission and which are also an important part of the pride that we feel in belonging to Bci, have as their essential pillar the idea that the person should be the center of all human activity, so every definition of objectives, policies and actions that the company implements should be consistent with the promotion of the personal, professional and family development of everyone related to it, particularly shareholders, staff and their families, suppliers, customers and the different communities in which it operates.

We therefore believe that the obligations of an entity like ours cannot always be limited to those which the law governs but that an ethical imperative should also exist that has to be met. As companies form part of a society that functions as a whole, the way in which they direct their business will necessarily affect members of the social body which will therefore end up by influencing the company's results.

In Bci, we firmly believe that our respect for these convictions largely explains the repeated successes of the company over its life-time. However, the way that today the companies, shareholders, staff and society in general interrelate makes it insufficient to carry out sound corporate governance and social responsibility policies without these also being communicated to all those sectors affected by the Bank's actions.

The community's opinion about the degree of transparency of an institution's management and companies' ethical behavior is increasingly important and, unless they introduce certain values into their internal functioning, they cannot achieve their objectives. We also believe that true corporate social responsibility cannot

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be understood to be a simple transfer of resources from one pocket to another; on the contrary, a healthy policy in this respect should consider that the funds destined for these purposes should be oriented to producing a social benefit that is sustainable over time. On the other hand, and especially as it is the funds of our shareholders that are involved, we understand in Bci that our actions in this field should coincide as far as possible with their objectives so that, by benefiting the different sectors mentioned in our Mission, we also seek to improve the return on the investment of those placing their trust in the company. It is not surprising therefore that the Bank's greatest efforts in the field of corporate social responsibility are directed to its own employees.

Bci has many things to be proud about. With this document, we want to share these with our shareholders and society in general so that what is known to us can also be appreciated by the rest of the community and further contribute to maintaining the solid corporate reputation the Bank enjoys, retaining this attribute as a competitive advantage for the company.

The following report is divided into two parts. The first, concerning corporate governance, contains a most complete description of the functioning of our company, considering all its management functions and the principal members of these, and a series of advances and proposals with respect to optimizing good corporate governance practices within the organization. This section also includes a description of the links between Bci and its related companies, and a chapter on the different institutions that regulate, audit and rate the Bank.

The second part of this document provides full information on the institution's policies and actions in the field of corporate social responsibility. We can say with great satisfaction that Bci was the first financial institution in Chile to provide stock options for its employees. We would also like to make public the extensive social network enjoyed by our staff so that the broad benefits of those working for the Bci Corporation are known. Our work concludes with the publication of the Ethics Code that regulates the conduct of our staff.





Values and principles, which form the base of the Bank's Mission and which are also an important part of the pride that we feel in belonging to Bci.



The objectives of this report also include a still more direct and transparent relationship with our shareholders, customers and analysts, by providing them with evidence of Bci's adaptation to the principles of commonly-accepted good corporate governance and the progressive process of identity between these recommendations and management practices within the Institution. This work therefore not only seeks to explain the current practices within the Bank but to inform about a series of measures that are being introduced within the organization to further improve our good governance practices. Among these, we can mention the creation of a Corporate Governance and Social Responsibility Committee which is composed of five Bank directors. A new self-evaluation policy has also been established within the board and a new directors' remuneration policy is proposed. In order to improve the information received by our shareholders and investors in general, it has been decided to open an office dedicated to attending these requirements.

For our Institution, this report is just the first step and marks the start of a process in which Bci intends to continue stressing the best practices in good governance within the Corporation and strengthening the delivery and transparency of the information that it provides to shareholders, customers, suppliers, staff and the community as a whole.

We hope that this document is of greater use for the interested public. Its contents are a reflection of many of the values identified with this Bank over its long life, which we now wish to share with you.

Sincerely,

Luis Enrique Yarur Rey
Chairman



Consolidated Balance Sheet

Figures at the end of each year, expressed in millions of pesos equivalent at 31 december 2004

	1994	1996	1998	2000	2002	2004
Loans	854,407	1,368,768	1,647,549	1,799,088	2,676,262	3,911,412
Mortgage loans	152,917	297,385	370,438	399,920	467,559	403,563
Contingent loans	94,736	202,566	232,675	197,060	315,128	406,193
Past-due Loans	5,645	8,742	24,794	42,944	37,917	43,875
Total loans	1,107,705	1,877,461	2,275,456	2,439,012	3,496,866	4,765,043
Financial investments	332,548	460,183	433,889	796,278	1,017,661	970,643
Other assets	393,057	555,950	736,801	669,197	658,988	1,128,846
Total assets	1,833,310	2,893,594	3,446,146	3,904,487	5,173,515	6,864,532
Sight deposits	510,253	798,285	867,795	893,998	1,164,284	1,375,261
Term & savings deposits	636,317	1,028,675	1,202,642	1,488,671	1,966,999	2,585,005
Other liabilities	582,856	924,881	1,180,150	1,280,459	1,719,166	2,478,379
Capital & reserves	82,582	111,488	156,017	201,013	263,577	337,190
Net income	21,302	30,265	39,542	40,346	59,489	88,697
Total liabilities	1,833,310	2,893,594	3,446,146	3,904,487	5,173,515	6,864,532

Financial Indicators

	1994	1996	1998	2000	2002	2004
Bci shares						
Price (restated pesos)	3,012	3,539	2,771	4,172	5,900	12,500
Earnings per share (restated pesos)	221.89	315.26	411.89	420.27	603.95	897.74
Share price / Book value (times)	3.50	3.05	1.70	1.99	2.20	3.66
Share price / Earnings per share (times)	13.57	11.23	6.73	9.93	9.77	13.92
Market capitalization (thousands of dollars)	516,500	606,915	475,113	715,486	1,037,605	2,206,351
Profitability & efficiency						
Return on equity	25.79%	27.15%	25.34%	20.07%	22.57%	26.30%
Previous year's income capitalized	62.58%	62.00%	68.05%	60.08%	51.10%	54.41%
Return on assets	1.16%	1.05%	1.15%	1.03%	1.15%	1.29%
Productivity (support costs / revenue income)	71.72%	68.90%	56.70%	59.50%	51.92%	52.96%
Assets per employee (millions of pesos)	615	862	879	959	1,288	973
Market share						
Loans	6.20%	7.40%	7.85%	7.91%	10.38%	12.20%
Risk						
Risk index	0.89%	0.73%	1.07%	1.90%	1.33%	1.18%
Past-due loans / Loans less interbank loans	0.51%	0.47%	1.09%	1.76%	1.08%	0.92%
Provisions / Past-due loans	2.25%	1.56%	1.34%	1.33%	1.50%	2.05%

Activity (number)

Employees (Bci Corporation)	2,983	3,355	3,919	4,072	4,017	7,053
Branches	106	116	141	143	141	198
Checking accounts	121,764	174,188	208,570	217,544	247,959	289,014
Debit accounts	65,777	107,636	197,282	245,653	340,478	590,194
Automated teller machines	95	145	282	303	398	506
ATM transactions (December each year)	1,161,398	1,785,396	2,224,356	2,889,601	3,445,773	3,836,141
Internet transactions (December each year)	---	---	---	810,836	3,474,855	10,044,296



1. The Board of Directors of the Corporation

- Mission and principles governing the work of the Board
- Composition of the Board
- Characteristics of the Board
- Requirements for becoming a member of the Board
- Functioning of the Board
- Policy of the Board with respect to transactions with related parties
- Special powers conferred by the Board on the Chairman
- Participation of Directors in the ownership of the company
- Participation of directors in management positions in Empresas Juan Yarur S.A.C. and its subsidiaries
- Board self-evaluation process
- Directors' remuneration

2. Bci Management

- Ethics Code
- Senior Executives
- Principal Management Committees
- Participation of the management of the ownership of the company
- Staff remunerations policy

3. Shareholders

- Information available to shareholders
- Principal Shareholders
- Shareholders Agreement
- Institutional Shareholders

4. External Auditors and Credit Rating Agencies

- Examination and approval of the reports of the external auditors
- Independence of the external auditors
- Other work carried out by the external auditors
- Other audits
- Credit-rating agencies



Corporate Governance



The example of a symphony

Music and its diverse sounds make up a symphony, where each sound is different, each one interpreted by a person behind an instrument. This beautiful mix is not casual but the product of a combined effort. Without a conductor to coordinate, order and direct the orchestra, nothing would be possible despite the talent of the band. Everyone together creates one symphony, governed by rules, languages and codes that finally give pleasure to those who listen.



The Board of Directors of the Corporation



Mission and principles governing the work of the Board

All the actions of the board of the Corporation are governed by the following principles:

- Bci's Ethics Code which contains the principles that should inspire the way that the businesses of all members of the Corporation are conducted, covering aspects of commercial behavior in relation to shareholders, customers, suppliers, staff and their families and the public in general, referring also to eventual conflicts of interest between the personal conduct of those working for the Institution and their position in Bci.
- The board of the Institution should take care that every one of its acts are carried out in the most transparent way possible so that there is no doubt that these have been made in strict compliance with its mission statement. The board shall also ensure that this principle covers all acts of the Bank's management.
- The directors should perform their work having complete information, in good faith, with due diligence and care and always watching over the best interests of the company and all its shareholders. To ensure compliance with these aims, the Corporation has established processes for permitting a complete and transparent flow of information to and from the board.
- When the decisions of the board can affect different groups of shareholders in different ways, the board should act with respect to all shareholders in a just way. It should therefore assure the freedom of opinion of all the directors and should motivate constructive criticism concerning the way that the Corporation's management performs.
- The board should direct its actions to ensure the long-term general profitability of Bci and ensure that the general interests of the community are protected, caring for the relations and interests of shareholders, customers, staff and society as a whole.

Mission

The board of the Corporation, at its meeting held on December 21, 2004, defined its mission as the following:

“The maximization of the long-term value of the company, taking care of the interests of every one of the shareholders, customers, suppliers, employees of the company and their families and society as a whole, ensuring the future viability and competitiveness of the company, with respect for the current law and the ethical duties contained in Bci's Ethics Code”.

Composition of the Board

As established in the law and the bylaws, the board of the Corporation is elected by the ordinary shareholders' meeting. The present board members were elected at the meeting held on 12 April 2004 for a period of three years, there being no restrictions on their re-election. On each occasion, the Bci shareholders have re-elected all those that had served until then as directors. There have been no changes in its composition since then.

The board itself elects a chairman and vice chairman from among its members. At its meeting held on 12 April 2004, the directors re-confirmed the appointment of Luis Enrique Yarur Rey as chairman of the board and of the Institution and Modesto Collados Núñez as vice-chairman, agreeing that in the absence of both, the director having served the longest term shall preside.

The following shows the terms served by each of the present directors of the Corporation:



Name	Position	Since
Luis Enrique Yarur Rey	Chairman	21 October 1991
Modesto Collados Núñez	Vice Chairman	14 March 1989
Jorge Cauas Lama	Director	19 March 1992
Pedro Corona Bozzo	Director	24 March 1998*
Sergio De Amesti Heusser	Director	24 March 1977
Alberto López-Hermida Hermida	Director	17 April 2001
Dionisio Romero Seminario	Director	27 February 1996
Manuel Valdés Valdés	Director	28 December 1976
Daniel Yarur Elsaca	Director	17 April 2001

* Pedro Corona Bozzo previously served as a director of Bci during the periods 1978-1980 and 1989-1996.

Characteristics of the Board

Historically, the board of the Corporation has been characterized for its high intellectual, professional and values qualities of its members. It is today composed of people from various sectors of Chilean professional life, including important representatives of different branches of economic activity, two former ministers of state and a former superintendent of securities and insurance, having exercised those functions during administrations of different political colors. This range of experience guarantees that discussion within the board takes into account different points of view and that the decisions adopted are agreed in the most informed way possible.

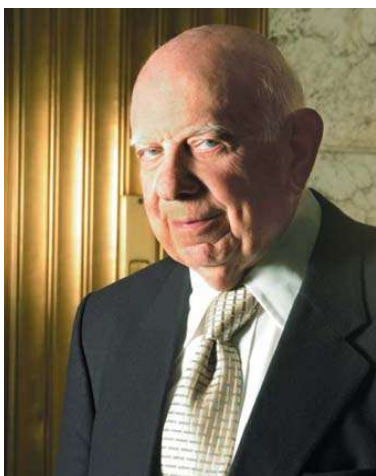
As a further example of the independence that exists between the shareholders and the board of the Corporation, it is important to point out that the only director related to the Bci controller's shareholders' agreement is Luis Enrique Yarur Rey.

The following provides a brief summary of the professional and academic experience of the directors of Bci and of its general manager, and the principal positions they occupy in other companies, whether or not related to the Bank.



LUIS ENRIQUE YARUR REY
CHAIRMAN

Master in Economics and Business Management, IESE, Spain and Lawyer from the Universidad de Navarra, Spain. He is currently chairman of Empresas Juan Yarur S.A.C., vice chairman of the Association of Banks and Financial Institutions, director of the Santiago Stock Exchange, member of the International Advisory Board, IESE, Spain, member of the ESE Business Advisory Council, Universidad de Los Andes, director of Bci Seguros de Vida S.A., director of Bci Seguros Generales S.A., chairman of Empresas Jordan S.A., vice chairman of Empresas Lourdes S.A. and director of Banco de Crédito del Perú, among other directorships. Prior to occupying his present position, he was the general manager of Bci for 11 years.



MODESTO COLLADOS NUÑEZ
VICE CHAIRMAN

Civil Engineer, Universidad de Chile. The positions he has occupied include professor of the School of Engineering of the Universidad de Chile, president of the Center of Engineering Students of Universidad de Chile, chairman of the Chilean Chamber of Construction, chairman of the Chilean Institute of Engineers, Minister of Public Works, Minister of Housing and Urbanism, Minister of the Economy, state counselor and chairman of the OAS Economic and Social Council. Among the numerous distinctions he has received are the Gold Medal of the Chilean Institute of Engineers, Gold Medal of the Chilean Chamber of Construction, National Engineering Prize of the Chilean Institute of Engineers, Rector's Medal Universidad Arturo Prat and Gold Medal of the Inter-American Federation of the Construction. Mr Collados has also published eleven books covering subjects related to literature, politics, philosophy, engineering and economics.



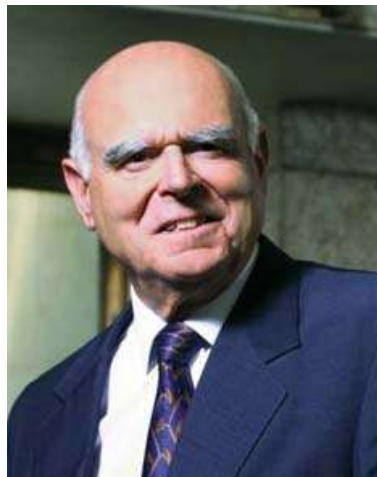
JORGE CAUAS LAMA
DIRECTOR

Master of Arts in Economics, Columbia University, USA and Civil Engineer from the Universidad de Chile. Full member of the Academy of Social Sciences, Politics and Morals of the Institute of Chile, vice chairman of Empresas Juan Yarur S.A., chairman of Bci Seguros Vida, chairman of Bci Seguros Generales, council member of the Center for Public Studies and member of the business advisory council of ESE, Universidad de los Andes. He has been a professor at the Universidad de Chile and the Pontificia Universidad Católica de Chile, vice chairman of the Central Bank of Chile, director of the Center of Development Studies of the World Bank, Minister of Finance and Chilean ambassador to the United States.



PEDRO CORONA BOZZO
DIRECTOR

Accountant, degree in economics and business administration, Universidad de Chile. Chairman of Administradora de Fondos de Pensiones Cuprum, chairman of the National Chamber of Commerce and director of Depósito Central de Valores. He has been the chairman of the International Federation of Pension Fund Managers, chairman of the Chilean association of pension fund managers, chairman of Cementos Melón S.A. and vice president, administration and finance of Codelco Chile.



SERGIO DE AMESTI HEUSSER
DIRECTOR

Lawyer of the Universidad de Chile. Director of Empresas Juan Yarur S.A.C., director of Fundación Andes and member of the Chilean College of Lawyers. Is a founding partner in the law firm De Amesti, Bezanilla, Torres y Cía. Ltda. and has been a director of several companies.



ALBERTO LOPEZ-HERMIDA HERMIDA
DIRECTOR

Accountant of the Universidad de Buenos Aires and Accountant of the Universidad de Chile. Former partner in PricewaterhouseCoopers, for which he occupied various management positions in Argentina, England and Chile specializing in audit and consultancy work for financial sector institutions, finally reaching the position of senior partner in the firm. He has also been chairman of Bci Corredor de Bolsa S.A., Bci Asesoría Financiera S.A. and Fundación Alborada and a director of Bci Factoring S.A. He is currently director general of ESE of the Business School of Universidad de los Andes.



DIONISIO ROMERO SEMINARIO
DIRECTOR

Master in Business Administration, Universidad de Stanford and BA in Economics, Pomona College, California, both in the United States of America. Currently chairman of Corporación Credicorp del Perú, chairman of Banco de Crédito del Perú and the Peruvian Bankers Association, chairman of Banco de Crédito de Bolivia and of Banco Tequendama, Colombia.



