

2019

Dare to make a difference

> Contents

1

Our Bank

- 17 Corporate Profile
- 19 Business Context
- 21 Bci in the Capital Market

2

Shareholders

- 26 Capital resources
- 27 Dividends
- 28 Ownership and Control

3

Corporate Governance

- 32 Governance Structure
- 39 Ethics and Compliance
- 42 Risk Management
- 46 Sustainability

4

Strategy

- 49 Interview with the CEO
- 51 Internationalization
- 53 Innovation and Transformation

5

Customers

- 55 Retail Banking
- 61 Wholesale Banking
- 63 Finance Division
- 64 Subsidiaries
- 67 International Division

6

Employees

- 72 Bci Profile
- 73 Employee Experience

7

Suppliers

- 77 Supplier Experience

8

Community

- 81 Financial Inclusion
- 84 Corporate Citizenship
- 87 Environment

- 89 Additional Information
- 104 Nonfinancial Indicators
- 114 GRI Content Index
- 134 Communication on Progress
- 135 Financial Statements

> Our Culture

Mission

Bci is a financial solutions corporation that participates in all the business areas and financial operations allowed under the General Banking Law, providing the community with efficient, high-quality products and services, continuous technological innovation, prudent risk management policies, and stringent ethical standards that must be followed by everyone who works in our companies. The

Corporation is committed to ensuring that our objectives and policies are achieved within a framework that emphasizes our four fundamental pillars: shareholders; employees and their families; customers and suppliers; and the community.

At Bci, we are daring to make difference in the lives of our:

This purpose guides everything we do and where we are going.



Vision

We aspire to be a regional leader in:

Innovation
Accessibility and customer experience
Recognition as an excellent place to work and grow professionally.

Based on our essence, on our history, and on how we act:

Values

Integrity

Respect

Excellence

Every one of our employees:

Acts like the owner
Gets the best out of people
Achieves ambitious goals
Is committed to our customers.

> Letter from the Chairman



Dear shareholders:

I am pleased to present our Integrated Annual Report, detailing Bci's economic, social, and environmental performance in 2019. This was a difficult year for Chile as a whole and for our Corporation, as our country is facing the most important social and political crisis of the last 30 years.

To start, I want to acknowledge the tremendous commitment of our employees, who allowed us to ensure operational continuity and customer service when the crisis was at its peak. Thanks to their efforts, the Bank was able to operate at 100% capacity via digital channels and to quickly recover full capacity at our branches, some of which were severely damaged.

With regard to our customers, as a first measure, we contacted more than 5,600 small businesses affected by the crisis, in order to reassure them, understand their needs, and provide the necessary support to enable them to get back to business. Based on these conversations, we created special refinancing products and granted deferments, which reached over 2,000 customers. In addition, to better support this segment, we strengthened the "Renace" program, which provided timely financing lines totaling Ch\$50 billion to aid customers who could not meet their commercial, financial, labor, and/or tax liabilities, due to the situation.

Finally, for our personal banking customers, we ensured 24/7 access via our digital channels, and we facilitated the insurance claims process during the period. For customers who were applying for or refinancing a mortgage loan during the crisis and who were affected by the resulting interest rate changes, Bci made a commitment to respect all previously agreed rates.

With regard to our employees, we took measures to guarantee their safety and

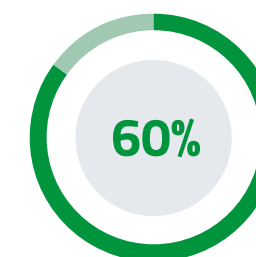
that of their families, by increasing work flexibility (flexible hours or remote work) and providing transportation options to and from their homes. We also maintained constant communication with team leaders to support their decisionmaking on team operations and management, with an emphasis on personal security.

In the case of our suppliers, we maintained ongoing communication, with a focus on supporting small businesses, and in some cases paid in advance for future work under contract.

Although the last two months of 2019 were particularly unpredictable and challenging, during the rest of the year we were able to achieve our planned objectives as outlined in our business strategy, which is centered on strengthening the customer experience through innovation, the responsible use of data, and the development of ecosystems.

Entrepreneurs supported
through Bci Nace

+15,000



**of commercial
loans to SMEs
are processed
digitally.**

**Now, more than ever, Bci
remains committed to the
challenge of "daring to
make a difference."**

Luis Enrique Yarur Rey
Chairman of the Board

Thus, our Retail Banking Division made important achievements in 2019, becoming the first bank to offer a 100% online approval process for mortgage loans. Moreover, 56% of our mortgage loans, 60% of business loans, nearly 50% of consumer loans, and over 90% of time deposit transactions were carried out via digital channels.

In the same line, we launched the new Bci App, which incorporates the first virtual financial assistant in Chile based on artificial intelligence. The application, which allows our customers to organize their finances and project their future flows so as to ensure their financial health, is already being used by approximately 70% of our account holders.

The MACH mobile payment app has consolidated its position as the primary financial inclusion platform in Chile. Currently, it has been downloaded more than 2,000,000 times and has incorporated new functionalities, such as the MACH Pay payment solution and a physical prepaid Visa card.

We also announced a partnership with EVO Payments, a world leader in payment solutions with offices in many countries around the world. The goal of this partnership is to support financial inclusion and access to banking services for thousands of businesses that are currently not able to accept payment cards and to provide our customers—whether large, medium, or small—with a value proposition that contributes to making their businesses more efficient, through the incorporation of new technologies, excellent service, and products that are tailored to the specific

needs of the diverse sectors in which they operate.

In 2019, we also strengthened our value proposition for entrepreneurs through the development of a new Centro Nace. In this space, Bci provides comprehensive support to successfully develop and promote entrepreneurial projects, through a strategic partnership with the most relevant participants in the ecosystem, such as Endeavor, the Chilean economic development agency (CORFO), Startup Chile, and the Catholic University of Chile.

This program, which has been in place for over 14 years, is aimed at startups and early-stage entrepreneurs. To date, Centro Nace has supported over 15,000 projects, providing more than Ch\$450 billion in financing and helping to create over 50,000 jobs.

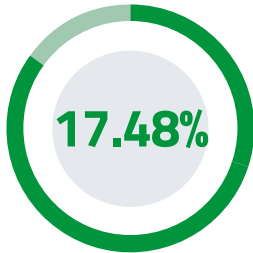
The Wholesale Banking Division contributed to improving the efficiency of business and corporate management through the 360° Connect platform, delivering a personalized experience to all our customers. One of the most important achievements in this area has to do with online financing: today, commercial loans can be processed digitally 24 hours a day, 365 days a year, with a consolidated overview of all the customer's accounts.

In the Finance Division, the Sales & Trading Area saw an increase of almost 40% in volume traded on electronic transaction platforms in the financial institution segment. In the SME segment, 51% of foreign currency exchange transactions were digital.

Over the course of the year, we continued to reinforce our internationalization strategy. City National Bank of Florida—which currently represents around 30% of Bci's total earnings—consolidated its position as one of the 100 largest financial institutions in the United States and the third-largest bank based in Florida. We also successfully completed the merger of TotalBank, acquired in 2018, in line with the schedule and targets.

With great satisfaction, we announced two new operations in September: the acquisition of a third bank in Florida, Executive National Bank, with assets of around US\$500 million; and the initiation of the process to obtain a banking license in Peru, where we have had a representative office for 20 years and where there are currently around 400 Chilean companies that have a business relationship with Bci.

City National Bank of Florida –which today represents about 30% of Bci's total earnings—consolidated its position as one of the 100 largest financial institutions in the United States and the third-largest bank based in Florida.



Share of Bci oim total loans*

* Including overseas operations

In terms of human resources, in 2019 we renewed our commitment to the Employee Experience, which is focused on offering meaningful work, quality of life, personal and professional development, and a strong compensation and benefits package. Most notably, for many years, Bci has guaranteed more than double the legal minimum wage: the bank currently pays a gross minimum income of Ch\$700,000 a month for permanent workers, while also providing many additional benefits. With regard to quality of life and work-family balance, we continue to promote flexible work arrangements and the reduction of the work week to 43 hours, years ahead of the current debate.

As part of our commitment to our suppliers, in 2019 we launched a new program aimed at ensuring a sustainable supplier ecosystem—that is, a network of economically, socially, and environmentally responsible companies—

to contribute to the country's development and to anticipate and cooperate on future regulations. Furthermore, 99% of our invoices are paid within seven days, and we have an 85% satisfaction rate.

In the area of eco-efficiency, in September Bci signed a supply contract for 100% renewable energy in its corporate buildings, thereby becoming the first bank to attain this type of certification and supply. We thus reduced our carbon footprint by 24% in 2019.

Through our social investment strategy, we seek to make a positive contribution to our society and country, focusing support in four areas of action: Education, the Elderly, Childhood, and Cultural Heritage. Our partnership with the Enseña Chile Foundation has contributed to improving the education of over 35,000 students. Through the Las Rosas Foundation, we have improved the quality of life of more

than 2,400 low-income and disabled elderly adults. We also participate in the Compromiso País initiative, through which we support over 6,400 boys, girls, and adolescents in homes run by child protection services (SENAME), by helping to finance the training of people who work in these homes. This has been possible thanks to our three decades of experience in the Better Growth Corporation (Corporación Crecer Mejor), an organization created by Bci employees for the protection of vulnerable children.

Bci's strong performance in all the above areas has contributed to making us a market leader in 2019 in terms of total loans, with over Ch\$34.338 trillion and a 17.48% market share. Taking only loans issued in Chile, we ended the year as the third-largest private bank in the country, with a 14.17% market share.

We are a Chilean bank, and we are committed to helping our country's people and businesses move forward, so as to continue to support Chile's development and to make this a better nation for everyone.

This excellent performance generated earnings of Ch\$402.739 billion in the year, which was negatively affected by an increase in provisions, following regulatory changes in July, and by the appreciation of the dollar against the peso in the fourth quarter. The latter had a significant impact on the valuation of our investment in City National Bank of Florida, resulting in an increase in taxes of almost Ch\$20 billion.

Our Chilean subsidiaries also recorded a solid performance, in particular Bci Corredores de Seguros, Bci Factoring, Bci Corredor de Bolsa, and Bci Asset Management. Additionally, the merger of Walmart's credit card operations in Chile (our new Servicios Financieros subsidiary) was successfully completed, which allowed us to increase our share of the Chilean credit card market by approximately 1.5 times, attaining a 14.5% market share as of December 2019.

Risk (measured as the stock of provisions over total loans) increased in 2019 relative to the previous year, from 1.85% to 1.97%. This increase reflects the entry into force, in July, of the new regulation on credit risk provisions for the collectively assessed commercial loan portfolio, which establishes a standard model for the industry. The application of the new methodology increased Bci's provisions by around Ch\$77 billion, which in turn raised the Provisions Rate 1 from 1.31% in June to 1.77% in July, as did the incorporation of Servicios Financieros, acquired in December 2018, by approximately Ch\$97 billion.

The Bank's ROAE was 11.15%, below the financial system average of 12.38%; this represents one of our main challenges. Key considerations in this regard include, first, our position in the United States, where ROAE was 10.25%, which is a considerable improvement over 2015 (4.80%) and which we expect will continue to grow. Second, we have increased capital by approximately Ch\$675 billion over the last three years, in addition to the capitalization of retained earnings, which has increased our equity significantly. These capital increases have allowed us to shore up the Bank's indicators, so we will be well prepared to face the new challenges implied by the implementation of Basel III in Chile, starting in December 2020.

The Bank's solid position is reflected in its credit rating, which is one of the highest ratings in the emerging markets: Standard & Poor's, Fitch Ratings, and Moody's all maintained their international ratings of A, A, and A2, respectively. We also have the highest rating at the local level, AAA, by Feller Rate and Fitch Ratings.