MANUEL VALDES VALDES
DIRECTOR

Lawyer of the Universidad de Chile. A farmer as well as working as a lawyer. Previously worked in various activities such as president of the Confederation of Production and Trade, director of Viña San Pedro and chairman of the Sociedad Nacional de Agricultura. He is currently president of the Club de La Unión, member of the Communications Media Ethics Council and of the Culture and Arts Consultative Committee of the Ministry of Culture and presides the Chilean section of the Inter-American Council of Trade and Production, the Social Rehabilitation Corporation and Detecta S.A.



DANIEL YARUR ELSACA
DIRECTOR

AMP Harvard Business School, United States of America, Master of Science in Finance, London School of Economics, United Kingdom, and Engineer in Information Technology and Management Control, and Accountant, from Universidad de Chile. He is a director of AES Gener S.A., Invertec Pesquera Mar de Chiloé S.A., Sociedad Química y Minera S.A. and Antofagasta PLC. He has been president of the Council of Securities Regulators of the Americas, Superintendent of Securities and Insurance and professor of the economics faculty at the Universidad de Chile.

Requirements for becoming a member of the Board

There are no formal requirements for joining the board apart from what the law prescribes. It is important to note that, apart from the chairman, the board of Bci has traditionally been composed of professionals and businessmen who are un-related to the controllers' agreement or to the Yarur family.

Functioning of the Board

Meetings

The board meets at ordinary meetings once every month to examine and resolve on the principal matters of its competence of the various Bank activities and, extraordinarily, if the business so requires. According to the law, board meetings are constituted with the absolute majority of their members and resolutions are adopted by the absolute majority of the directors present at the meeting. There are no matters for which a greater quorum is required for their approval.

Among the many reports that are examined, the board receives every month a complete explanation of Bci's management performance and the results for the current period. It analyzes and pronounces annually on the results of the performance evaluation process completed by all the business areas of both the Bank and its subsidiary companies, in accordance with a procedure that considers an extensive segregated composition of activities of the various risk areas.

In addition and as part of the process of strengthening good corporate governance practices that Bci is beginning with this report, the board had decided that, starting in December 2004, two of its ordinary meetings during the year dedicate a whole day for revising the following matters, in addition to those that it usually examines monthly:

- The determination of the Corporation's global strategy and planning, the Bank's investment policy, budgets for the following year and medium-term projections.
- The revision of the previous year's results, compliance with agreed budgets and the examination of the report on the financial statements prepared by the external auditors.
- A self-evaluation consisting of examining the degree of compliance with its own tasks.

The first of these meetings took place on 21 December 2004, between 09:35 and 18:05 hours.

The general manager, Lionel Olavarría Leyton, acts as secretary for all meetings, assisted by the manager adviser to the chairman and general manager, Humberto Béjares Jara.



The following directors attended the following board meetings held during 2004:

Date	22-01	26-02	02-03*	16-03	12-04	18-05	15-06	20-07	17-08	21-09	19-10	16-11	21-12
Luis Enrique Yarur													
Modesto Collados													
Jorge Cauas													
Sergio De Amesti													
Manuel Valdés													
Alberto López-Hermida													
Pedro Corona													
Dionisio Romero													
Daniel Yarur													

* Extraordinary meeting

Functions

Notwithstanding the powers of judicial and extra-judicial representation for complying with the corporate objects granted by law to the board, this specifically performs the following key functions:

- The definition of its mission statement.
- The approval, revision and supervision of the corporate strategy, the principal action plans, annual budgets; the approval of short and long-term objectives; the control and monthly follow-up of corporate results; and the supervision of the principal expenses, investments, acquisitions and disposals of assets.
- The revision and approval of the monthly and annual financial statements.
- The evaluation and supervision of policies for the diversification of portfolio and credit risk, operational and technological risks, and the management of resources invested abroad and the performance of the subsidiaries.
- The appointment, control and, when necessary, the replacement of the general manager.
- The determination of income received by members of the board for specific tasks that the board has assigned to any of its members.
- The approval in accordance with current legislation of transactions with related parties that have been previously examined by the Directors' Committee.

- The supervision and arbitration of possible conflicts of interest between the management, directors and shareholders, including the fraudulent use of corporate assets and the abuse of transactions between interested parties.
- Guarantee compliance with the obligation concerning the integrity of the company's accounting systems and the financial statements including an independent audit and the introduction of proper control systems.
- Examination of the effectiveness of the reports of the independent auditors and the governance practices under which the Corporation operates, making changes as necessary.
- Supervision of compliance with the policies of transparency and corporate governance set by the Corporation.
- Supervision of the communications process and information policy.
- Examination of letters of complaint sent to the Superintendency of Banks and Financial Institutions by customers and the public.
- The board should also ensure that Bci's competitive, differentiating and comparative capacities last over time.
- Approve the creation, modification or dissolution of subsidiary companies, as well as the opening and closure of branches in Chile or abroad.
- All other obligations as established in current legislation.

As can be appreciated, the board seeks to adapt its functions in order to limit its actions in the determination and supervision of corporate policies without interfering in the management, so that management and the board meet their objectives in the best way possible. This is why, as explained later, the board has delegated some of its duties to specially constituted committees or to certain persons.



“The board seeks to adapt its functions in order to limit its actions in the determination and supervision of corporate policies without interfering in the management”.

Current functioning practices

In order to ensure that every director has all the information required for correctly taking decisions, all the reports and presentations serving as bases for matters on the agenda for each meeting, and which are not strictly confidential, are delivered to each director with due anticipation.

Similarly, when the matters to be discussed justify it, the meetings include the periodic participation of senior executives.

Every month, the board receives a full report on the Bank's performance which includes, line by line, an analysis of the most important variables of Bci's businesses. This report is made in great detail and is not limited to the large numbers comprising the statement of income but extends to the last causes of variations in income and expenses and the follow-up of the established plans and budgets. The board also receives complete information about the Corporation's performance compared to its competitors and the industry in general.



However, the committees through which the Corporation's board functions maintain a close relationship with the Bank's senior executives. The Executive Committee, comprising five directors, analyzes and approves in its twice weekly meetings all operations whose amounts or characteristics exceed the discretionary powers of Bci's management.

The board has established the minimum matters that it should be informed about at its monthly meetings, notwithstanding operations or facts that should be submitted for its approval or that of the board's Executive Committee. These are:

Monthly:

- Communications with the Superintendency.
- Financial statements and solvency levels.
- Statement of loans and risks
 - By activity.
 - Large debtors, considering their direct, indirect and complementary debt.
 - Groups of debtors, including those related to the Bank through ownership or management.
 - Debtors exceeding 5% of the capital and reserves.
- Report of the General Manager:
 - Detailed analysis of the level of operations, results, productivity and the Bank's risk levels. Trends and comparison with the banking sector.
 - Financial information by business or bank, by product and growth, and comparison with the business plan and budget.
- Macroeconomic situation of the country.

Periodic

(quarterly and semi-annually)

- Economic situation by sectors.
- International situation and country risk.
- Credit and financial risk control systems.
- Portfolio diversification.
- Operating systems.
- General view of the controller and legal counsel.

In order to optimize the work of the board, the following committees have been established to meet part of its functions, in accordance with current legislation and its own management practices.

Board Executive Committee

The Executive Committee meets twice each week (Tuesday and Thursday) with full powers delegated by the board for resolving on different matters, mainly of a credit and business nature.

This committee is composed of five directors appointed by the board, these being Luis Enrique Yarur Rey and Modesto Collados Núñez, as chairman and vice chairman respectively, and Manuel Valdés Valdés, Sergio De Amesti Heusser and Jorge Cauas Lama, with Dionisio Romero Seminario, Pedro Corona Bozzo, Alberto López-Hermida Hermida and Daniel Yarur Elsaca being alternate members.

The general manager, Lionel Olavarria Leyton, acts as the secretary, assisted by the manager adviser to the chairman and general manager, Humberto Béjares Jara, and the manager risk adviser, Andrés Atala Hanna, only with respect to credit matters. In addition, other executives attend meetings of the Executive Committee as are deemed convenient for discussing matters on the agenda.

As established in the bylaws, at its meeting held on 21 December 2004, the board agreed to delegate, among other things, the following obligations and powers to the Executive Committee:

- Resolve on all the Bank's credit and financial operations that are submitted for its consideration and resolution.
- Approve the general policies covering financial, credit and operational risks.
- Approve the credit policy and financial investment manuals, and the powers that these confer.
- Set interest and discount rates for the Bank's different operations, and position limits for loans and financial investments in Chile and abroad, and maximum permitted losses.
- Review the report on the different economic sectors of the country and analyze their evolution and evaluation, setting limits on credit and financial exposure applicable to these fields.
- Determine the resources to be applied periodically to provisions and write-offs, while ensuring compliance with applicable regulations.
- Resolve on the purchase, sale and constitution of encumbrances over all kinds of movable and immovable assets, securities and rights of any kind, notwithstanding the limitations and prohibitions set out in the General Banking Law.
- Open branches, agencies and other offices in Chile and abroad, and terminate their operations.
- Grant general and special powers necessary for the company's functioning.
- Approve specific donations within applicable legislation.
- Make an annual self-evaluation of the functioning of the Committee, reporting to the board.

The attendance of directors at meetings of the Executive Committee during 2004 was as follows:



Directores	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Luis EnriqueYarur	5	1	6	6	3	6	8	5	5	6	7	5	63
Modesto Collados	6	3	8	9	7	5	4	8	8	7	8	8	81
Manuel Valdés	7	6	6	9	7	7	8	8	7	1	7	8	81
Sergio De Amesti	6	1	8	8	7	7	8	7	5	7	6	7	77
Jorge Cauas	7		8	8	7	8	6	8	6	7	8	7	80
Pedro Corona	7	5	8	7	7	7	6	7	8	6	5	7	80
Alberto López-Hermida	7	7	6	9	6	5	8	8	7	5	6	6	80



Directors' Committee

In accordance with clause 50 bis of the Corporations Law, the board has appointed three directors to form the Directors' Committee, these being Jorge Cauas Lama, Alberto López-Hermida Hermida and Manuel Valdés Valdés, who meet the conditions of independence required by the Superintendency of Banks and Financial Institutions. The manager adviser to the chairman and general manager, Humberto Béjares Jara, acts as its secretary.

At the first meeting of the Committee on 19 April 2001, Alberto López-Hermida Hermida was named as chairman, the frequency of ordinary meetings was set and its functions established. In accordance with the law, its functions are to:

- Examine the reports of the external auditors, the balance sheet and financial statements presented by the company's administrators to the shareholders, and pronounce on them prior to their presentation to the shareholders for their approval. This pronouncement should be included in the annual report.
- Propose to the board the names of the external auditors and credit-rating agencies to be suggested for approval by the shareholders.
- Examine the information concerning transactions referred to in clauses 44 and 89 of the Corporations Law (those with related parties) and prepare a report on these which should be read by the chairman of the board at the meeting called for the approval of the transaction in question. However, the board has resolved to maintain the agreement adopted at the meeting held on 20 March 2001, submitted for the consideration of the Superintendency of Banks and Financial Institutions, referring to habitual transactions in supplies of goods and services necessary for the normal functioning of the Bank, which will continue to be made in the manner set out therein and by the suppliers previously authorized, ensuring that the transactions carry conditions of price, quality and service similar to those prevailing in the market.
- Examine the remunerations and compensations systems of managers and senior executives.
- Other matters set out in the bylaws or which are delegated by the ordinary shareholders' meeting or the board.



- Be informed and take note of the important risks detected or confirmed as a result of internal audits and revisions made by the Corporation's controller's area and coordinate these tasks with the revisions of the external auditors.
- Take note of acts of suspicious conduct and frauds that have been detected and resolve on conflicts of interest, if any.
- Analyze the reports of inspection visits and the instructions and presentations made by the Superintendency of Banks and Financial Institutions.
- Require, prior to each meeting, a certification by the accounting manager or the person responsible for the accounting of the Bank and its subsidiaries, concerning whether there have been accounting changes and their effects, and analyze these if necessary.
- Be informed of the policies applied for preventing and detecting possible suspicious money laundering transactions and take note of the resolutions adopted by the Asset Laundering Prevention Committee of the Bank and its subsidiaries.

Since the date on which the Directors' Committee started to function, it has incurred no expenses other than the monthly remuneration approved by the ordinary shareholders' meeting, the budget for expenses approved by that meeting remaining unutilized.

Following the authorization of the Superintendency of Banks and Financial Institutions for companies under its supervision to include within the functions of the Directors' Committee those of the audit committees, the board on 19 October 2004 agreed to transfer these functions to the Directors' Committee which then assumed the following additional functions:

The board of the Corporation agreed to maintain until the next ordinary shareholders' meeting the monthly remuneration that had been set for the members of the Audit Committee, adding this to that being received by the same directors as members of the Directors' Committee, totaling a monthly payment of 40 "Unidades Tributarias Mensuales" for each of Alberto López-Hermida Hermida, Manuel Valdés Valdés and Jorge Cauas Lama.

Corporate Governance and Social Responsibility Committee,

Another of the policies adopted by Bci within the combination of new measures of corporate governance applicable to the Corporation, is the creation of the Corporate Governance and Social Responsibility Committee. This committee has the mission of designing, revising and adapting the policies of the company with respect to the best corporate governance practices, making proposals for improvements to the Bank's board and management.

Its role contemplates supervising the policies and programs of Bci as they relate to matters that affect the communities in which the Bank operates, and revising the existing social responsibility practices within the Corporation and evaluating its external relations, caring for the company's corporate reputation.



The constitution of the Corporate Governance and Social Responsibility Committee was approved at the board meeting held on 21 December 2004, resolving to do so with five directors, being Luis Enrique Yarur Rey, Sergio De Amesti Heusser, Jorge Cauas Lama, Pedro Corona Bozzo and Daniel Yarur Elsaca. The general manager, Lionel Olavarria Leyton, was appointed as the secretary, assisted by the manager adviser to the chairman and general manager, Humberto Béjares Jara.

The Committee will meet quarterly and invite executives to its meetings to report and provide information according the matters on the agenda.

Apart from the tasks inherent in its mission and role, the Committee shall have the following functions:

- Revise the annual report on corporate governance and social responsibility and the functioning in this direction by the board and Bank committees, making recommendations and action practices for these sectors.
- Propose modifications to the Bank's powers structure and set general policies for the appointment of authorized signatories and representatives of the company.
- Monitor compliance with formation actions of the directors and managers.
- Revise the Ethics Code periodically, making the adaptations and updating required or that the Committee deems necessary.
- Set procedures, policies and programs with respect to donations and other social welfare activities.
- Revise the business practices of the Bank and its subsidiaries, and their possible impact on the reputation, image and prestige of the Corporation.
- Revise shareholders' proposals, the quality of service and information provided by the Bank to them and the responses of management to their requirements, if any.
- Evaluate management's performance in activities inherent in the Committee's work, its adaptation to the company's mission and its performance in strengthening the competitive and differentiating capacities of the Institution, attributable to its adhesion to the principles of corporate governance and social responsibility,
- Make an annual self-evaluation of its functioning as a committee, and reporting this to the board.



Policy of the Board with respect to transactions with related parties

The board of the Corporation has introduced a policy concerning loans granted to parties related to the Bank through ownership or management which, notwithstanding the current legal restrictions, have made these subject to the following conditions:

- Every financing transaction granted to a related person, whether direct or indirect debt, should be approved by the Executive Committee of the board. The loans will be granted on market conditions with respect to term, interest rates and collateral.
- The maximum individual limit per group of related persons may not exceed 5% of the consolidated effective equity of Bci. In addition, the sum of the whole loan portfolio with related parties may not exceed 25% of that effective equity.
- The legal credit limits, and those established in this agreement, apply to direct debtors and therefore the indirect debts of an individual or entity are not subject to these limits.
- Transactions with related persons should conform to the precepts, limits and margins established in the law and in regulations issued by the Superintendency of Banks and Financial Institutions, whether granted directly or indirectly through family members or companies in which they are partners or shareholders.
- The Bank's directors and general authorized signatories may hold credit cards issued by Bci provided they do not use credit following the expiry date of the account statement nor obtain cash advances.
- In the case of Bci, the concept of general authorized signatory, and thus the prohibition on obtaining credit, extends only to the general manager, persons replacing him and the companies in which they participate.
- The indebtedness with the Bank by persons or entities related to the ownership or management shall be informed to the board's Executive Committee on each occasion on which a credit request is made, whether a direct or indirect obligation, either by the group to which the debtor belongs or the total of the related loan portfolio.
- Excluded from this regulation are credits granted to staff of the Bank and its subsidiaries, notwithstanding the legal limits that may apply.



In addition, the board keeps a list of habitual suppliers of goods and services for the normal functioning of the Bank, establishing that the acquisition of inputs or use of services should be made on market conditions and that any transaction that is not the habitual supply of goods and services, that does not relate to banking operations or comes from a related supplier not included in the authorized list, should first be cleared and approved by the board following its examination and a report by the Directors' Committee.

The purpose of authorizing a list of frequent suppliers follows the need to simplify the condition established in clause 44 of the Corporations Law which requires that acts or contracts in which one or more directors have an interest for their own part or as representatives of another person should be known and previously approved by the board, always provided they meet conditions of equity similar to those habitually prevailing in the market. It is believed that a list of authorized suppliers is a way to comply with this condition given the dynamism of purchases of goods and services for the functioning of the Bank which would make the prior knowledge and approval by the board cumbersome.