We received a number of accolades in 2019, for a wide range of company practices. We were recognized by the market for the Best Corporate Reputation in Chile for the fifth consecutive year, as well as the Most Responsible Company and Best Corporate Governance in Chile, in the Merco Chile rankings. We were also awarded the Best Place to Work in Chile, according to Great Place to Work Chile. Additionally, we were included in the Dow Jones Sustainability Index (DJSI) MILA and Chile, for the third and fifth consecutive year, respectively.

I want to conclude by noting that the economic, social, and political scenario facing our country, combined with the potential impact of the global COVID-19 pandemic, will result in a tighter fiscal position in 2020, given the necessary reconstruction of damaged public infrastructure, the demands of the new social agenda, the larger public deficit, and the low growth outlook. In this context, we estimate that GDP will contract around 1% this year, depending on the political, social, and public health developments over the course of the year.

Nevertheless, today, more than ever, we at Bci remain firmly committed to "daring to make a difference," especially in terms of understanding and supporting all our customers, our employees and their families, our suppliers, and our communities. We know that this will be a difficult year, one of immense uncertainty, but I am convinced that, as has been the case throughout our 83-year history, our culture at Bci will give us the strength to overcome these trying times, to reflect, and to learn from this experience. We are a Chilean bank, and we remain committed to helping our country's people and businesses move forward, so as to continue to support Chile's development and to make this a better nation for everyone.

Luis Enrique Yarur Rey
Chairman of the Board

> 2019 in Review

Highlights

Making a difference

January
February
March

- > **Revision** of the cultural framework, to more simply communicate the Bci purpose, strategy, and profile.
- > **Inauguration** of Centro Nace, a unique space for entrepreneurs in Chile.

April
May
June

- > **Partnership** with Google and Visa to bring the Google Pay digital wallet to Chile.
- > **Consulting** on the structuring and placement of the largest initial public offering in the history of the Chilean stock exchange.
- > **Partnership** with Evo Payments to create a new payment network for national commerce.

July
August
September

- > **Agreement** to acquire Executive National Bank, the third Bci bank in Florida.
- > **Announcement** of entry into the Peruvian market, via Banco Bci Perú.
- > **Issue** of ten-year green bonds, for a total of US\$60 million.
- > **Certification** in Swift GPI, the new standard in online global payments.
- > **Launch** of online commercial loans for businesses, with immediate 100% digital processing and customer self-service on the 360 Connect platform.

October
November
December

- > **Partnership** with Garmin Pay to facilitate Bci card payments using the Garmin watch.
- > **Launch** of MACH Pay, a safe, easy-to-use mobile retail payment system.

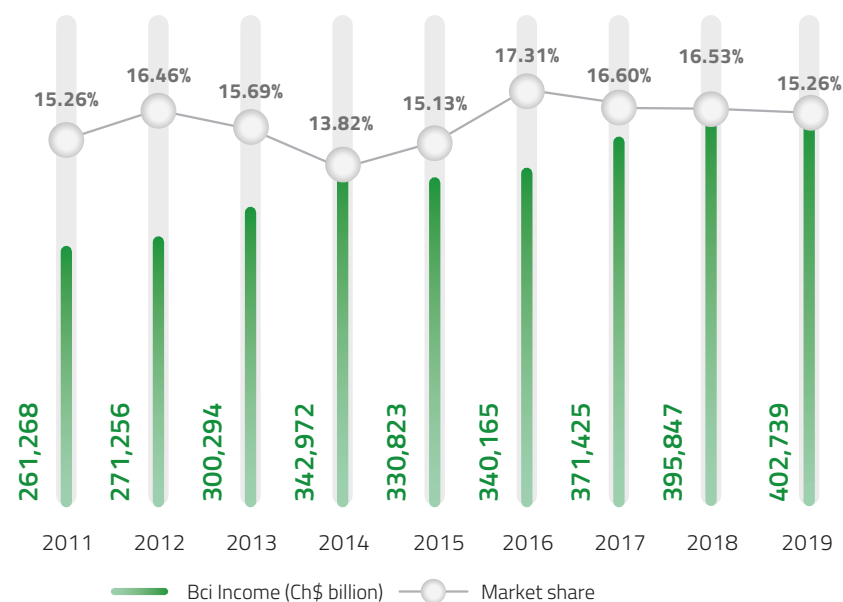
Performance

Financial Indicators

In nominal Chilean pesos

2019

Bci: Consolidated Income and Share in the Banking System



402.739

Billion pesos

+1.7%

Annual change

In September 2019, Bci recorded cumulative income growth of 6.4%, due to increased efficiency and the consolidation of operations acquired in 2018.

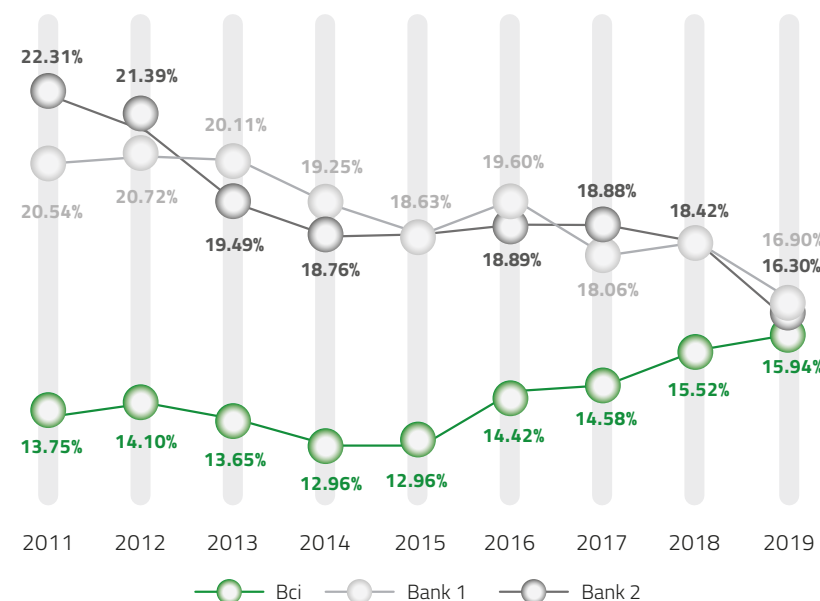
At year-end, the annual growth rate was just 1.7%, due to the impact of increased provisions, following the regulatory changes implemented in July, and, more importantly, to the

appreciation of the dollar against the peso in the fourth quarter of the year. The latter had a significant effect on the valuation of our investment in CNB, resulting in a tax increase of nearly Ch\$20 billion.

Bci subsidiaries accounted for 58.9% of consolidated earnings. CNB contributed US\$162 million (US GAAP), with efficiency improvements

equivalent to 61 basis points following the merger of TotalBank. In September, Servicios Financieros recorded average monthly earnings of over Ch\$1.3 billion, with a compound monthly growth rate of 41.7%. The impact of the events starting in October brought this rate down to 21.8% in December. Nevertheless, the subsidiary achieved 36.8% efficiency and 15.7% portfolio growth in the year.

Gross Operating Margin: Market Share



1.912296

Trillion pesos

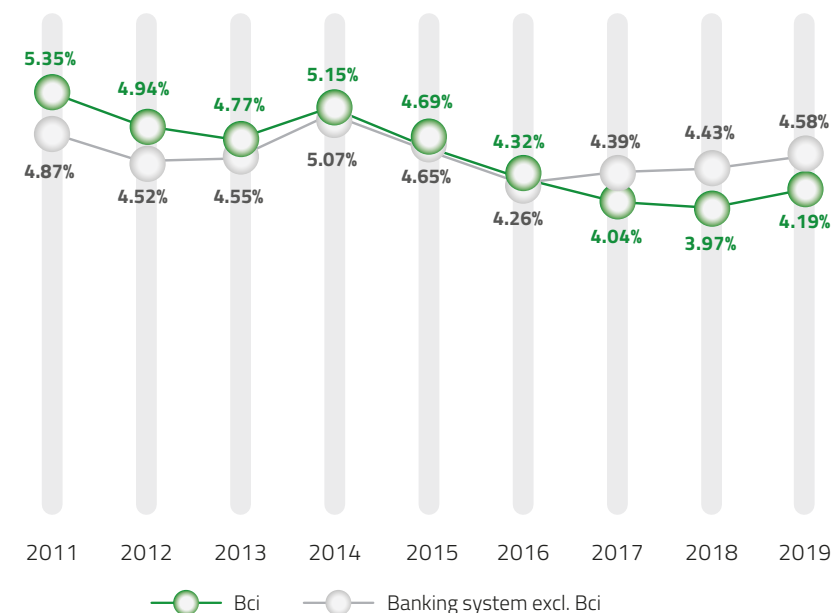
+19.6%

Annual change

In a market characterized by the consolidation of large new competitors, Bci achieved an income growth rate above the system average, converging with the country's leading banks. In terms of gross margin, the Bank's market share grew 42 basis points (bp), narrowing the gap with the lead bank to just 96 bp in total.

The Bank continued to market a wide range of financial products with an emphasis on cross-selling campaigns, to take advantage of growth opportunities and build on customer loyalty.

Net Interest Margin: Bci and Banking System *



4.19%

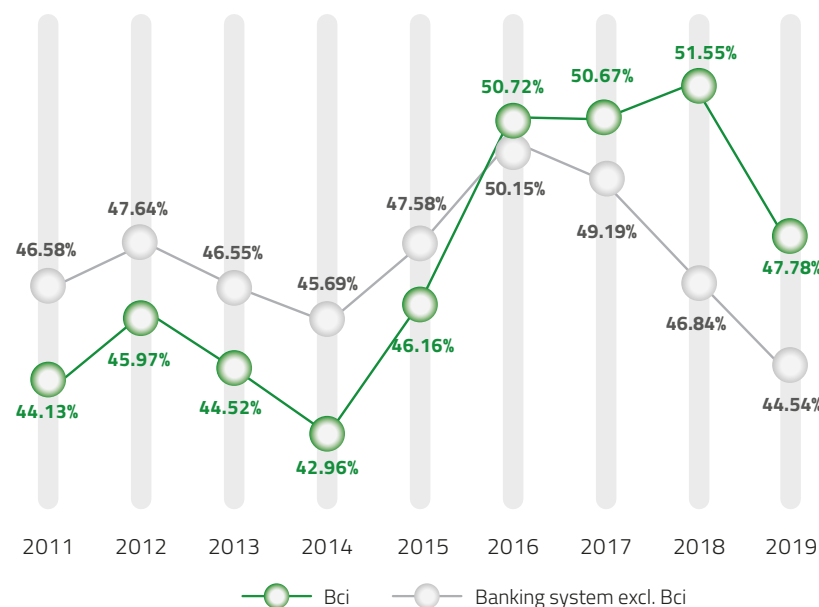
+22 pb

Annual change

This indicator rose more than the system average, mainly due to the Servicios Financieros portfolio, which accounted for 9.5% of the margin despite representing just 2% of average loans. Another factor was an 8.5% growth in Bci's interest income, excluding CNB and Servicios Financieros. This was offset by several factors, the most important of which was the drop in mortgage interest rates, which caused a 12 bp reduction in Bci's return on loans. CNB recorded a similar trend, with a reduction of 21 bp.

(*) Banking system excludes Bci (and CNB) and includes investment in ItauCorp in Colombia.

Efficiency Index: Bci and Banking System⁴



(4) Banking system excludes Bci (and CNB) and includes investment in ItauCorp in Colombia.