The current list of **related suppliers of goods and services** necessary for the normal functioning of the Bank is as follows:

Análisis y Servicios S.A. (Proservice)
Archivos Credenciales e Impresos Ltda. Archivert Ltda.
Artikos Chile S.A.
Banco Conosur
Bci Administradora de Fondos Mutuos S.A.
Bci Asesoría Financiera S.A.
Bci Corredor de Bolsa S.A.
Bci Corredor de Seguros S.A.
Bci Factoring S.A.
Bci Securitizadora S.A.
Bci Servicios de Personal S.A.
Bolsa de Comercio de Santiago
Carnes Ñuble S.A.
Centro Compensación Automatizado S.A.
Cía. de Normalización de Créditos Normaliza S.A.
Depósito Central de Valores
Distribuidora de Carnes Chillán Ltda.
Distribuidora de Carnes Ñuble - Santiago Ltda.
Editora e Impresora Cabo de Hornos S.A.
Empresas Jordan S.A.
Faenadora de Carnes Ñuble S.A.
Galería de Arte Patricia Ready Ltda.
Genera Corredores de Seguros Ltda.
Operadora de Tarjetas de Crédito Nexus S.A.
Redbanc S.A.
Servicios de Cobranza Externa Ltda.
Sociedad de Recaudación y Pagos de Servicios Ltda. (Servipag)
Teknofas S.A.
Transbank S.A.
Vigamil S.A.C. e I.
Viña Fray León S.A.
Viña Morandé S.A.

The board keeps a list of habitual suppliers of goods and services for the normal functioning of the Bank.



Special powers conferred by the Board on the Chairman

As part of the process of continuous progress in good corporate governance policies and in order to intensify the separation of the functions of supervision and management within the Bank, the board agreed to modify the power granted to the chairman of the Corporation, Luis Enrique Yarur Rey, limiting his powers to those that he effectively requires for carrying out his position. This mandate includes the following powers, notwithstanding those granted to him as the chairman by law or the bylaws:

- Supervise the annual planning and budget process, and know and supervise the corporate operations and business.
- Approve the Bank's general organization.
- Appoint and remove, when he deems convenient, one or more managers, sub managers and other executives except the general manager who can only be appointed or removed by the board. This power extends to the setting of their remuneration.
- Determine the powers of the different committees and of executives for granting loans or for taking positions in Chilean or foreign financial instruments, referring to amounts, characteristics, conditions and other types, adopt mismatched positions, accept maximum losses and carry out trading operations.
- Delegate partially the powers granted to him to one or more managers.

In the absence of the chairman, these powers shall be exercised by the vice chairman, Modesto Collados Núñez.

Participation of Directors in the ownership of the company

The direct participation of the members of the board in the ownership of the company at the end of 2004 amounted to 1.78% of the share capital.

Participation of directors in management positions in Empresas Juan Yarur S.A.C. and its subsidiaries

The following shows the positions of members of the board or general manager of Bci in the management of the Bank's controller, in its subsidiaries and in companies complementing the business of Bci,



Director
Luis Enrique Yarur Rey
Jorge Cauas Lama
Sergio De Amesti Heusser

Position
Chairman
Director
Director
Vice Chairman
Chairman
Chairman
Director

Company
Empresas Juan Yarur S.A.C.
Bci Seguros de Vida S.A.
Bci Seguros Generales S.A.
Empresas Juan Yarur S.A.C.
Bci Seguros de Vida S.A.
Bci Seguros Generales S.A.
Empresas Juan Yarur S.A.C.

General Manager
Lionel Olavarria Leyton

Position
Director
Director
Director
Chairman
Chairman
Chairman
Chairman

Company
Empresas Juan Yarur S.A.C.
Bci Seguros de Vida S.A.
Bci Seguros Generales S.A.
Bci Factoring S.A.
Bci Securitizadora S.A.
Banco Conosur
Artikos Chile S.A.



Board self-evaluation process

Fully aware that the way in which the tasks of the board are performed has great importance for the different players forming part of or relating to the Institution and, as an additional step in the process of updating the standards of good corporate governance within the Bank, the board of the Corporation has decided to begin a process of self-evaluation of its functioning.

At the March board meeting each year, sufficient time is taken to discuss the degree of compliance with its tasks during the year ended at that date. Aspects or tasks will also be set to which priority should be given during the following year.

The following are the matters that will be the subject of this self-evaluation:

Basic aspects

- Formalities: Punctuality in starting meetings. Attendance of board members.
- Sufficient and timely information: Timely and advance availability of information relevant for a responsible analysis and that contributes to the progress of the business.
- Preparation: Degree of preparation of the directors attending the meetings.
- Time: Length of meetings and their relationship to the number and quality of the topics to be resolved. Way in which time is used and how it can be better used.
- Influence: Degree to which the priorities and concerns of the board are reflected in the actions of the management.

Directors' commitment

- Commitment that reflects the contribution of the directors. Degree of motivation and commitment with the Bank. How this attitude is reflected in attendance, punctuality and state of preparation, as well as the contribution of the directors to the maximum of their potential.
- Knowledge: The board should analyze whether its members have sufficient knowledge to contribute the business. It should also reflect on whether some knowledge is lacking and which is not represented on the board.

The Board is a collegiate body

- The board should evaluate whether it possesses a clear, explicit and consensual future vision.
- It should also consider whether there is a climate at its heart that favors open, healthy and frank discussion that helps facilitate true teamwork.
- The board should also ponder whether there are important matters that are not being dealt with and whether there is a sufficient diversity of opinions for decision taking.
- It will revise whether it has taken all suitable measures for permitting the board to know and be able to form an opinion regarding the Bank's senior executives.

Directors' remuneration

General characteristics, Agreements at the last ordinary shareholders' meeting

The present directors' remuneration policies of Bci are based on:

- Linking an important part of remuneration to the company's performance.
- Payment of fixed fees to directors in relation to their effective attendance at meetings.

In accordance with the law and the bylaws, it is the ordinary shareholders' meeting that sets the directors' remuneration for the immediately following period. On 12 April 2004, a remuneration of five "Unidades Tributarias Mensuales" for each board or Executive Committee meeting attended by members of the board, was approved for 2004 and until the next ordinary shareholders' meeting.

It was also established that directors shall have the right to travel costs and allowances that the board shall determine should they have to travel on behalf of the Bank away from their places of residence. Permanent or temporary special services provided by the directors and the studies made at the request of the board shall be remunerated and this may pay them the costs of travel, representation, allowances and fees it deems convenient, including those of the chairman according to the functions he performs.

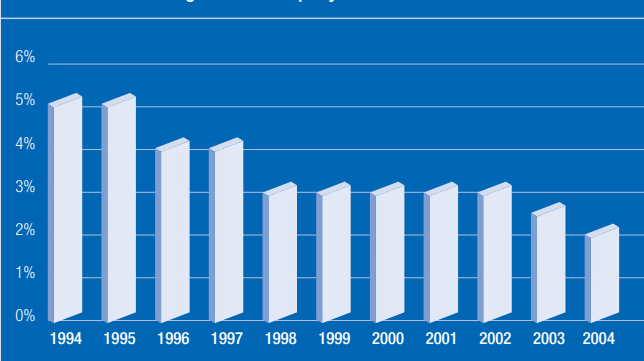
However, it was established that the board shall receive a profit share of 10% of the dividends distributed in cash or in shares against the results for 2004, with a maximum which was reduced from 2,5% to 2% of such profits with respect to the previous year. It was also agreed that the sum for distribution among the directors would be divided by ten, assigning two tenths to the chairman in his position as chairman of the Bank, in compliance with the mandate conferred on him by the board, and the balance distributed between the remaining directors in proportion to their time in the job.

Evolution of remuneration paid to members of the board during the last ten years, as a percentage of earnings

While the total amount of earnings of Bci has shown strong growth over the last ten years, having increased more than six-fold in nominal terms, the Corporation's shareholders have reduced the percentage of earnings payable to the directors as variable remuneration for their services. In 1994, this percentage was 5% of the Bank's net income while today it amounts to just 2% and, as will be seen in the following point, it is expected to propose a further reduction to the shareholders' meeting.



Variable remuneration
Bci Directors / Earnings of the company



Remuneration with respect to attendance fees and other fees and expenses amounted to 0.28 % of profits in 2004.

New directors' remuneration proposal

As part of the strengthening of the Corporation's corporate governance practices, the board will propose to the ordinary shareholders' meeting a new remunerations scheme on the following terms:

- Fixed monthly remuneration, The following amounts are proposed:
 - 150 Unidades Tributarias Mensuales for each director, except for the chairman. However, the directors who are members of the Directors' Committee will receive an additional fixed remuneration of 50 Unidades Tributarias Mensuales.
 - 650 Unidades Tributarias Mensuales for the chairman of the board.
- Variable remuneration. It is proposed to reduce this directors' remuneration from 2% of earnings to 1%. A fifth of this sum shall correspond to the chairman of the board and the balance distributed between the other directors in equal amounts. For these purposes, the average earnings over the last three years will be used.
- Remuneration for attendance at board meetings and those of the Executive Committee or Corporate Governance and Social Responsibility Committee. It is proposed to set a remuneration of 5 Unidades Tributarias Mensuales for each meeting attended.

The proposed system leads to an effective reduction in total remunerations. If this is applied to the situation of 2004, the remuneration will have reached 1.76 % of net income, i.e. a 22.81 % reduction in remuneration for that year.



A second home

From work to home, from home to work...the family and work. Every day we share our lives between these two worlds. Good administration makes work a more productive experience, more agreeable, like a second home. A place where work is not an obligation but a way to be happy doing what you want to do, together with colleagues.



Bci Management 2

Ethics Code

It is a fundamental principle of the Corporation's governance that all its employees condition all their actions to the standards set out in the Bci Ethics Code which has been in force since 1996 and whose latest modifications were approved by the Corporation's board on 21 December 2004. The principal guidelines contained in this document refer to:

Conduct in commercial operations

- The most absolute honesty and transparency is expected in compliance with laws and regulations, understanding that trust is the fundamental basis of the financial services business. It is expressly stated that persons who, through ownership or management, might in one way or another be related to the Bank enjoy no commercial advantages in their actions with the Corporation.
- It is also clearly established that Bci does not do business of any kind with persons who do not respect the ethical and legal standards mentioned in this Code.
- It is declared that the prestige of Bci is also cemented on the confidentiality of the information it receives, so all actions of its staff should keep strictly secret the information coming to their knowledge, whether referring to Bci or its shareholders, customers, suppliers and staff.
- The Corporation demands the proper use of its assets as an essential condition for conserving the Institution's equity base.

Conflicts of interest

- The fundamental principle is that the mere impression that a conflict of interest exists in the relations between Bci and its shareholders, customers, suppliers and staff, causes damage to the trust and security on which the Institution's prestige is based. The Institution's staff should never allow their personal interests to enter or appear to enter into conflict with the interests of Bci or its customers.
- No employee of Bci may participate in any transaction in which they or their family have an interest of any kind. Likewise, no employee may receive special employment terms based on family or personal relations.
- Personal finance. As Bci fulfills a role of depositary of public faith, the Corporation requires from its staff a behavior of impeccable economic morality.
- While the personnel of the Bank have full freedom to acquire any kind of legal assets, shares and securities, they are completely forbidden to take advantage of information they acquire through their job for their personal benefit.
- Bci employees should refrain from accepting any kind of gift insinuating the intention of the party offering it to compromise them.

Personal conduct

- The Corporation's employees should refrain from exercising undue harassment or pressure on the work colleagues. This includes any kind of annoying and humiliating treatment, without distinction.
- The Corporation strictly forbids the possession, sale and consumption of alcohol and illegal drugs on its premises. Toxic dependence is completely incompatible with the Corporation's business so it is an unavoidable obligation for all its employees to contribute to prevent its penetration. As Bci is a depositary of the public faith, its Ethics Code recognizes the right of the company to include in the work contracts of its employees the power to control the consumption of alcohol and narcotics by the use of techniques approved for this purpose.
- Bci recognizes the most absolute freedom in ideological, political, religious and philosophical aspects of each of its employees. But the Bank demands respect for the dignity of all its employees and an honest and measured conduct in their daily routine, not only in doing their jobs but also in the social lives as citizens.

Senior Executives

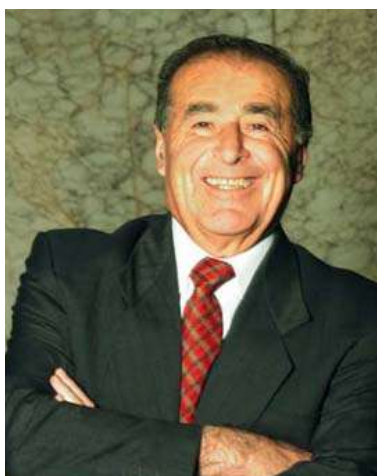
One of the characteristics of the senior management of Bci is having highly-qualified people who have worked most of their lives in the Institution and have a broad experience in banking. Of the eleven executives comprising the senior management, their average number of year's service in Bci is 22.

The following are the curricula of Bci's senior executives:



LIONEL OLAVARRÍA LEYTON
GENERAL MANAGER

Master in Economics and Business Administration, IESE, Spain, and Civil Industrial Engineer of the Universidad de Chile. He is currently a director of Bci Seguros Generales, Bci Seguros Vida and Empresas Juan Yarur S.A.C. and chairman of Bci Factoring, Bci Securitizadora, Banco Conosur and Artikos Chile S.A. He was previously an engineering consultant in Chile and Spain, occupying positions as controller of Chemical Bank, Spain and commercial manager of Banco Santiago. He was a founding chairman of Redbanc S.A., chairman of Transbank S.A. and Edibank S.A., chairman of Servipag and director of Financiera Solución (Peru). Mr Olavarría has 29 year's experience in banking and has spent 23 years in Bci, being its general manager since 1993.



ANDRÉS ATALA HANNA
MANAGER, RISK ADVISER

Wide experience in banking having served as sub manager, administration department, sub manager, personnel, sub manager branches, manager branches, manager central office, regional manager Santiago-Center, domestic operations division manager, commercial area manager, corporate risk area manager and corporate credit area manager. He is currently manager risk adviser and reports the principal credit operations to the board's Executive Committee. Mr Atala has 49 experience in banking and the same number of years with Bci.



HUMBERTO BÉJARES JARA
MANAGER, ADVISER TO
THE CHAIRMAN
AND GENERAL MANAGER

A broad career with Bci having managed units such as centralized accounting, control, finance, operation and systems, administration and human resources in head office. He has been manager adviser to the chairman and general manager since 1977 and has deputized for five general managers since 1975. Since 1974, he has been a member of different commissions of the banking association. He is a member of the taxation commission of the Confederation of Production and Trade on behalf of the banking association. Mr Béjares has 49 years of experience in banking and in Bci.



PEDRO BALLA FRIEDMAN
CHIEF COUNSEL

Lawyer of the Universidad de Concepción. Prior to joining Bci he has been chief legal adviser to the Ministry of State Assets and lawyer secretary of the civil aviation authority. He joined Bci in 1983 and since then has been chief lawyer, acts and contracts, and manager of the legal division, and now occupies the position of legal counsel. He is a member of the legal committee board of the banking association, a member of the College of Lawyers and a participant in congresses of expert banking lawyers. Mr Balla has 21 year's experience in banking and with Bci.



NICOLÁS DIBAN SOTO
MANAGER, CORPORATE RISK AREA

Commercial Engineer, Universidad de Chile, PADE ESE, Universidad de Los Andes. Joined Bci in 1979 performing, among other things, as sub manager, credit analysis and normalization, manager, asset evaluation and classification, manager branches, manager retail banking and manager marketing. He is currently manager, corporate risks. Mr Dibán has 25 year's experience in banking and in Bci.



GRACIELA DURAN VIDAL
MANAGER, CONTROLLER

Accountant, Universidad Técnica del Estado, PADE ESE, Universidad de Los Andes. Mrs Durán was previously audit manager with PriceWaterhouseCoopers. Since 1986, she has worked in Bci as adviser to the general manager and manager of the financial control and performance department. She is currently the controller of the Bci Corporation. Mrs Durán has 18 year's experience in banking and with Bci.



MARIO GAETE HÖRMANN
MANAGER, SUPPORT AREAS

Civil Industrial Engineer, PADE ESE, Universidad de Los Andes. Until 1989 he worked as head of control and auditing, sub manager operations and vice president operations at Citibank. He then joined Bci as manager information technology division and is currently manager support areas. Mr Gaete has 23 year's experience in banking and 15 years with Bci.



ADOLFO GARCÍA-HUIDOBRO OCHAGAVÍA
MANAGER, MARKETING AREA

Commercial Engineer and Master in Economics and Business Management from IESE, Universidad de Navarra, Spain. Until 1994 he worked as commercial manager and adviser to the general manager in other local financial institutions. He then joined Bci and has been adviser to the general manager, manager, planning and performance control and director of Financiera Solución, Peru. He is currently the marketing manager. Mr García-Huidobro has 12 year's experience in banking and 10 years with Bci.



MARIO GOMEZ DUBRAVCIC
MANAGER, COMMERCIAL AND
SUBSIDIARIES

Commercial Engineer, Universidad Católica. He has been adviser to the finance division manager, finance manager, manager, subsidiaries division, director of Financiera Solución, Peru and manager businesses and finance area. He is currently the manager, commercial and subsidiaries. Mr Gómez has 23 year's experience in banking and with Bci.