47.78%

-377 pb

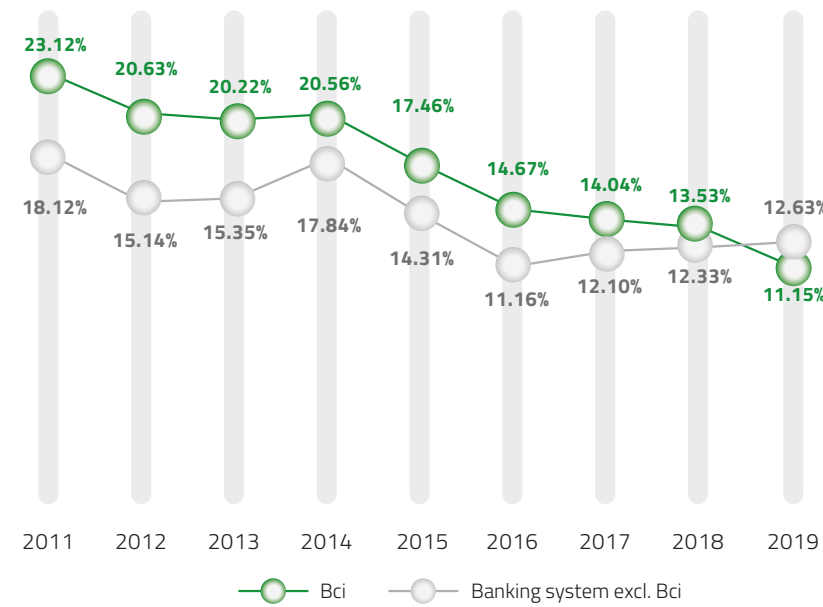
Annual change

Bci successfully reversed the upward trend, with a substantial improvement in efficiency, and narrowed the gap with the system, with an indicator 100 bp higher than the rest of the industry.

This result is the combined effect of an increase in income (through portfolio expansion and earnings on investments made the previous year) and the stabilization of operating expenses (thanks to process optimization deriving from the digital transformation).

City National Bank of Florida also contributed to improving efficiency, from 58.68% in 2018 to 45.31% in 2019, mainly due to synergies achieved from the TotalBank merger.

Return on Equity: Bci and the Banking System²



(2) Banking system excludes Bci (and CNB) and includes investment in ItauCorp in Colombia.

11.15%

-238 pb

Annual change

The capital increase in December 2018 largely explains the decrease in return on equity in 2019 relative to the previous year. This investment generated the expected results in the first three quarters: in September, Bci had an average cumulative ROE of 12.45% in annual terms. The indicator then declined, mainly due to the increase in the valuation of CNB assets deriving from the higher exchange rate, which also affected earnings through its effect on taxes.

City National Bank of Florida closed 2019 with an ROE of 9.00%, 218 bp higher than the previous year, reflecting the success of the internationalization strategy.

Bci: Total Loans and Market Share



(2) Banking system excludes Bci (and CNB) and includes investment in ItauCorp in Colombia.

33.8

Trillion pesos

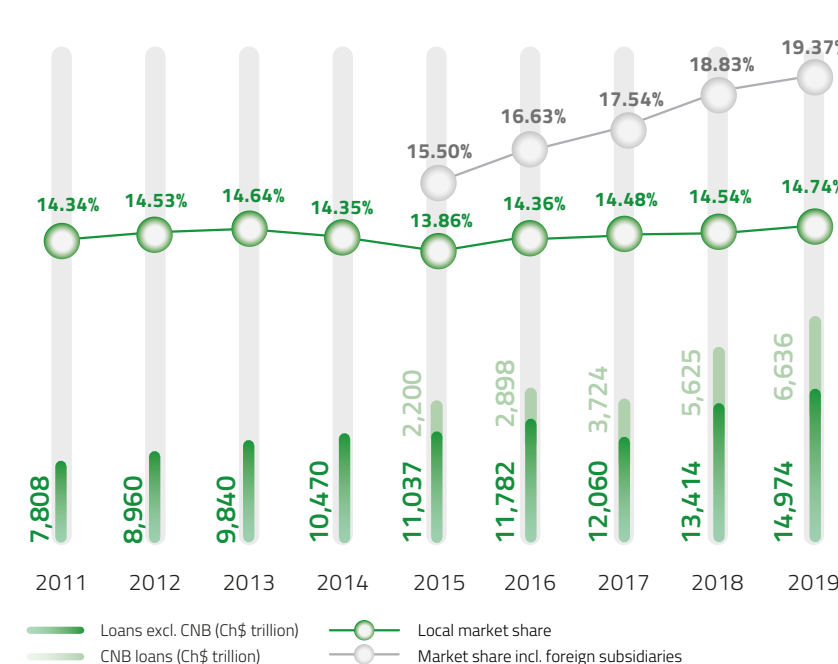
+12.6%

Annual change

Total loans continued to grow in 2019, driven by the 16.75% growth rate of City National Bank of Florida, which is now positioned as the third-largest bank in Florida and first among Latin American banks in the state.

When the overseas subsidiary is excluded, total loans grew 11.2%, which is 1.1 times the banking system average. This reflects more dynamic mortgage loans and credit cards, consistent with the strategy of building connections with our customers and promoting more profitable products.

Bci: Commercial Loans and Market Share



(2) Banking system excludes Bci (and CNB) and includes investment in ItauCorp in Colombia.

21.6

Trillion pesos

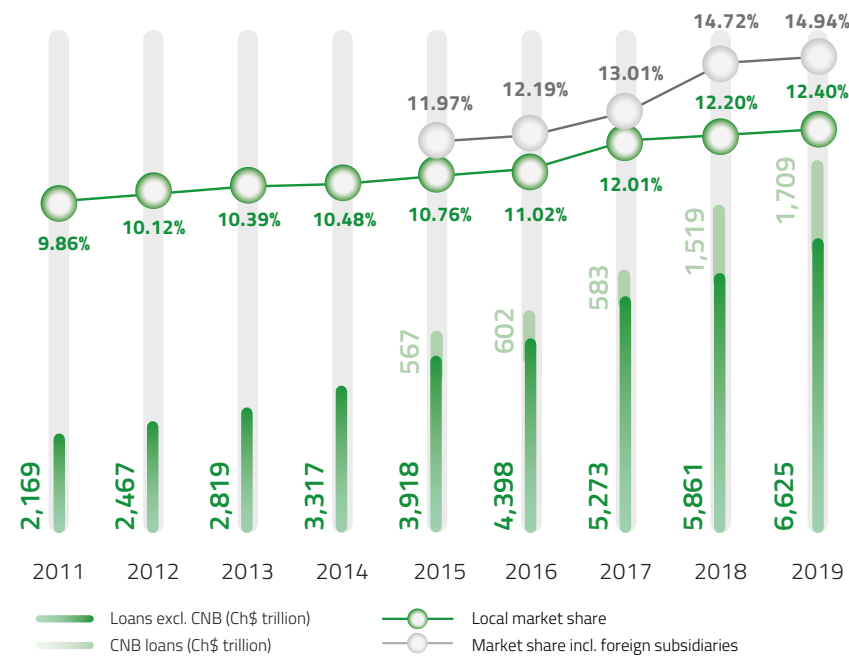
+13.5%

Annual change

Bci's commercial loans, excluding CNB, grew 11.6%, or 1.15 times the local banking system average, across all product lines, including foreign trade, factoring, and leasing. Regional market share grew strongly, by 11 bp.