EDUARDO PAULSEN ILLANES
MANAGER, QUALITY, PROCESSES
AND INTERNET AREA

Civil Engineer, Universidad de Chile and Stevens Institute of Technology, USA (Electrical Engineering). Master in Computer Science at the same institution. He joined Bci in 1986 and has been manager of special projects and manager virtual banking, and today is manager of quality, processes and internet. Mr Paulsen has 18 year's experience in banking and with Bci.



ABRAHAM ROMERO PEQUEÑO
MANAGER, RETAIL BANKING AREA

Business Administrator, PADE ESE, Universidad de Los Andes. Until 1997 he was vice president retail banking at Citibank, commercial manager of Redbanc, manager of retail banking division at Banco de A.Edwards and manager of retail banking division at Bank Boston. After joining Bci that year he has been manager, retail banking division to the present time. Mr Romero has 35 year's experience in banking and 7 years with Bci.



EUGENIO VON CHRISMAR CARVAJAL
MANAGER, FINANCE & INTERNATIONAL

Civil Engineer, Universidad de Santiago, PADE ESE, Universidad de Los Andes. He has a broad experience in the Chilean and international financial system, having been manager, finance and investment banking director at Citibank, Mexico. He was later investment banking director at Bank of America, Mexico. He joined Bci in 1999 as finance and international manager which is his current position. Mr Von Chrismar has also been a director of Financiera Solución, Peru, and has 25 year's experience in banking and 5 years with Bci.



Principal Management Committees

The management committees in Bci are the most important management executive level for discussing business progress and guaranteeing the achievement of corporate objectives.

In order to improve the effectiveness of the management committees, it has been decided to focus them exclusively on carrying out the corporate strategy for which the member managers should be involved in concrete actions that contribute to achieving the objectives, without diverting their efforts to initiatives other than the purpose of the committee. All meetings are held using an execution methodology that maintains the focus on the objectives and targets committed to, defining daily actions for achieving targets and reporting on the results to the team at each meeting so that, through an integrated work, obstacles that prevent achieving the expected results are eliminated.

The principal management committees are:

- **Ethics Committee:** Its object is to check compliance with the standards established in Bci's Ethics Code, resolve doubts arising from its application and promptly promote the rectifications considered necessary. This committee reports directly to the chairman of the Bank.
- **Management Direction Committee:** Its purpose is to coordinate, direct and follow-up business progress and progress with the plans and objectives of the balanced scorecard, proposing and providing the necessary assistance for ensuring the achievement of the results committed to, based on the objectives and policies established by the board of the Corporation. This committee therefore defines the corporate guidelines and policies for both the business and functional areas; takes decisions on changes to processes, structures and organizational systems and approves the assignment of resources to the different corporate plans in order to support their execution.
- **Strategic Planning Committee:** Based on the concepts approved by the board of the Institution, this committee defines the strategic position desired for the Bank in the medium term and determines the policy to follow to reach that position, periodically checking the coherence and direction of the annual plans, the strategy defined and the desired long-term position, for which the Bci business plan and annual budget are revised periodically.
- **Assets and Liabilities Committee (ALCO):** Analyzes and administers the Bank's assets and liabilities structure, maintaining a market risk level within defined limits, safeguarding the capital, increasing the Corporation's financial margin and ensuring adequate liquidity for Bci.
- **Credit Committees:** The strategic objective of the credit committees is to resolve on national and international credit business and operations that fall within their discretionary limits and recommend to the board's Executive Committee those operations that exceed these limits. There are four credit committees whose powers are differentiated according to the amount of the operation.
- **Asset Laundering Committee:** Its principal objective is to define complementary policies necessary for the preventing of asset laundering and to know the state of compliance by the organization, as well as analyzing and resolving cases and suspicious situations that have been reported or detected by the monitoring systems and which lack justification, resolving in the last instance the need to report these suspicious operations to the State Defense Council or government unit created for this purpose.

Participation of the management of the ownership of the company

At the end of 2004, the direct shareholdings in the company of the 175 managers and sub managers of Bci and its subsidiary companies amounts to 1.09% of the paid and subscribed share capital.

- **Information Security Committee:**

Establishes the policies, roles, strategies and takes decisions concerning technology risk and the security of information necessary for safeguarding the Corporation's assets.

- **Human Resources Committee:**

This defines the guidelines and policies that permit the explicit linkage of the performance of staff and the organization in their conducts, skills and style, with the strategic objectives and results committed to in the balanced scorecard, within the framework of principles and values that govern Bci.

In addition, there are a series of other committees and work groups that act on specific business matters, whose objectives are always guided by the principles of execution mentioned above.

Staff remunerations policy

The Bci compensations policy considers every one of the Bank's value framework and mission declarations, especially in relation to the recognition and development of employees, granting levels of compensation and benefits that promote a dignified living standard.

It is the Corporation's policy to compensate the contributions of its staff through just and competitive remuneration and benefits in line with the market that enables it to attract the people that best meet the needs of the business and the Corporation's values, and to retain and motivate staff for good performance.

The most important variables in the determination of compensations, not only of the senior management but of all Bci's employees, are the following:

- Every person working for the Institution full time should have a remuneration that allows them to lead a dignified life.
- Results of the Corporation.
- Level of responsibility of the job (internal equity).
- Remunerations in the competitive market (external equity).
- Individual performance. Includes the achievement of results, objectives and targets, and the development of skills and corporate principles.



Bci has adopted the HAY system which forms the support for all Bci's personal development processes. The principles of Internal Equity and External Competitiveness administer the remunerations of the staff through a remunerations scale that considers the internal hierarchical grades of the job evaluations and the competitive positioning of the remunerations for jobs at each level, in line with the market.

Bci's policy is to revise the remunerations scale at least once a year according to changes in market remunerations for comparable jobs.

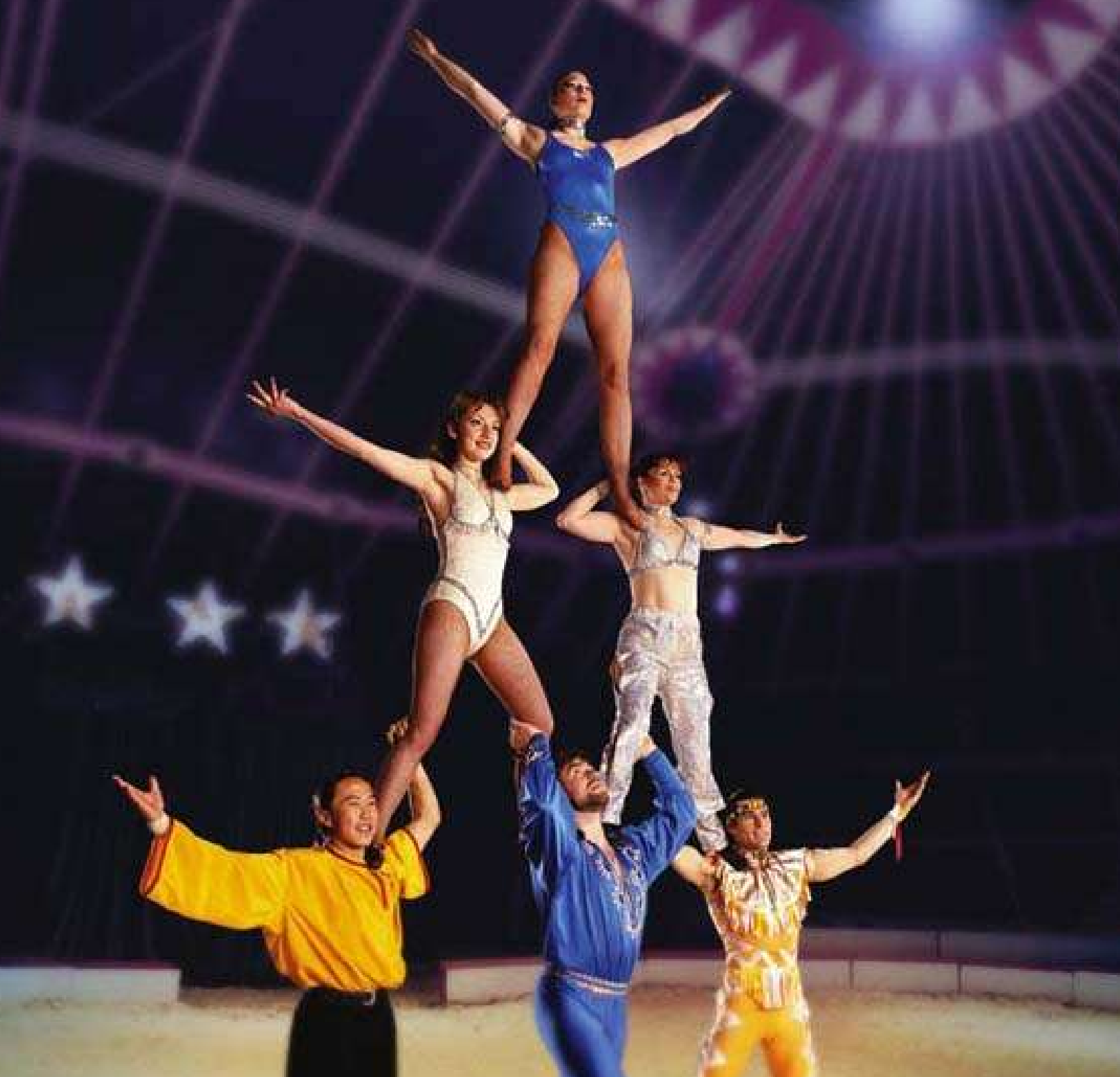
The following shows the changes in the composition of remunerations of Bci's principal executives in 2004.

	Persons	Fixed remuneration	Variable remuneration
Direction committee managers	11	68.3%	31.7%
Other managers	47	80.4%	19.6%
Other executives	1,618	92.4%	7.6%
Administrative & services	2,196	84.2%	15.8%

The total amounts disbursed by the Corporation during the last four years in staff remunerations and benefits are as follows:

Year	(thousands of pesos)
2001	49,750,992
2002	51,860,157
2003	53,986,473
2004	59,837,950





Placing trust

We all enjoy watching a troupe of acrobats. But few of us stop to think of the risk taken every day. Their work depends on team work and, above all, the trust involved in placing their own lives in the hands of others. In order for everything to function well, they have practiced to the point of no risk, granting confidence and credibility to the whole troupe. This is also the trust and credibility that a bank should provide to its shareholders.



Shareholders 3



Bci's mission is being a financial services and solutions institution which has a high degree of operating efficiency and provides the highest possible level of services to its customers, with a reputation for strong technological innovation and the development of creativity in the quality and volume of its services.

Information available to shareholders

The Corporation provides its shareholders and the public in general with complete information on the following matters on its web page (www.bci.cl):

- Annual reports for the last five years.
- Quarterly financial statements.
- Latest statement of liquidity position.
- Press cuttings relating to Bci.

As part of the process implied by the application of the corporate governance standards within the Corporation, Bci has decided to expand the flow of information to its shareholders through its web page. All matters of general interest to the Bank's shareholders will be published through Press Releases available on the Institution's web page.

Similarly, Bci has decided to promote its relations with institutional investors by facilitating them with access to the information they may require. A specialized unit is being formed for this purpose, functioning as an Information Office for Bci investors for optimizing the response to the needs to this class of shareholder.

Principal Shareholders

The following are the 25 largest shareholders in Bci at 31 December 2004:

Name	Shares	% Holding
Empresas Juan Yarur S.A.C.	52,772,147	53.41
Jorge Juan Yarur Bascuñán	4,177,884	4.23
Soc. Financiera del Rimac S.A.	3,434,892	3.48
AFP Provida S.A. for the pension fund	2,835,474	2.87
Inversiones Bcp Ltda.	2,504,317	2.53
AFP Habitat S.A. for the pension fund	2,464,808	2.49
AFP Cuprum S.A. for the pension fund	1,992,098	2.02
Inversiones Jordan Dos S.A.	1,974,790	2.00
Génesis Chile Fund Limited	1,737,768	1.76
AFP Santa María S.A. for the pension fund	1,529,514	1.55
Tarascona Corporation	1,456,528	1.48
AFP Summa Bansander S.A. for the pension fund	1,448,316	1.46
Inversiones Millaray S.A.	1,182,245	1.20
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,084,691	1.10
Luis Enrique Yarur Rey	960,652	0.97
Bci Corredor de Bolsa S.A.	792,019	0.80
Larraín Vial S.A. Corredores de Bolsa	735,898	0.74
Moneda S.A. Administradora de Fondos de Inversión	666,000	0.67
AFP Planvital S.A. for the pension fund	650,554	0.66
Inmobiliaria y Comercial Recoleta Sur Limitada	585,074	0.59
Modesto Collados Núñez	571,416	0.58
California Public Employees Retirement System	536,312	0.54
Inversiones VyR Ltda.	526,123	0.53
Banchile Corredores de Bolsa S.A.	347,953	0.35
Inmobiliaria e Inversiones Chosica S.A.	332,341	0.34
Other shareholders (including staff)	11,514,708	11.65
Subscribed and paid shares	98,814,522	100.00%
Shares pending subscription	45,788	
Authorized share capital	98,860,310	



Shareholders Agreement

On 30 December 1994, a group of shareholders linked to the Yarur family, which then held 63.22% of the subscribed and paid shares of Bci, signed a shareholders agreement whereby they reaffirmed their intention to maintain the traditional unity and control of the Bank in the Yarur family.

The signatories reiterated their wish to maintain the principles on which the management of Bci is based for being a financial services and solutions institution which has a high degree of operating efficiency and provides the highest possible level of services to its customers, with a reputation for strong technological innovation and the development of creativity in the quality and volume of its services.

These shareholders therefore committed to:

- Maintain control of the majority of the shares in the hands of the Yarur family.
- Support the adoption of the corresponding agreements, whether in shareholders' meetings or board meetings, for complying with the objectives on which the Bci management is based and which have been stated above.
- Attend the Corporation's shareholders meetings in harmony.
- Ensure that the management of Bci maintains its traditional standards of independence, probity and integrity.
- Facilitate the necessary independence of the Bci management in order to maximize the return for the Bank and its shareholders.

As established in the Corporations Law 18,046, the document containing this agreement is available to other shareholders and interested third parties.

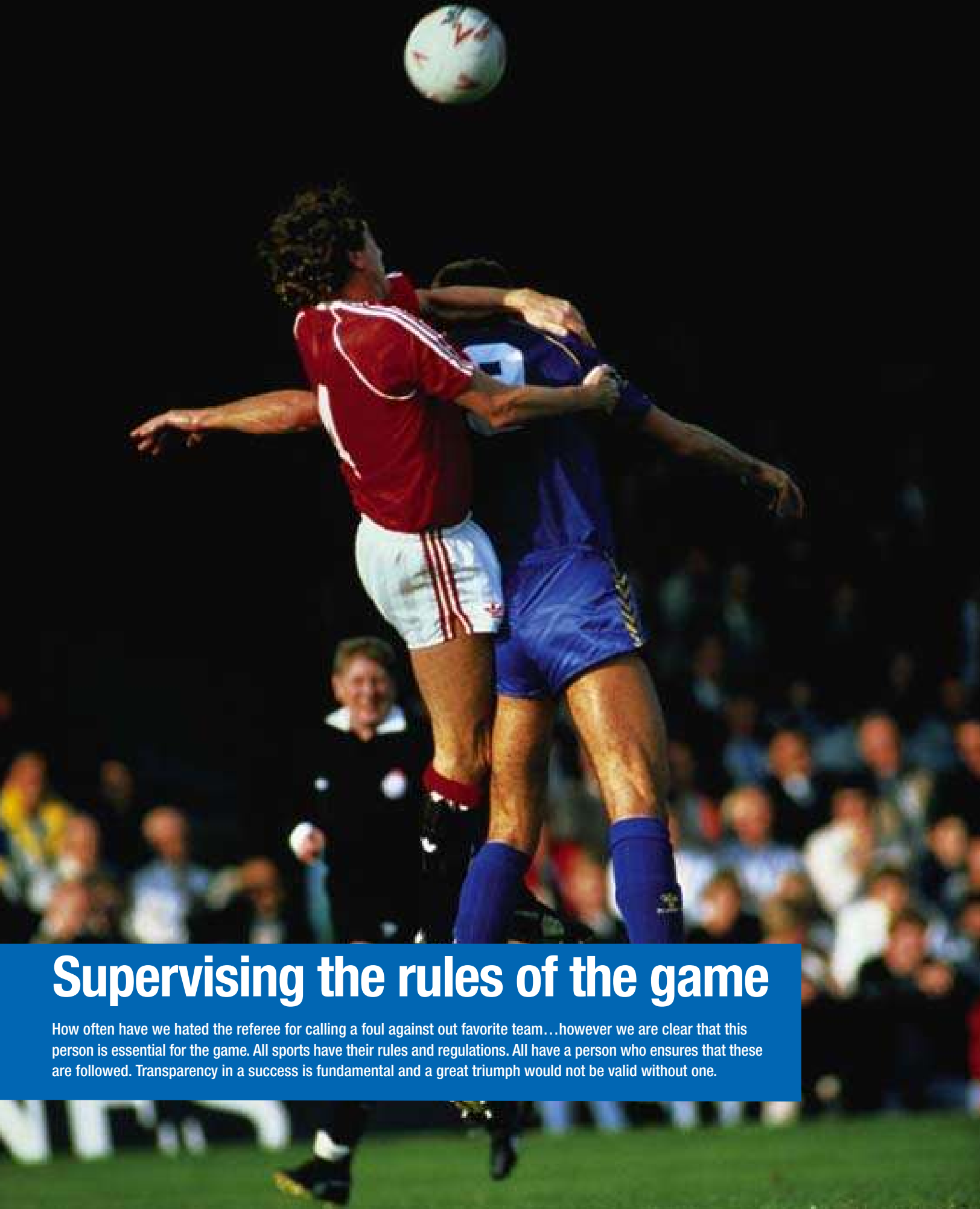
Institutional Shareholders

On 31 December 2004, the following institutional investors appeared among Bci's 25 principal shareholders:

Shareholder	Shares	% Total
AFP Provida S.A. for the pension fund	2,835,474	2.87%
AFP Habitat S.A. for the pension fund	2,464,808	2.49%
AFP Cuprum S.A. for the pension fund	1,992,098	2.02%
Génesis Chile Fund Limited	1,737,768	1.76%
AFP Santa María S.A. for the pension fund	1,529,514	1.55%
AFP Summa Bansander S.A. for the pension fund	1,448,316	1.47%
Bci Corredor de Bolsa S.A.	792,019	0.80%
Larraín Vial S.A. Corredores de Bolsa	735,898	0.74%
Moneda S.A. Administradora de Fondos de Inversión	666,000	0.67%
AFP PlanVital S.A. for the pension fund	650,554	0.66%
California Public Employees Retirement System	536,312	0.54%
Banchile Corredores de Bolsa S.A.	347,953	0.35%



It is important to point out that the director Manuel Valdés Valdés was elected as such at the last ordinary shareholders' meeting with the votes of AFP Planvital S.A., AFP Santa María S.A., AFP Cuprum S.A. and AFP Summa Bansander S.A.