City National Bank of Florida recorded 18.0% growth in commercial loans.

Bci: Mortgage Loans and Market Share



8.3

Trillion pesos

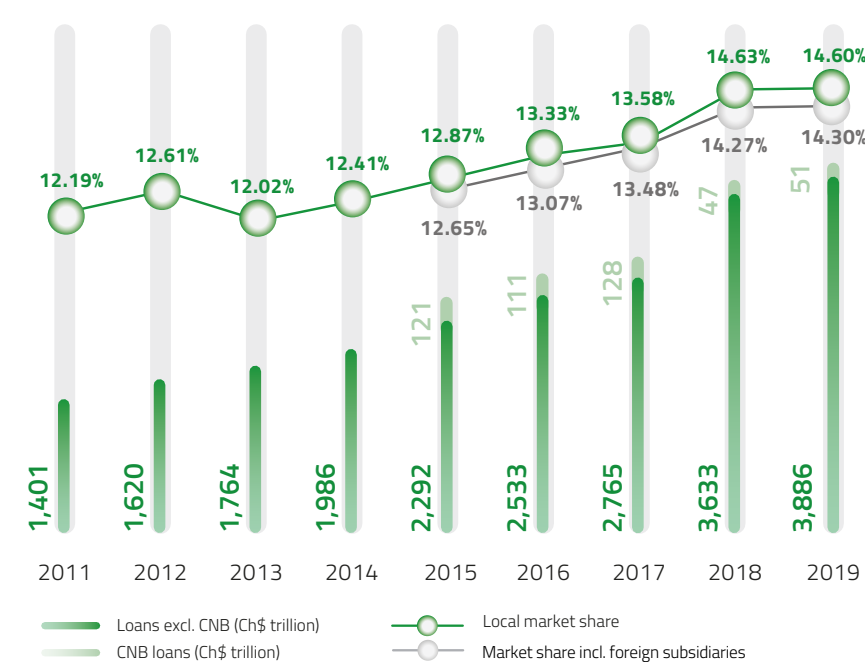
+12.9%

Annual change

Mortgage loans, excluding CNB, grew 1.2 times the local system average, boosted by historically low rates in the market.

At City National Bank of Florida, mortgage loans grew 12.4% in twelve months.

Bci: Consumer Loans and Market Share



3.9

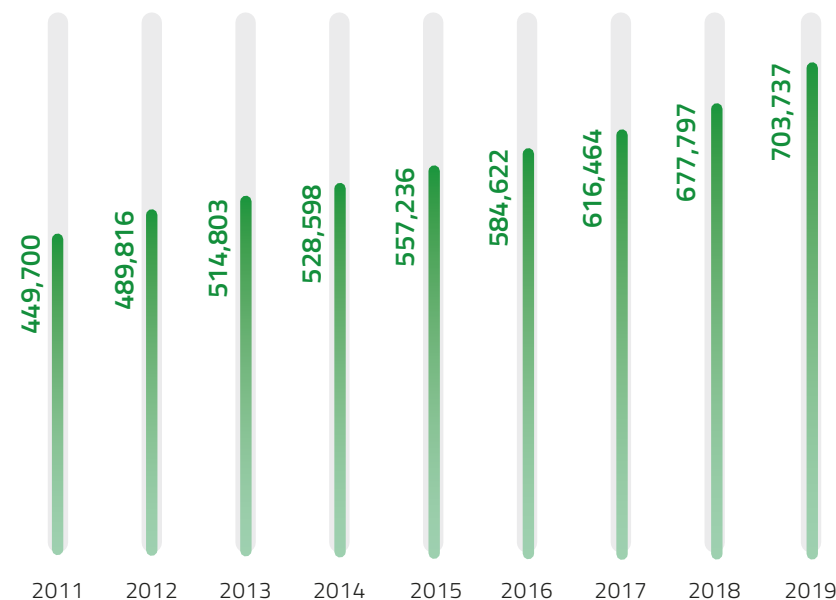
Trillion pesos

+6.9%

Annual change

In the Chilean market, Bci grew in line with the system, despite losing 100 bp of growth in the last three months of the year due to the social crisis.

Bci: Number of Checking Accounts, excluding CNB



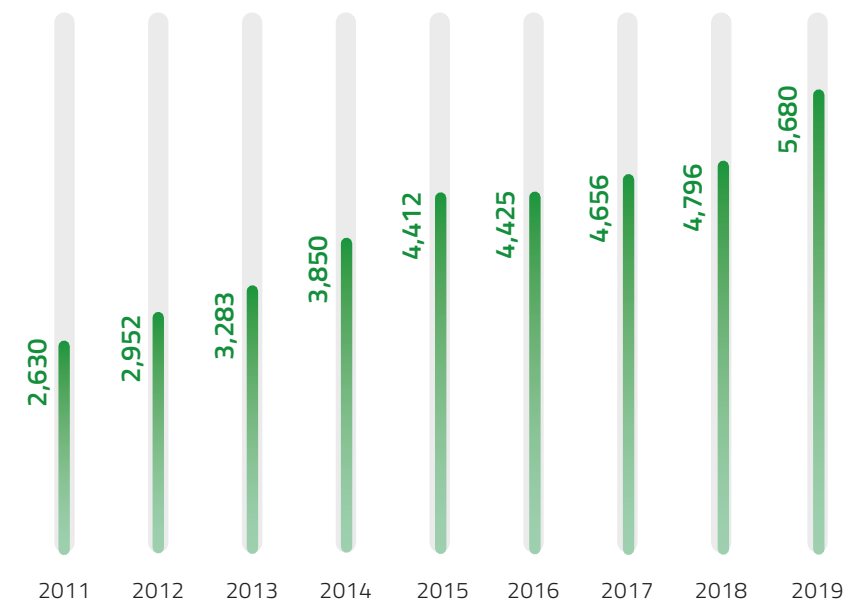
703,737

+3.8%

Annual change

Bci continued to record an increase in checking accounts, with growth of 3.8% in number of accounts and 18.4% in terms of volume. In the last year, one out of five new checking accounts was opened online.