Supervising the rules of the game

How often have we hated the referee for calling a foul against our favorite team...however we are clear that this person is essential for the game. All sports have their rules and regulations. All have a person who ensures that these are followed. Transparency in a success is fundamental and a great triumph would not be valid without one.



External Auditors and Credit Rating Agencies



Examination and approval of the reports of the external auditors

It is the duty of the board of the Corporation to ensure compliance with the obligation of the integrity of its accounting systems and the company's financial statements, including an independent audit and the introduction of proper control systems.

As indicated above, under current legislation, the Directors' Committee should examine the reports of the external auditors, the balance sheet and financial statements presented by the company's management and pronounce on them prior to their presentation the respective shareholders' meeting. This pronouncement is included in the annual report.

The Directors' Committee also proposes to the board the external auditors and credit-rating agencies to be suggested for appointment by the shareholders. Should there be a disagreement within the Committee, the board may make its own suggestion and submit this for the consideration of the shareholders' meeting.

With respect to the balance sheet and the other financial statements of the Bank at 31 December 2004, the Directors' Committee showed its agreement with the content of the report of the external auditors and the information provided in the unconsolidated and consolidated financial statements.

Independence of the external auditors

In order to ensure independence in the revision of the Institution's accounting systems, a system has been established of rotating the partner of the external auditing firm who leads the examination of the financial statements. The external auditing firm therefore periodically appoints a different partner for making the accounting inspection.

Other work carried out by the external auditors

PricewaterhouseCoopers has also analyzed for the Bank the portfolio of Banco Conosur, plus some other legal advisory services. The sums paid for these services during 2004 amount to Ch\$27,974,031.

Other audits

Other external control entities making revisions within the Corporation include:

- Firstly, the Superintendency of Banks and Financial Institutions is the primary regulatory authority for the banking business and all the activities of Bci are under its supervision.
- As Bci has a Branch in Miami, USA, this is subject to the supervision of the Federal Reserve Bank of the United States of America.
- At the voluntary request of the Bank, Deloitte & Touche is making an audit consisting of the adaptation of the operating risk of Bci to the regulations of the Superintendency of Banks and Financial Institutions and the principles contained in the Basle II agreements. This consists of a revision of the coherence of the internal procedures and methods with those regulations.

In addition, there are a series of other information security companies performing computer consultancy and auditing work for Bci.



It is the duty of the board of the Corporation to ensure compliance with the obligation of the integrity of its accounting systems and the company's financial statements.

Credit-rating agencies

As established in the Securities Market Law, issuers of publicly-traded securities should contract the continuous and uninterrupted rating of those securities by at least two credit-rating agencies whose appointment is the responsibility of the board.

Clause 50 bis of the Corporations Law states that the Directors' Committee should propose the private credit-rating agencies to the board, for its suggestion to the shareholders' meeting.



The Directors' Committee therefore proposed to the board to maintain the services of the private agencies Feller Rate and Fitch Ratings, which appointment was approved by the ordinary shareholders' meeting held on 12 April 2004.

Feller Rate has rated Bci as follows in recent years:

Ratings	1995	2001	2003	2004
Solvency	AA	AA	AA	AA
Prospects	Stable	Stable	Positive	Positive
Time deposits up to one year	Level 1	Level 1+	Level 1+	Level 1+
Time deposits of more than one year	AA	AA	AA	AA
Mortgage funding notes	AA	AA	AA	AA
Bonds	AA	AA	AA	AA
Lines of bonds	-	-	AA	AA
Subordinated bonds	AA-	AA-	AA-	AA-
Shares of the one series	1st Class Level 2	1st Class Level 2	1st Class Level 2	1st Class Level 2

A complete report concerning the rating granted by Feller Rate to Bci can be found on www.feller-rate.cl.

Fitch Ratings has rated the Institution as follows:

	2001	2002	2003	2004
Solvency		AA	AA	AA
Trend		Stable	Stable	Stable
Time deposits of over one year	AA	AA	AA	AA
Time deposits up to one year	Level1	Level1	Level1	Level1
Mortgage funding notes	AA+	AA+	AA+	AA+
Bonds	AA	AA	AA	AA
Line of bonds			AA	AA
Subordinated bonds	AA-	AA-	AA-	AA-
Shares	1sr Class Level2	1st Class Level2	1st Class Level2	1st Class Level2

Similarly, a report in greater depth concerning the rating granted by Fitch Ratings to Bci can be found on www.fitchratings.cl.



1. Corporate Social Responsibility in Bci

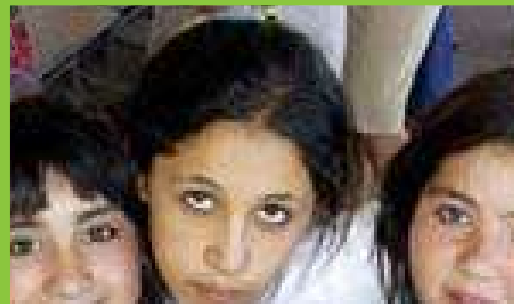
2. Prizes

3. Staff

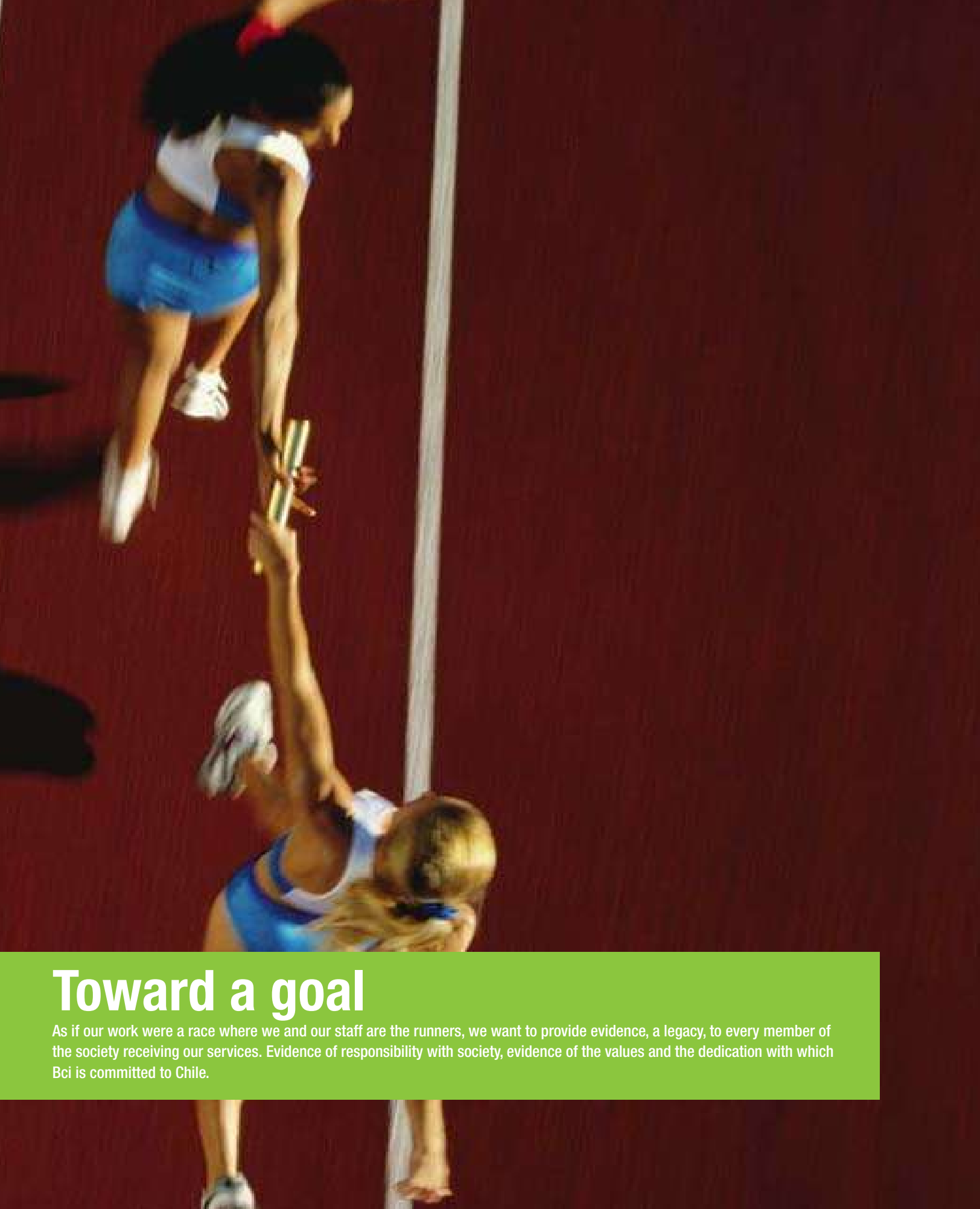
Bci stock options
Human Resources Policy
Labor climate
Internal social network
Support for the Family

4. Society

Corporación Crédito al Menor
Pro Empleo Program
Support for the Family Business
Motivating Reading as a Pleasure
Bci Art Collection
Municipal Theatre
Patricia Ready Gallery
Nocedal Orchestra: bringing children to music.
Other Initiatives



Corporate Social Responsibility



Toward a goal

As if our work were a race where we and our staff are the runners, we want to provide evidence, a legacy, to every member of the society receiving our services. Evidence of responsibility with society, evidence of the values and the dedication with which Bci is committed to Chile.



“The personal and professional growth of the staff and their family backgrounds is an imperative ethic in Bci. It is the chosen method or way for complying with banking service targets. The weft of its initiatives and benefits suggests the dream of being a company that produces satisfactions for its shareholders, staff, customers and the society that surrounds them”.

(Beginning of the presentation on Bci in the book “More than Business, People” edited by the Carlos Vial Espantoso Foundation).

1 Corporate Social Responsibility in Bci

Corporate social responsibility is not a concept that is easy to reduce to a couple of paragraphs as the degree of commitment that a company should have to the society of which it forms a part contains many sides and includes different shades and is not limited to just the relations that a company might have with its employees but also to the way in which it behaves with the community of which it is a member.

However, Bci considers that the concept of corporate social responsibility should focus on at least two fundamental principals:

- The company is an agent subject not only to rights within society but also obligations that are over and above those that legally apply and derive from an imperative ethic. This is why it is its responsibility to ensure that its actions and their effects are directed toward securing progress, not only for its shareholders but for the community of which it forms a part.
- As the company forms part and develops its business in an organized society, the greater or lesser degree of material and spiritual development of its members affects it directly so its activities should also be directed to the common good. Corporate social responsibility is therefore not something that can be incorporated into the management of companies in a facultative way but has to be imperative, as the welfare of the community in which it does its business influences it significantly.

Ever since its foundation, Bci has sought that its actions are not only governed by economic profitability but also social responsibility. The Corporation has therefore defined a values framework governing all the Bank's policies, actions and objectives, and all these concepts have always to take into account that people are the final objective and center of all the Corporation's activities.

Bci Olympics





Christmas party at MIM



Library Train



Childrens Day



Scholarships for Bci's staff children

Corporación Crédito al Menor



Bci has sought that its actions are not only governed by economic profitability but also social responsibility.



Bci, as a financial services and solutions corporation, is designated to maintain a return on capital and on assets that is above the average for the banking sector, through operating efficiency, excellence in service and strong technological innovation. In the same way, the Institution has as a principal objective, inseparably linked to its own performance, to seek the economic, professional, moral and spiritual good of everyone involved in its activity, especially its shareholders, customers, suppliers and staff, in the terms set out in the Corporation's mission statement.

These fundamental principles, that form part of the Corporation's history, are today of much greater importance as aspects like the corporate image and the general image of the company are fundamental for maximizing the return that shareholders expect. Society in general increasingly values companies' ethical behavior and, if their management does not meet certain values, it is very difficult to achieve their objectives.

The opinion of the community on the social responsibility practices of a company therefore supposes that the company also has a clear competitive advantage. However, Bci does not intend to justify a given social policy by considering the economic impact this might create as in this sense the Corporation's motivation is not financial but follows a moral imperative.

The Corporation's corporate social responsibility has been extensive and prolonged over time. Today we wish to make it public, in the hope that in this way a little more may be known about Bci's contribution to the society of which it forms a part.

Scope of Action

As established in its mission statement, the Bci Corporation bases its daily business and directs its management to seeking to maximize the benefit of the pillars that define its actions: shareholders, customers and suppliers, staff and society.

For a better understanding of this report therefore, we have divided it into three sections: the first includes a summary of the recognitions that the Bank has received in the recent past for its actions in corporate social responsibility; the second provides an internal look at the Corporation and its relations with its staff; the third, a view of the way in which Bci applies its corporate social responsibility policies outside the Bank.



In condition to be the best

Competition makes the athlete train, improve, to be a specialist. Our Bank is known for its different achievements year by year, from the commercial side to social responsibility. This is not the result of chance but of team work, education and training. It is a question of creating the conditions for being the best.



Prizes 2

During 2004, Bci received different prizes and distinctions, including:

Great Place to Work Prize

The Great Place to Work Institute placed Bci as one of the 15 best companies to work for that employ more than 500 people with the greatest diversity among its people and widest geographical spread.

The survey, which was carried out by Marketing Meter, a market survey firm that represents Great Place to Work Institute in Chile, involved 170 companies and 65,000 workers responded to its.



Best Companies for Working Mothers Prize

The Fundación Chile Unido, Ya magazine and the El Mercurio newspaper distinguished Bci as one of the six best companies for working mothers. This is an important recognition of the Corporation's efforts to fully incorporate women into the labor market in a dignified way.

The survey basically measured six areas: description of the labor force, total compensation, child care, flexibility, other benefits relating to the family and the company's culture.





Most Admired Companies Prize

According to a survey made by Adimark, organized and published by La Segunda newspaper, Bci gained seventh place in a global ranking of the most admired companies. With respect to its specific characteristics as a company, the Bank occupied first place among financial entities in the technology area and second place in categories like probity and transparency, working mothers, opportunities for working women, companies that are committed to their consumers and those doing something new for the country's education and training. The Institution was placed third among financial entities in social contribution and fourth in the most preferred places for professionals to work.

Quality of Service Prize

Bci was placed third in the membership category in the ranking published by Pro Calidad since 2002 as a result of a survey carried out by a group comprising Universidad Adolfo Ibáñez, Adimark and Chile Calidad.

The survey covered 11,000 Chileans over the age of 21 to measure their degree of satisfaction as consumers.

National Security Council Prize

For the ninth consecutive year, Bci was distinguished for obtaining the best occupational accident frequency rating in banking.



The Great Place to Work Institute placed Bci as one of the 15 best companies to work in Chile.

Carlos Vial Espantoso Prize

This recognition seeks to distinguish labor initiatives, undertakings and policies that stimulate the participation of employees in the company's benefits.

As part of this study, the Carlos Vial Espantoso Foundation in 2003 edited the book "More than businesses, people" which includes the experiences of seven companies that have been distinguished for their values and constant social responsibility policies, which included Bci.



Always improving

Sacrifice and effort always bears fruit. Perseverance and energy for achieving new targets. As runners fighting to reach the line, our staff, our people, are always in the long race for perfecting themselves and serving society.



Staff 3

Bci stock options

As a way to improving the welfare of its employees and strengthen the strong commitment they have assumed with the Corporation, Bci was the first company in Chile to make use of the new provisions of the law covering public stock offerings, by allowing its employees a preferential right to subscribe for first issues of shares in the Institution.

This program, begun in 2001, has attracted 1,528 employees of Bci and its subsidiary companies to be shareholders in the Bank. As a result, the total shareholding of Bci employees now represents 1.36% of the company's share capital.

This decision was based on a business philosophy that understands the relationship between the company and its employees as one of mutual cooperation in which the aims of business and the professional aims of its people come together.

This program for participating in the ownership of Bci, which represents common benefits for the staff and the company, was structured through two initiatives, in a plan that extends to 2006:

- A general offer for the subscription of stock to all employees. 738,082 shares were thus subscribed in this way from employees' own resources.
- A special compensations plan for more than 1,200 employees meeting certain requirements who were offered the possibility of buying 1,059,635 shares under an agreement to pay retirement indemnities in advance and the option to purchase shares from the proceeds of bonuses they might receive over the medium term.

A total of 1,797,717 shares was included in this program, representing 1.81% of the company's share capital and equating to the sum of Ch\$22,471,462,500 at 31 December 2004.

It is basic to point out that, in order to maximize the scope of this stock option plan for the staff of Bci, Empresas Juan Yarur S.A.C., the controlling shareholder of the Bank, renounced its pre-emptive rights to subscribe for the increase in capital proposed, thus significantly increasing the number of shares available for this program.

This stock option plan is a further example of the firm conviction of the Bci management and its controlling shareholder that the nucleus that defines companies is the staff working in them, without whom any return and efficiency objective is absolutely unsustainable. The interest shown at the time of subscription of the shares included in this plan is a clear example of the appreciation and commitment adopted by the employees of Bci and a sign of confidence in the board and the team that leads the Institution.

Human Resources Policy

General

The Corporation currently employs around 7,000 people. If all the respective family groups are taken into account, some 28,000 people directly receive the benefits provided by the Institution.

Bci has defined seven points called “Our Commitment” which contain the guidelines governing relations with the company's employees, which are:

- To maintain stable working relations for all those working with responsibility, quality, capacity and commitment with the Corporation's results.
- To promote an improvement in the standard of living of employees and their families. The emphasis will always be placed on permitting all those working in the company a dignified personal and family standard of living.
- To give opportunities and propose professional challenges to those working in the Corporation, according to their skills and personal qualities.
- To make a constant effort in the formation and training of its members, tending to complete their knowledge and skills and at the same time motivate their personal development.
- To motivate, recognize and reward individual effort, progress and skills.
- To recognize the necessary market limitations in which the Bank works.
- To ensure that everyone working for the Corporation is subject to a work contract.

In order to ensure strict compliance with the criteria established in the Corporation's mission statement and values framework, there is a Human Resources Committee whose main objective is to define the guidelines and policies that explicitly link personal and organizational performance and their conduct, skills and style with the strategic objectives and committed results in the corporate balanced scorecard within a framework of principles and values that govern Bci.

This committee meets monthly and comprises the general manager, manager, commercial and branches, manager, retail banking, manager, finance and international, manager, support areas, marketing manager, manager, corporate risk, manager, personal development and manager, organizational development.



1,528 employees of Bci and its subsidiary companies to be shareholders in the Bank. As a result, the total shareholding of Bci employees now represents 1.36% of the company's share.



Employment stability policies.

The average years of service of Bci employees is another consequence of the high degree of commitment of the Corporation's staff. This is a feeling that does not appear at random but is intimately linked to the Bank's labor stability policies which are embodied in the commitments already mentioned. This has permitted:

- The average years of service of the 11 principal executives of the Corporation to be 22.
- 18.2% of the staff to have an average of over 20 year's service.
- 28% of the staff to have an average of over 15 year's service.
- 41% of the staff to have an average of over 10 year's service.
- Bci's staff turnover to be 15% lower than its direct competition.

The constant consideration of the dignity of the persons translates also into a careful management of staff dismissal decisions, avoiding those that occur in conditions affecting their dignity and justice.

An example of the value that Bci assigns to employment stability is what happened in the period 1997-2000, when the banking sector reduced its personnel by some 7,000 people. In full crisis, when there was growing unemployment, Bci created new jobs that enabled it to recruit 450 people, ratifying the company's commitment to stability of jobs for its employees. The chairman of the Corporation also stated publicly that, for these purposes, the cost of the crisis was assumed by the Bank.

But this was not all. The staff receiving salaries of below 800,000 pesos monthly received an extraordinary bonus against future results for a period of three years and soft loans were granted to them so that they could repay the debts they had accumulated.

All these initiatives, directed to ensuring the levels of employees' income were widely recognized by the press at the time, and also by the authorities.

Remuneration, bonuses and salary increases.

While this chapter has already examined the remuneration policies applied to the Bank's management, it should be remembered that the compensation criteria within the Corporation are based on rewarding and developing employees and granting levels of income and benefits that promote a dignified standard of living.

In the same way, the Corporation's policy also seeks to remunerate its staff justly and competitively in order to retain and motivate the talent that best adapts to the progress of the business and the spirit and values of the Corporation.

Bci has an annual salary review process for all its employees. In 2004, 20% of the staff, equal to 922 people, received salary increases.

According to a survey made by a specialist consultancy, eight out of ten employees of Bci on its administrative and services scales receive a remuneration above market rates.

In compensations, all employees meeting their business or strategic performance objectives, whether service, administrative or executive personnel, have the right to receive target achievement bonuses. During 2004, 3,662 employees received bonuses of this kind, implying a total disbursement of some Ch\$ 4,000,000,000.

Development and training.

Bci's policy is to provide opportunities for everyone working in the Corporation to progress and develop themselves according to their personal characteristics, individual skills, capacities and merits.

Formation is one of the basic pillars of Bci's human resources strategy, balancing the introduction of professional talent with the internal development of those working in the organization.

Bci has its own training department that meets a fundamental, permanent and systematic role in the formation of all the company's employees in new market trends and the new technologies that appear. The department has a modern infrastructure including class rooms, audiovisual equipment, computer laboratories and other multiple-use, virtual and real learning channels.

Bci has created the Bci Aprende program, a new training model based on training at a distance, a method by which every employee can have access to an exclusive training portal on the Bank's internal communications network. Everyone can therefore organize their training, visualize and practice the courses assigned to them, follow up on progress with their formation plan, enquire about completed courses and those in progress, with the marks obtained, start and completion dates, and all information on other courses in the curricular matrix or request additional courses.



Labor climate

The commitment with the staff and the systematic concern for the maintenance of its policies and benefits is appreciated by most of the organization's employees. This is reflected in the results of the organizational climate survey, to which 3,800 staff responded and which is applied through the Universidad Católica and a specialist company.

The results of the last survey made in December 2003 show an average of 71% positive replies while the average for the banking sector is 63%.

Among the most recognized aspects by the Institution's employees, first place was for remunerations, followed by labor stability, development and physical working conditions. In the functioning of the organization, the best evaluated dimensions were organizational clarity, the external image of the company and quality.

Bearing in mind the results of the survey, corporate plans were made for the transversal improvement of the whole Corporation and specific action plans made depending on the particular aspects detected in different areas. This study was applied in 1996, 1999, 2003 and will be done again in 2005. In addition, the Great Place to Work Institute which has made a survey since 2001, placed Bci one of the best companies to work for in Chile.

Internal social network

Bci has an extensive internal social network which provides assistance and solutions for psychological, family, labor, social and health contingencies that can affect employees.

The following provides a brief summary of the benefits and amounts given during 2004 to Corporation employees:



Concept	Amount Ch\$
Housing & transport	1,086,479,412
Education	1,845,060,822
Bonuses *	3,091,242,870
Health & insurance	781,602,095
Other assignments	1,737,405,705

* This item does not include bonuses for compliance with targets as it only refers to cash benefits given by Bci to its employees on certain dates.

The most significant benefits include:

Housing

The Bci Saving for a Home Program is outstanding among companies in Chile, as Bci was the pioneer in providing specific benefits for this concept.

After 13 years in the operation of this program, 1,400 employees have achieved their dream of having their own home, making use of the special subsidy granted by Bci and which completes the prior saving and covers the costs involved in purchasing a home.

Employees also receive a mortgage loan with a preferential commission for the purchase of their first home.

Together with the subsidy, a housing grant is given to employees buying a home amounting to 41.89 Unidades de Fomento.

Education

Bci grants scholarships of 10 Unidades de Fomento to staff who study subjects related to the banking business.

It also grants 50 scholarships annually to finance the superior education of staff children, amounting to 50 Unidades de Fomento each. It also awards prizes to children with the best school performances, consisting of material and monetary help, as well as exchange scholarships for outstanding young people, offering them the opportunity to live abroad, learn a language and broaden their minds. Bci also grants scholarships to employees for university courses, financing 50% of the annual fees, renewable year by year.

Bci also offers post-graduate and MBA studies for perfecting mid-level professional executives. During 2004, 33 Bci executives carried out post-graduate studies.

Finally, and as a way of assuring the education of the children of deceased employees, the Corporation provides the surviving spouse with 10 Unidades de Fomento annually for every child of school age until completing their secondary education.

Health

Bci provides support for staff and their families in their health contingencies. There are now a series of special agreements with health-cover institutions and assistance is provided in the financing of the premium on a life insurance policy that covers 200 Unidades de Fomento. In the case of administrative and services personnel, the contribution that these have to make does not exceed 2% of their remuneration, the Bank contributing the balance of the premium.

The company's guards have insurance cover for accidental death of 1,000 Unidades de Fomento, compatible with any other that they may already have contracted.

There is also a complete complementary health insurance covering 4,971 employees, including the reimbursement of or medical fees and medicines following the deduction of the reimbursements received from the respective health-cover institution and up to a maximum of 500 Unidades de Fomento. Staff also have the option to contract additional serious illness insurance cover offered on preferential conditions.



Prizes are given to children with the best school performances, consisting of material and monetary help, as well as exchange scholarships for outstanding young people.



Support for the Family

The “Programa Mujer” was established in order to permanently improve working conditions for providing a proper balance between the family and professional responsibilities of a mother, considering that 43% of the staff of the Bci companies are women.

The following are among the measures for facilitating the dual role of mothers and employees:

Bci has also created different funds for special cases:

- Fund for improving the health-cover plans of low-income employees.
- High-risk fund to support families in the case of severe economic impact related to a serious illness.
- Fund of special donations for serious cases of illness that exceed the family group's financial resources.

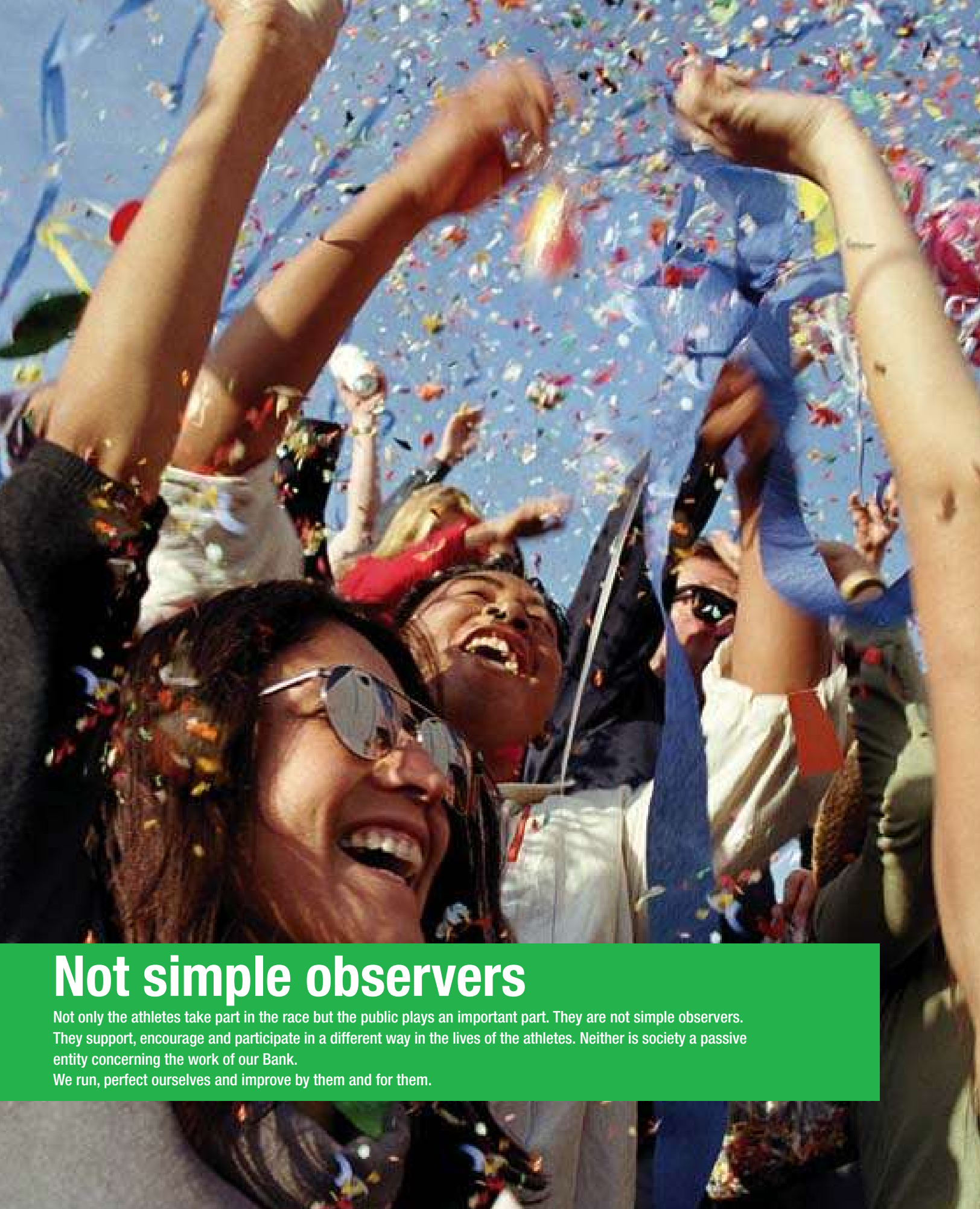
Caring also for the health conditions and security of its employees, a program unique to Chile was introduced in collaboration with the Mutual de Seguridad for assisting employees in case who suffer physical attacks, especially at branches, by providing immediate psychological and medical attention and support.

Working Day: Two years prior to the coming into effect of the legislation that reduced the working day, Bci in 2003 unilaterally reduced the working week from 48 to 45 hours, allowing staff to leave at 18:05 hours Monday to Thursday and at 16:25 hours on Fridays, with the only requirement that they have effectively completed their tasks and responsibilities for the day. Informal Fridays have also been established, allowing staff who do not attend the public to come to work in casual wear.

Access to technology: Bci has introduced an equipment program that has provided 544 subsidies totaling Ch\$100,000,000 to low-income employees so that they only have to finance a minimal part of the purchase of a personal computer. For all employees that requested it, Bci granted soft loans for financing the purchase of such equipment.

In total, 1,062 staff acquired a computer.

- Flexible hours so that mothers and fathers can share more time with their children. Once every month, mothers with children under two years old may return home two hours earlier. On the birthday of the child or husband, they may leave at 14.00 hours. There are also flexible hours for taking children to the doctor and attending year-end events at the respective school or play-school.
- Agreement with a supermarket allowing them to make purchases by telephone with an additional discount of 7%.
- Sports activities are encouraged, providing guidelines for a proper diet and organizing alcohol and drug consumption prevention activities, through talks, workshops and courses given by specialists with the whole family group in Santiago and the regions.



Not simple observers

Not only the athletes take part in the race but the public plays an important part. They are not simple observers. They support, encourage and participate in a different way in the lives of the athletes. Neither is society a passive entity concerning the work of our Bank.

We run, perfect ourselves and improve by them and for them.



Society4

Corporación Crédito al Menor

As a result of the social commitment and collaborative spirit of the Bank's staff, the Corporación Crédito al Menor, created specially to help young girls facing high social risks, has built two homes. A total of 1,935 Bci staff take part in this as partners, not only by making monthly financial contributions but helping in the formation of the girls and foster-parenting some of them and inviting them to share weekends at their homes and thus involve the whole family in this social work.

The first home was formed in Santiago in 1990, called Villa Jorge Yarur Banna, in the district of La Pintana. The second is in the city of Temuco with the name of Residencia de Vida Familiar Jorge Yarur Banna. Both places offer help to more than 100 girls from sectors of extreme poverty.

This work is supported by the Bank's board and is financed by contributions by the company and its own staff, and offers a home, education, meals, health care, recreation and, perhaps the most important, moral and values formation.

The Villa Jorge Yarur Banna has 8,000 square meters of land with a built area of 2,656 square meters, composed of ten houses for 9 children each, professional offices, canteen, multiple-use room, workshops, chapel, multi-sports arena and complementary infrastructure.

The project has made significant progress in social and family reinsertion programs, enabling 111 girls to date to have passed through the shelter homes.

There is also the "Seguimiento Educativo" roving program for supporting those leaving in order to check the continuation of their education.

Pro Empleo Program

One of the most applauded initiatives for the community has been the campaign against unemployment begun by Bci called "Pinta Sonrisas, Pinta Bci". Through this and with the support of the Fundación Trabajo para un Hermano, Sense and Inacap, 408 unemployed people throughout the country were trained and given the opportunity to set up a professional practice, paid by Bci.

The employment plan gave those people the opportunity to be trained in painting, decoration, security and altitude risk prevention. After three months, these people carried out their new skills by painting Bank branches, public buildings and the community offices of the country's different regions and cities. Part of the wages, paint and working clothes were provided by Bci.

Thanks to a budget of over Ch\$200,000,000, more than 70,000 square meters were painted, between Bci branches and community buildings.