Bci: Amount Held in Checking Accounts, excluding CNB (Ch\$ trillion)



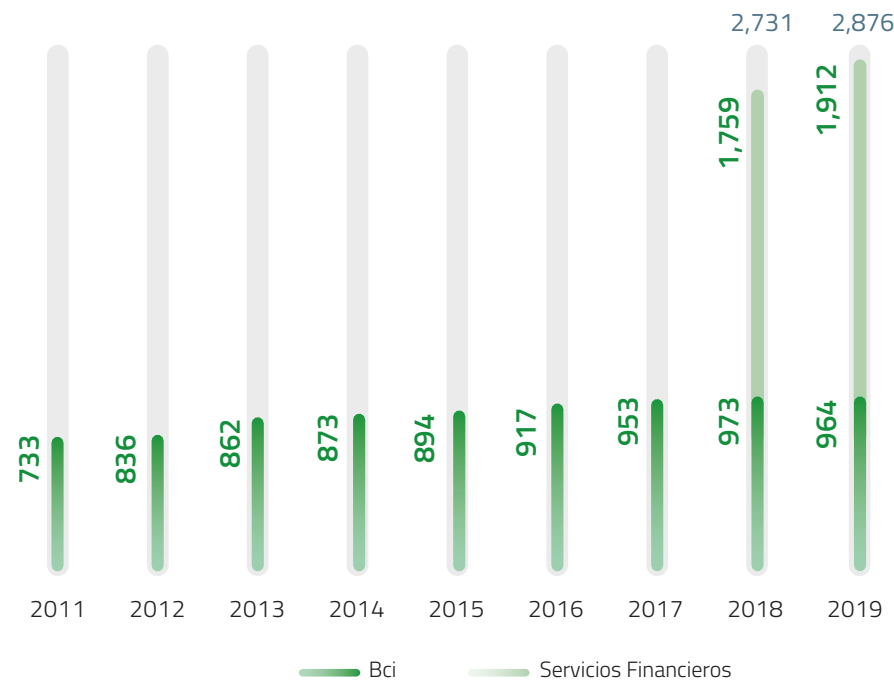
5.6

Trillion pesos

18.4%

Annual change

▼ Bci: Number of Credit Cards (thousands)



2,875,641

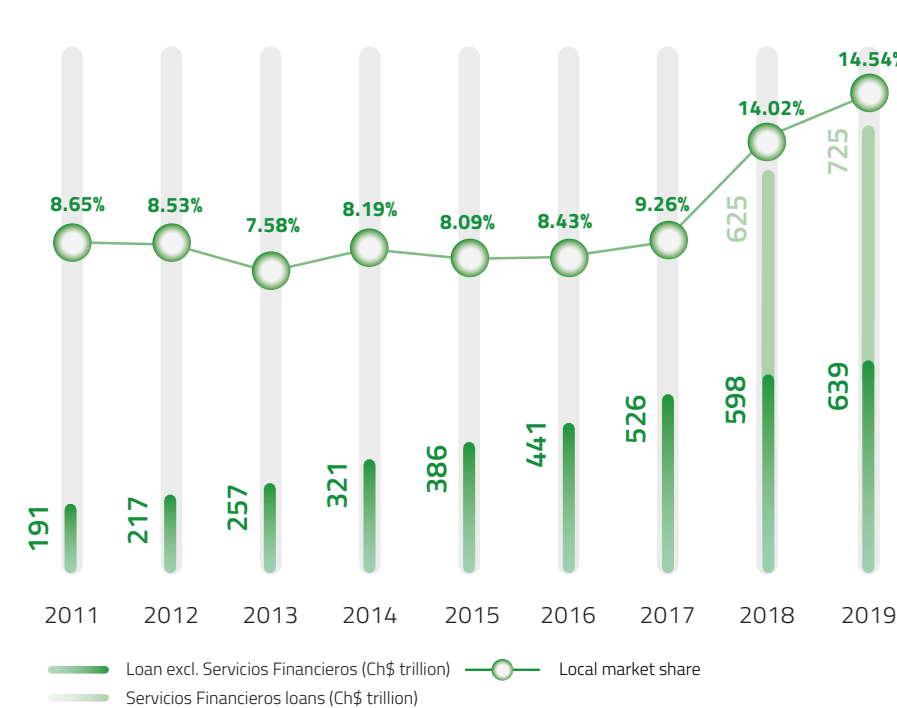
+5.2%

Annual change

In credit cards, Bci recorded annual growth rates of 11.4% in total credit card loans and 5.2% in number of account, with the latter driven by Servicios Financieros, which grew 8.0%.

(1) including primary and additional cardholders; excluding cards issued by City National Bank of Florida and Bci Miami.