Support for the Family Business

In 2002, Bci sponsored the creation of the family businesses chair at Universidad de Los Andes, carrying the name of the well-known businessman and chairman of Bci for nearly 40 years, Jorge Yarur Banna.

With an annual contribution of 2,000 Unidades de Fomento, this academic project is concerned with the formation or adaptation of Chilean family businesses so that they follow the best practices and tools for successfully resolving the difficulties faced in their stage of development. The contribution also contemplated the creation of a specialized library on family business subjects.

A large number of businessmen and Bci customers has passed the courses under Bank scholarships.

Motivating Reading as a Pleasure

In the centenary year of the birth of Pablo Neruda, Bci sponsored the “Chile wants to read” campaign, designed to stimulate the pleasure of reading, collecting funds for acquiring books for improving existing collections in the country's 411 public libraries. The challenge consisted of helping to convert these libraries into a community meeting place comprising information, knowledge, culture and recreation.

Thanks to the success of this campaign, in which El Mercurio newspaper, the Fundación Pablo Neruda, Ministry of Culture and the Libraries, Archives and Museums Authority also participated, the public libraries today have important collections of books for children, young people and adults, with thousands of literary works, placing the best and most attractive works within the reach of the inhabitants of the whole country.

Bci Art Collection

Bci has a valuable, properly preserved art collection comprising close to 150 works, of which more than 90% correspond to Chilean artists.

In order to integrate it closer to the community, guided visits are made to the collection for students of various colleges and schools in Santiago who, accompanied by their teachers, have appreciated and learned about these important works.

For similar reasons, Bci has participated in the last two years in the Large Banks' Chilean Paintings exhibition shown at the Casona de Las Condes by Universidad Andrés Bello.

Municipal Theatre

Also related to the diffusion of art, Bci supports the financing of the activities of Santiago's Municipal Theatre through the city's Cultural Corporation. Through the project “Aumento de Audiencias”, concert, ballet and opera performances have been financed for audiences that otherwise would not have the possibility of going, providing them with open and free functions in Santiago and the regions, with roving artists.





Patricia Ready Art Gallery



Computers donation



Bci's art collection



Patricia Ready Gallery.

Bci has been sponsoring the activities of the Patricia Ready Art Gallery (formerly Arte Actual Gallery) for 11 years, enabling it to maintain its intensive work in developing Chilean painting, focused on young artists. Bci has also granted scholarships directly to young Chilean artists in order to gain experience.

Nocedal Orchestra: bringing children to music.

In 2002 Bci began to finance the Nocedal de La Pintana Symphony Orchestra, composed of 41 children whose formation is in the hands of the Instituto de Música of the Universidad Católica,

The students thus have the instruments that enable them to develop their artistic skill individually, learning to work as a team through this great artistic project. The quality of the orchestra has enabled it to take part successfully in numerous competitions for youth orchestras.

Other Initiatives

In compliance with its mission statement, Bci has promoted numerous initiatives in different fields of national life. Its contribution permitted the master pianist Claudio Arrau to give his last performances in Chile. In the sports field, it has supported outstanding international athletes like Cristián Bustos, Nicolás Rajcevic, Erika Olivera and Marcela Cáceres.

Today, Bci also provides its help to many municipalities, contributing to the financing of specific projects for the good of the community or for the activities of social-support foundations and corporations like Fundación Chilena de la Adopción, People Help People, Fundación Las Rosas, Hogar de Cristo, Trabajos de Verano de la Federación de Estudiantes de la Universidad Católica and others.

In general terms, Bci's financial support has been directed to different entities that work on improving education, culture or other charity purposes. They reflect a policy that has been traditionally followed by Bci which, during 2004, gave the sum of Ch\$595.8 million for such purposes.



Presentation by the Chairman
Introduction

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Ethics Code

Presentation of the Chairman

To all our staff:

Eight years ago, I had the privilege to inform you that Banco de Crédito e Inversiones, as in its many other initiatives, would be a pioneer in the generation of an instrument leading to healthy corporate practices. With the support of a group of persons who studied the most important variables that should be included in an initiative of this kind, we gave birth to the **Bci** Corporation Ethics Code, a modern and effective tool for guiding our decisions, constantly faced by options that are increasingly complex to manage. We thought of a reference framework for being able to facilitate judgment in choosing the options we are constantly faced with, among many other alternatives, about the altruistic and the mean, the rational and the contradictory, the pleasant and the hateful; in fact, about everything that the human conscience has introduced into the generic concepts of good and bad.

We already anticipated then that moral standards impossible to relativize should be of prime importance within the company, convinced that these are what have enabled **Bci** to gain the solid prestige associated more than anything with the strict ethical standards that have extolled the Institution since its birth. And we argued that our ethical responsibilities should govern the relations that link all the sectors in which the Corporation is involved: our shareholders, our customers and suppliers, our staff and their families, and the society in which we are immersed.

The work done by the Bank in this area since then, principally but not exclusively through the Ethics Committee which I have been honored to chair during the whole of this period, confirms that this initiative had the support and adhesion of all the company's staff who saw a valid vehicle for making their suggestions and expressing their concerns on this matter, and with greater naturalness than we previously thought, trusted in its members the solution of sometimes very difficult ethical contingencies, giving rise to interesting debates within the Committee and to the possibility of clarifying conducts and recommending actions for preserving the good institutional image. Often these suggestions, always treated with the maximum respect and confidentiality appropriate to questions of this kind, served as the basis for generally-distributed Communications, by which also an ethical jurisprudence has grown up which we value as yet another conquest in this context.

Although the essential elements governing our ethical thoughts are based on immutable principles and values, the experience gained in this work, as well as the undeniable evolution experienced by society over the last decade, the new conflicts that emerge from that evolution, the globalization of communications and markets, the eruption of amazing technological advances, the new challenges arising from the banking business, every day more complex and sophisticated, have led us to reconsider part of the guiding principles contained in the Code, taking very much into account the contributions of many staff made over this time





As 8 years ago, the new text of the 2005 Ethics Code we are presenting to you is infused with non-negotiable principles for us, including and just as an example, that concerning Human Dignity, which implies that everyone should be treated in a similar way to others, regardless of their individual characteristics, as Human Dignity is precisely what we have in common and distinguishes us from other living things. Man is endowed with reason and willingness and in having these has to ensure that, among other things, respect for persons, the truth, freedom and fairness take precedence.

This new proposal offered to you today fits within the full process of institutional adaptation to the principles of corporate governance and social responsibility, whose precepts and basic guidelines can only be met in a framework of strict adherence and effective appropriation of the ethical contents that are inherent in the society surrounding us.

As evidence of the continuity of this process, the Introduction to the new Ethics Code is the work of our Vice Chairman, Modesto Collados Núñez, as was the first edition.

And in conclusion, I reiterate, as I did in our first version, the need to read this Code with much attention and to ask all your colleagues and especially those working under your supervision to do so also.

Keep this document in your possession, consult it every time you encounter situations that compromise compliance with ethical standards; and be assured that its strict application will continue to be the determinant factor on which the future success of our **Bci** will lie, and of those who have contributed to and take pains in maintaining the solid position that has been earned in the concert of the country's most prestigious companies.

My best wishes to you all,

Luis Enrique Yarur Rey
Chairman

Human progress is linked to ethical principles which have been observed individually and socially. Religious commands, that in our culture could be synthesized in the Decalogue (Judaic tradition) and the Sermon on the Mount (Christian tradition) are mainly directed to the individual. As social organization passes from the tribal to the civil stage, which generally coincides with the formation of cities, the mutual relationship of individuals requires these standards to acquire a collective value.

From this proceeds an inevitable reality in the field of human conduct that leads to two imperatives:

- a) that every activity, explicitly or implicitly, has a code of ethics,
- b) that the different codes thus formed are compatible.

A society formed in this way, complying with both imperatives, would be ethically perfect and thus impossible to attain, but this model should serve as a paradigm for us in the preparation of standards that govern our social conduct.

Ethical standards are as old as humanity and their evolution is quite evident. The individual accepts standards of conduct that produce peace and happiness; then, as a result of life in community, these standards are made applicable to fellow men. As this phenomenon is mutual, common standards evolve that make up social ethics.

In the most ancient societies, the possibility of finding common factors in the ethical proposals of the diverse groups was greater than in present times as the standards were directed to one end, a “*summun bonum*”, that generally was the same. But if we study the phenomenon in the development of our Western culture, we see that when Christianity modifies the ethical model of the Greco-Roman society, it creates a new more demanding and more complex challenge.

The Greco-Roman ethic, stated by Aristóteles in the famous epistle to Nicomac is modified and reinforced by the Christian ethic deriving from the Gospels. The essential difference is that the basic principle of the former is Goodness and of the latter Doing Good. From the contemplative statics of the Greeks to the combative dynamic of modern times.





The complexity of the new focus derives from the fact that the unitary “summun bonum” is replaced by the binary concept that relates the means with the end. The task of doing good is harder, more evasive, more unattainable than the quiet task of being good.

Bci, working in the 21st Century, has to be guided, rigorously, by an ethic that leads it to doing good. Unfortunately we cannot just say do good. To be realistic it would have to say: do good, with difficulty, with sacrifice, with hard work.

The ultimate ends to which human conduct is directed may be pleasure, power and service disposition. While the first of these aims tends to exhaust itself and thus ends in scepticism and abulia, the second leads to an exaggerated dimension of individual willingness that leads to a lack of moderation and wisdom. The third, service disposition, is that which best reflects the balance between the individual and social ethic which, in the case of the concrete case of a company like **Bci**, consists of trying to make coincide, where possible, the imperative of doing good personally with the imperative that our company achieves the objective of doing good within society.

This Ethics Code is inspired by the above general principles and should be considered as a combination of standards that we voluntarily impose on ourselves and only after complying with them are we allowed to require them of others.

1 Administration of the Code

The effectiveness over time of an Ethics Code within **Bci** necessarily supposes the coexistence of an entity that administers and applies its provisions. This first chapter therefore, as well as establishing basic guidelines governing this initiative, constitutes the Ethics Committee which will be the level through which that function will be carried out. This will include the participation of different company staff in accordance with a selection process defined herein. This Committee will only make sense while the commitment exists of all staff involved in its compliance and in its effective use in the resolution of conflicts and concerns about values that arise in our daily work in the service of the Institution.

1.1 Scope of application

The Ethics Code covers the whole of the **Bci** Corporation, including the Bank and its present and future subsidiary companies.

All the staff of **Bci** are obliged to sign a written confirmation of having received and read the Code and acknowledging that its provisions form an integral part of the regulations governing their contractual relationship with **Bci**.

1.2 Ethics Committee

The administration of this Code is the responsibility of the **Bci** Ethics Committee.

This Committee reports directly to the chairman's office and shall have an essentially normative and regulatory function, and moderator of the practices that, according to ethical standards, are considered suitable for meeting these ends and the application of the Corporation's policies. Exceptionally, and only when particular circumstances justify, it will extend its competence to the recommendation of sanctions for breaking its standards which will only be carried out through the Organization's normal channels.

The Committee shall have seven members of which five are permanent and appointed by the chairman while two enter by their own rights on a rotating basis, being the annual winners of the Jorge Yarur Banna Prize. The permanent members shall remain in their positions until replaced by he who appoints them, while the members entering by their own right shall act temporarily for periods of two years. Otherwise, the Committee shall proceed in accordance with the regulations set out in the Internal Functioning Regulations that may be consulted in the Intranet publications. The Committee shall have an Executive Secretary for channeling the requirements of interested parties, answering pertinent enquiries and preparing the minutes of Committee meetings.

The Committee shall meet at least quarterly and inform the dates of meetings in advance in order for interested parties to make enquiries in that period, notwithstanding the attention of requirements that might at any time be presented to the Executive Secretary for consideration whether at the next meeting or in advance through a virtual meeting of its members whenever the situation warrants it.

The Ethics Committee has exclusive powers to interpret the provisions of this Code and clarify the correct meaning, scope and extension of its various sections.



The Ethics Committee shall not take any action with respect to anonymous claims and shall strictly repress those that are made in bad faith or that result in being false or irresponsible.

1.4 Code infringements

Infringements to this Code or the effective lack of cooperation with an internal investigation instigated on the basis of its provisions, may give rise to the application of disciplinary sanctions which in extreme cases could imply the removal of the employee from their job, notwithstanding any civil or criminal actions that might eventually be taken should they be found to be of a criminal nature, apart from their ethical dimension.

The discussions that take place and the resolutions adopted by the Ethics Committee shall always be of a strictly confidential nature, their disclosure being prohibited to its members and to third parties that may eventually have access to information originating from this organism, always notwithstanding the direct replies that have to be made to the persons who have expressed their concerns or made enquiries and of investigations that are confidentially made of the different areas of the company competent in the matter in question in order to comply with its functions.

The agreements of the Ethics Committee which, because of their nature, may serve to set criteria of general application in the company, shall be published in the form of Communications in which, in any case, they shall omit all reference to the particular situation and the persons who made the consultation originating the respective agreement.

1.3 Infringements report

Any act that, in the opinion of a member of the staff, infringes the Code or which in any way can be interpreted as against the ethical standards governing the Corporation, including if such acts had a fraudulent or illegal nature, should be informed immediately to the Ethics Committee, trying to do so through their Heads. The Executive Secretary of the Committee or any of its members may also be approached directly if, in the opinion of the person informing, this appears more suitable, expedite or appropriate for the case in question. Every effort shall be made to maintain strict confidentiality concerning the name of any staff member that informs about an infringement to the provisions of the Code in order to avoid any revengeful actions being taken against them.

All members of the staff should be aware of this duty to inform about illicit, illegal or fraudulent activities coming to their attention. While **Bci** shall use all its means to protect the employee who advises about this kind of infringement, it will not hesitate in sanctioning those who, through indolence, convenience or a false idea of loyalty refrain from reporting situations of this kind.



2.1. General rules

The rules established for the granting and disbursing of loans and all kinds of financial transactions in their various ways should be applied fully and rigorously by the executives who have expressly been granted authority.

The executives of Bci assume responsibility for the transactions that correspond to them which implies accepting the risks of these businesses on behalf of the Corporation. They cannot therefore ever seek protection by eluding or lessening their responsibility with the argument that they were recommended by some person related to the Institution, nor justify their decisions relying on other authorities or entities of higher or lesser rank, or on other parts of the Organization, to justify the approval or declining of some transaction.

The mere allusion and especially the attempt to influence or pressure decisions that do not meet the parameters and requirements established by the company made by customers, users and suppliers to family or friendship relationships whether with controllers, shareholders, directors and managers of Bci, or groups of influence, in order to obtain privileged or exceptional conditions in business with Bci, constitutes a practice contrary to institutional ethics and should be rejected out of hand by the staff involved. The actual, false or assumed connections or links should at no time serve as a pretext for justifying badly-authorized transactions or which infringe public or internal standards covering such actions.

The Corporation does not finance businesses nor intend to have commercial relations with companies or individuals that do not live up the ethical standards nor those companies or persons known for their involvement in illicit or degrading business or do not fully comply with current legislation.

The company follows a policy of total rejection of and self-protection against actions linked to money laundering or similar practices, whatever their origin, and it is the duty of all its staff to be informed of the various actions that are carried out for this purpose in order to detect or help identify the persons that might be resorting to this kind of procedure, using the means and financial products of Bci. It is imperative that those aware of this class of activity make them immediately known to the Compliance Officer.

All individuals and entities working with Bci - customers, suppliers, users and the public in general - should be treated on equal conditions, with propriety, equity, objectivity, avoiding discrimination, favoritism or personal preferences that are not based on objective business aspects linking them to the company. Especially prohibited is discrimination based on ideology, race, religion, sex, age, nationality or disability.



Staff should know the customer as a person and be aware of who are the owners, authorized signatories and managers in the case of the companies and communities with which Bci works in order to avoid being surprised with attitudes that can prejudice the institutional interests. This knowledge exceeds the financial and economic areas and refers to the combination of their own characteristics that make them reliable people for the Organization.

Staff should attend customers according to their needs, providing solutions that satisfy their expectations with a full knowledge of the details of the products and services offered by Bci and responsive to the personal requirements of the user. The ways in which the products operate and their related costs should be fully and clearly explained to the interested party to be sure that the customer fully understands them.

The diligence and excellence of the analyses made and decisions taken by employees constitute an ethical duty of importance as the powers granted to them to commit the capital of the company cannot be affected by a lack of due rigorousness in carrying out the assigned functions.

The powers granted to staff to represent Bci fall into categories that necessarily and for functional reasons exceed those powers granted in accordance with the internal structure of powers. No employee is allowed to exercise that representation over and above those powers specifically granted according to the that internal organic structure.

No employee may sign any document in the name of Bci or in any way represent or exercise authority in the name of Bci unless specifically authorized to do so. The staff should be aware of their limitations in terms of their authority and no take any actions that exceed their limits.



All individuals and entities working with Bci - customers, suppliers, users and the public in general - should be treated on equal conditions, with propriety, equity, objectivity, avoiding discrimination, favoritism or personal preferences.

2.2. Confidentiality

The prestige of Bci relies significantly on the degree of confidentiality it offers its customers and the public in general in their operations and links with the Corporation. This statement naturally extends to information concerning business strategies and plans, lists of customers, lists of employees, corporate programs, applications and software, technology and systems.

Confidential information safeguards. In carrying out their tasks, many employees may have access or knowledge of confidential information on Bci, its present or future customers, suppliers, shareholders and other employees. Employees who have this kind of confidential information should be aware that this has been provided or made available to them in order to comply with a strictly commercial purpose linked only to the performance of their jobs; they should therefore observe complete discretion in its use and refrain from revealing it except to other persons who also should know it because of their institutional functions. Any doubt about these restrictions should be brought to the attention of the Ethics Committee.

The discretion required implies that this information should never be mentioned to unauthorized persons, either intentionally or accidentally. It necessarily also supposes a special concern for the keeping of documentation and information that each one administers in the normal course of their job.

In addition to the ethical aspect, the improper use of confidential or reserved information leads to civil and criminal liabilities, both against Bci itself and also the person responsible for misusing such information in the terms currently contemplated in our legislation.

Authorized disclosure of customer information. Bci follows the rule that the files and information on customers are confidential. It shall require a summons, court order or the express authorization of the customer to be able to reveal to third parties the files or financial information except in certain situations that should be handled on the basis of





2.3. Corporation assets

A suitable and due protection of the tangible and intangible assets of Bci and the correct recording of that use are essential conditions for preserving the capital strength of Bci.

Procedures for restricting the flow of information.

Bci is a multiple financial service institution. The banking laws or those governing the capital markets, as well as those covering good commercial practice, require that the company have procedures for preventing confidential non-public information obtained in carrying out its diverse business activities, from being used inappropriately by other persons within or outside the Corporation.

It is forbidden that any confidential non-public information about the banking and financial activities of the Corporation or made on behalf of our customers, be transferred to any external entities that might use it for commercial, advertising or other purposes.

Every employee is responsible for familiarizing themselves with the information security rules and systems established in each business area and take the necessary precautions for safeguarding its confidentiality, integrity and availability.

Staff should protect the ownership of the assets of Bci, which include all kinds of assets, information, products and services. The misuse and taking away of property, equipment and supplies from the corporate premises of the company is forbidden unless specifically authorized. This is equally valid with respect to the intellectual property created or acquired by Bci for its exclusive use like, for example, the list of customers, files, reference materials and reports, computer software, data processing systems, computer programs or data bases.

In no way should the integrity of the computer programs and data be compromised, which includes the information assets of Bci. Greater care should be taken to protect them against their attempted private use, mal-functioning in their normal use or their intentional or accidental manipulation.

Private-use computer programs and their other elements cannot be employed on the institution's equipment in order not to expose it to accusations of the use of unauthorized licenses or eventual contamination of its computers or applications by viruses or other defects.



Staff should protect the ownership of the assets of Bci, which include all kinds of assets, information, products and services.

The products and services of Bci are its own and the contribution that an employee makes to its development and implementation while forming part of its personnel, is also owned by the company. These conditions are unalterable, even when the employee leaves the Corporation.

The telephonic, telecommunications, electronic mail and internet access systems provided to many of the employees to carry out their jobs in the Institution belong to Bci and are for its own and exclusive use; communications and the use of such devices for personal use is restricted to certain cases; it should always be borne in mind that the owner of such assets reserves the right to check their effective use and the extent to which they are used. However, it is forbidden to use this equipment and tools in activities that imply distorting their true purpose like, for example, access through internet to purely entertainment, pornographic or doubtful reputation sites, or use electronic mail to trade articles of personal interest or reproduce chain messages or other forms of unauthorized diffusion, or use the company's telephone to make repeated personal long-distance or mobile calls.

Books, files and accounting. Bci has set internal control policies for accounting and file maintenance as part of its asset protection policy. Staff should respect these controls and policies. In this context, they are required to seek the appropriate approvals and record all expenses on the basis of supporting documents so that the accounting records of Bci can be kept in reasonable detail and reflect all the transactions exactly, as also the location of its assets and obligations.

Transactions should be duly authorized and recorded promptly in order to maintain the accounting of assets up to date and permit the preparation of the financial statements in accordance with generally accepted accounting principles.

All Bci staff who are authorized to incur operating expenses are responsible for reporting these accurately and promptly, strictly complying with the company's

The omission or malicious alteration of any book, register or account reflecting improper transactions or operations of Bci or the arbitrary disposal of its assets will be drastically sanctioned. This includes, but is not limited to, the accounting for personal expenses or requests for having access to some employee benefits plan; and in general to any other action that tends intentionally to produce a distortion of the general accounting of the Corporation.



2.4. Relations with suppliers

The personnel responsible for intervening in the acquisition of products and inputs for Bci should place orders and sign contracts and commitments with suppliers without allowing any favoritism of any kind, giving preference only to the institution's best interests. Under no circumstance may staff conduct themselves in such a way as to affect the pricing or commercialization policies set out by the Corporation's management.

Employees who are invited by suppliers to take part in non-habitual meetings or analyses in order to evaluate current or future products that Bci has bought or may buy, any negotiations that in their opinion compromise the content of the preceding paragraph should be cleared with the Ethics Committee.

It is strictly forbidden for employees authorized to have contact with habitual or non-habitual suppliers, to take part in social meetings, accept gifts or other kind of attention that deprives them of the necessary independence and neutrality that the exercise of their jobs requires. Special circumstances of this kind should be previously cleared with the Ethics Committee.





3.1. Basic definitions

There is presumed to be a conflict of interest by an employee and is therefore prohibited when:

- a) The employee works at the same time for another institution in the same or similar business to their work for Bci; whether as an dependent worker, adviser or under any other kind of relationship;
- b) The employee is the owner or partner in a company dedicated to any banking or financial intermediation activity.

In the event of a possible conflict of interest, the authorization of the Ethics Committee will be required to become a director in another kind of business, whether profit or non-profit making, to participate in any way in companies that are suppliers or customers of Bci and to have other employments outside the company that have such degree of linkage with it. Any doubt concerning an existing relationship with a profit-making organization or company should be cleared with the Committee.

The Ethics Committee should be notified of any proposed commercial relationship or transaction of Bci with any other company in which the employee or their immediate family have a direct participation or can obtain a benefit, and which could lead to a real or apparent conflict of interest. For these purposes, the immediate family is considered to be spouses, parents, children, grandparents and grandchildren.

3.2. Personal benefits

No employee may act in the name of Bci in any transaction, whether or not credit, if that employee or their immediate family have some significant connection or financial interest with the persons or organizations involved. For these purposes, the immediate family shall be understood to be that as defined in point IV.1.3. Special circumstances of this kind should be cleared with the Ethics Committee.

The recommendations that persons directly or indirectly related to the Institution make to induce the recruitment of a person for a permanent or fixed term should follow the regular conduct and be considered only as an element of reference. The same criterion shall be applicable when choosing suppliers of goods and services of any kind, notwithstanding the specific provisions contained in the other



The Ethics Committee should be notified of any proposed commercial relationship or transaction of Bci with any other company in which the employee or their immediate family have a direct participation or can obtain a benefit.

3.3. Personal finance

No-one forming part of the staff of the Corporation shall give or receive special considerations with respect to their employment terms based on family or personal relations linking them to persons with an internal or external authority. External commercial decisions should be based on strong ethical commercial practices as also all decisions concerning personnel, which should be founded on sound management practices and not subject to family or friendship connections of any kind.

Loans. Staff requiring them may only request loans from prestigious financial organizations that are habitually in that business.

Economic morality. Knowledge by the respective department heads of the economic situation of their work group should be one of their permanent functions in order for them to be able to recommend a suitable and prudent management of the resources of their staff and be able to assist those affected by difficult economic contingencies or temporary illiquidity.

The Corporation considers that its staff should have an impeccable economic morality behavior. This is substantially because our institution fulfills a depositary role of public trust, so its components should follow an economic conduct at the level of that principle.

The Corporation considers it a serious infringement of contractual obligations if an employee records overdue payments, protests or falls into commercial or economic default of any kind.

3.4. Investments

Personal investments. Employees are free to buy and sell shares and bonds, and make other investments they may wish provided they rigorously comply with the relevant law, regulations, policies and procedures. However, they should abstain from making use of information they receive in their work for their personal interests.

Any employee who, through their job, position, activity or relations gains access to privileged information (that has not become public knowledge nor has been informed to the market) is obliged to keep this strictly secret and may not use it for their own or another's benefit.

Staff taking part in internal processes or Bci negotiations which, by their nature or importance, could result in variations in the market price of shares of its own issue, should adopt special precautions and are forbidden to participate for their own account or through another person in public or private trading of securities due solely to their intervention in such actions and even when they have not signed a formal document of confidentiality or one that explicitly restricts such transactions. The company could also establish certain circumstances and periods during which such transactions are prohibited for all or part of the staff.

The habitual lending of money to third parties, being involved in illicit or degrading businesses, uncontrolled addiction to gambling and over-indebtedness are inappropriate conducts for employees of Bci.

Employees should never recommend to other people to make changes in their securities portfolios when they have privileged unpublished information about an issuer of such securities.

There is no problem in staff participating in businesses and investment projects with friends, family or any other person who is not a customer, user or supplier of Bci. Companies and other legal entities formed for these purposes should be advised to Bci in order to comply with legal requirements and the regulations concerning credit limits and margins issued by the Superintendency of Banks and Financial Institutions.

Investments shared with customers, users or suppliers should be informed to the Ethics Committee in order to determine whether they could result in negative labor relations or in an incompatibility of interests with the institution.

In any event, the financing, promotion of loans and in general commercial links with companies or customers in which the employee has a direct or indirect participation should be previously authorized by the Ethics Committee.



3.5. Gifts, invitations and other free benefits

An employee of Bci or their direct family should never accept gifts or participate in receptions denoting the intention of the party offering or host to influence an employee or compensate them for some business or transaction made with the Institution, whether before or after that operation has been carried out. Even worse would be the case where an employee of the company requests, asks for and accepts gifts or sinecures as a condition for generating commercial relations with the Institution.

The Ethics Committee may prove in each case the acceptance of gifts of significant value based on the complete written revelation of all the facts of importance, including the name of the giver, the circumstances surrounding the offer and its acceptance, as well as its nature and approximate value. This regulation does not cover health donations and usual courtesies that occur on occasions like Christmas, birthdays and others, provided these do not exceed the usual terms for these kinds of event.



The Ethics Committee may prove in each case the acceptance of gifts of significant value.



4.1. Treatment by the Corporation of public authorities

A suitable and meticulous attention toward public officials with authority (ministers, parliamentarians, members of the law courts, the armed forces, intendants, governors, mayors or councilors, for example) should never be of the kind or importance such that it may compromise or give the impression of compromising the integrity or reputation of the public official or Bci itself.

4. 2. Unpaid debts

It is against the policy of Bci to pay commissions or other kind of unauthorized remuneration or incentives to persons or organizations, to intermediaries such as agents of the state, lawyers or other consultants, in order to attract business to Bci.

It is strictly forbidden to offer or pay any remuneration or give considerations of any kind to Chilean or foreign public officials, to political parties or candidates for political positions, except those expressly provided for in the country's legislation and are not conditioned to specific business.

The gifts that Bci makes to a customer or their employees, or to users or suppliers, cannot have any other purpose than nor be of a size that exceeds the usual terms with which greetings are sent to them; they should therefore be suitable and modest for each occasion.





4.3. External fees

An employee who, due to their position in Bci, is asked to give a conference or be an instructor, teacher or consultant in events sponsored by external organizations, business or industrial associations, schools, etc., subject to the payment of fees, should advise the situation to the Ethics Committee in order to resolve the origin of their participation and the terms on which it will take place. Excluded from this rule are university teaching activities.

4.4. External activities

Those who carry out external activities to their work in Bci should ensure that these do not interfere to any degree with the expected performance of the employee in Bci, nor significantly absorb rest time that might affect their physical or mental capacity, notwithstanding the possibility of conflicts of interest. Bci reserves the right to demand that its employees maintain their contractual relationship with the company subjecting it to the termination of the external activities that it considers incompatible with their work, despite their not being activities that are expressly prohibited.

Bci authorizes and encourages the participation of its staff in non-profit-making organizations or charity work. However, every employee who becomes a director or officer or who acts in some other position of importance in such public-service organizations should inform this to the Ethics Committee.

A similar situation to that mentioned in the above point should also be applied to those occupying director positions in organisms like professional colleges, business associations, university councils, sports clubs or government committees.

4.5. Civic appointments and positions

V.5.1 It is not compatible with the duties of persons employed by the Corporation for them to serve simultaneously in municipal, governmental or other positions of public or private connotation, whether appointed or elected. The Ethics Committee will pronounce on those employees who wish to maintain their working relationship while standing for election during the respective election period and, if the case may be, until taking possession of that position, when they should cease to work for Bci.



5.1. Sales incentives. Target achievements. Variable income

The sale of a Bci product should never be subjected to pure economic interest, implying the selling of a product when the benefit or added value of the sale to the customer has not been taken into account.

In line with the strategic objectives of Bci, the company has established a combination of economic incentives to staff in order to reward their efforts in carrying them out. These target-related incentives, bonuses or variable income have to attempt to be complied with and achieved within a strict ethical framework so that they do not generate actions or practices that, under just that orientation, can damage the institutional reputation.

5.2. Due loyalties

There should be full coherence in Bci between the interests stated by the company and those that should be followed by the departmental heads in the daily routine. Should an employee detect a lack of consistency between the two, they should act always as a function of the permanent interests and due loyalty to the company and report the circumstance to the Ethics Committee; the company shall always take precedence in occasional situations that might contradict the mission, the keys to success and the principles and values sustained by the Corporation.

5.3. Performance evaluations

An ethical conduct supposes that any evaluation process applied by Bci to its staff shall sensibly ponder the actions that should be assessed, without any other kind of considerations than those relating to the full and objective application of the process. This process shall ignore ideological reasons, unfounded perceptions, personal favoritism in subjective matters and all other kinds of injustice that favors or prejudices some employee to the benefit or detriment of others.

Every employee expects to know the complete information considered for assessing their performance during the period of the corresponding evaluation and it is an ethical obligation of the heads assessing them to give a full explanation in the respect.



5.4. Right of dissent

While observing the appropriate formalities and with due respect, it is an obligation of departmental heads to accept discordant or differing opinions that an employee feels it necessary to make. It is an ethical duty to consider this as a contribution that, if made with prudence and perspective, can enrich the features and decisions of the corresponding unit or the company as a whole. This does not necessarily suppose an acceptance of the argument.

The silent compliance of staff with respect to a decision by the authority is an undesired practice in the organization, especially if there is also a demagogic criticism or later veiled discrepancies with respect to it.

5.5. Excellence and productivity

Working for Bci supposes a special commitment with the excellence of the analyses and performance associated with each of the positions and jobs of its staff. It is a serious ethical fault not to exercise the due diligence that should be followed in every one of the activities the staff perform for Bci.

It is an imperative ethic of all employees to aim for optimum productivity, like respect for the working hours established for doing their jobs, punctual attendance and with due information to the boards, committees or meetings in which they have to participate, proactive actions whenever the institutional capital or prestige are at risk, generating ideas that become new and better services for our customers, and avoiding incurring expenses that are not absolutely necessary for the activity assigned to them.





6.1. Illegal drugs and alcohol

The Corporation strictly forbids the possession, distribution, sale and consumption of illegal drugs and alcohol on its premises in whatever form or manner. Excepted from this rule is the moderate consumption of alcoholic drinks at institutional occasions like festivities or meetings of colleagues.

Drug dependence and alcoholism are absolutely incompatible with the activities related to the Bci Corporation's business.

No employee under any circumstance may appear for work or work under the influence of illegal drugs or alcohol.

The company has the right to include in its work contracts the power to control the consumption of drugs, narcotics and alcohol through techniques approved for this purpose and the power to dismiss employees who do not comply with these provisions.

6.2. Sexual pressures and harassment

The staff of the Corporation should refrain from exercising undue pressure on the work colleagues. In this area, conducts considered as especially prohibitive and unlawful with respect to persons are rumors, veiled criticism and disparaging or humiliating treatment of others.

Strictly prohibited is sexual pestering and harassment, this being understood to be any attitude or behavior of a sexual nature not desired by the person affected or affects their remaining in the company. This prohibition is valid both in hierarchical relations and between work colleagues and also extends to relations with customers, suppliers or the public in general.

No verbal or written communication within or outside the company may contain declarations or material that is offensive or threatening to others. The use of the systems or applications of Bci is not allowed for the transmission of images or texts that include slanderous, offensive epithets or that may infer harassment, intimidation, offenses or insults to others.



6.3. In private life

The Corporation explicitly recognizes that the concepts set out below concerning private lives involve aspects of the personal conscience of individuals and makes a fervent call to its members to adhere to them, although it is not intended to include these value concepts in the work contract and other labor relations between the Bci Corporation and its employees.

It is expected that all personnel shall constantly defend the highest values of the human being as breaking them can produce damage and affect the image of the Corporation. Without the most absolute freedom in ideological, political, religious or philosophical aspects of each of the members comprising it, Bci requires respect to the dignity of all its employees and an honest and measured conduct in all areas of the daily routine.

Every employee of Bci should be conscious that their position as such does not cease at the end of the working day. It is projected and extends to the social life as citizens. It shall never be possible to completely separate the condition of the individual at work from each's role in society.

Bci therefore asks all its sectors and employees to faithfully adhere to these natural ethical principles, to achieve a complete cohesion between these principles and the conducts and attitudes in all spheres of private and social life, and to be constantly concerned with praising the concepts and culture that, over its decades of life, have extolled and gained prestige for our Institution.



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