▼ Bci: Total Credit Card Loans and Market Share



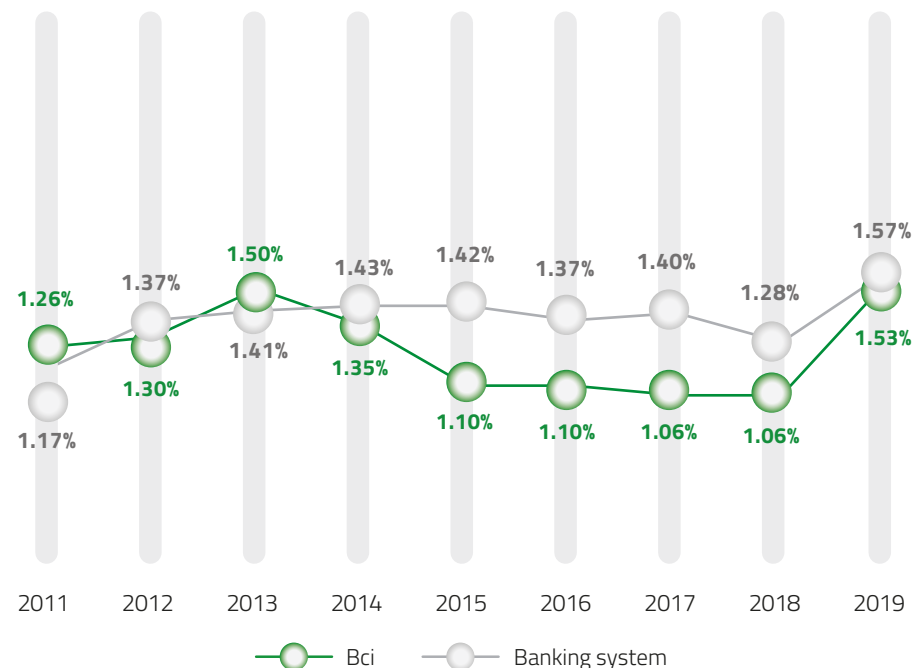
1.3

Trillion pesos

+11.4%

Annual change

▼ Provisions Rate 1 Loan Loss Provisions and Write-offs over Total Loans: Bci and the Banking System (2)



1.53%

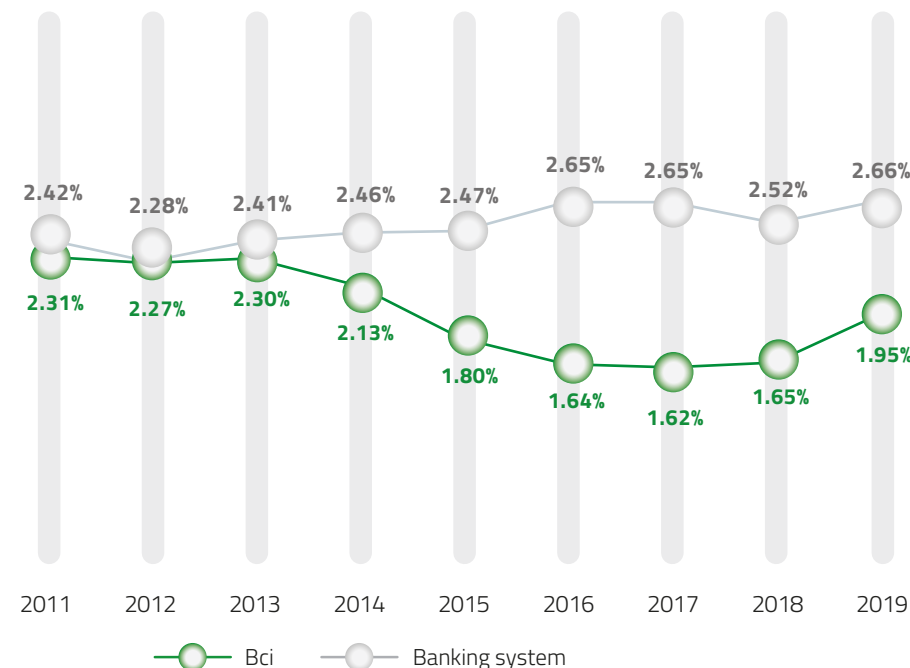
+47 pb

Annual change

In 2019, Bci's Provisions Rate 1 increased to just under the average of the rest of the industry. This increase was influenced by the entry into force, in July, of the new regulation on credit risk provisions for the collectively assessed commercial loan portfolio, which establishes an industry-wide minimum. The application of the new methodology increased Bci's provisions by around Ch\$70 billion, raising the Provisions Rate 1 from 1.31% in June to 1.77% in July.

(2) Banking system excludes Bci (and CNB) and includes investment in ItauCorp in Colombia.

▼ Provisions Rate Net Provisions over Total Loans: Bci and the Banking System (2)



1.95%

+30 pb

Annual change

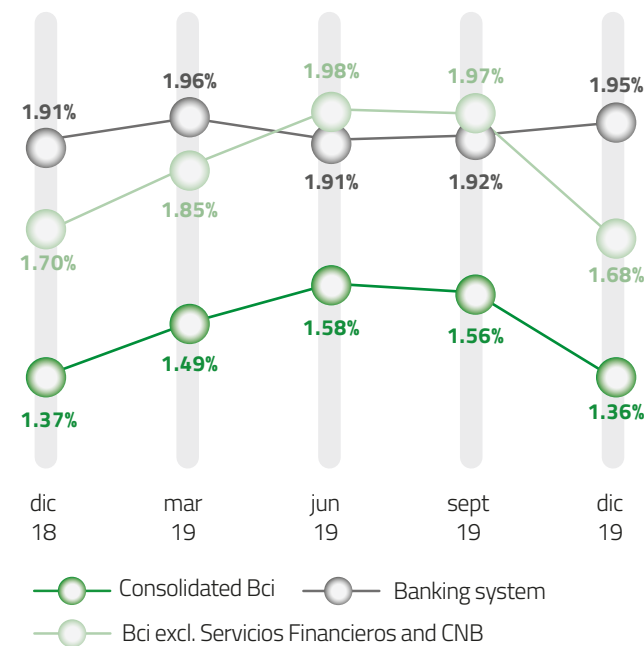
The regulatory changes also had an impact on the provisions ratio, with loan loss provisions ending the year at 1.95% of total loans, up 30 bp from 2018.

(2) Banking system excludes Bci (and CNB) and includes investment in ItauCorp in Colombia.



Nonperforming loans:

Total Bci portfolio, Bci Excluding Servicios Financieros, and Banking System



1.36%

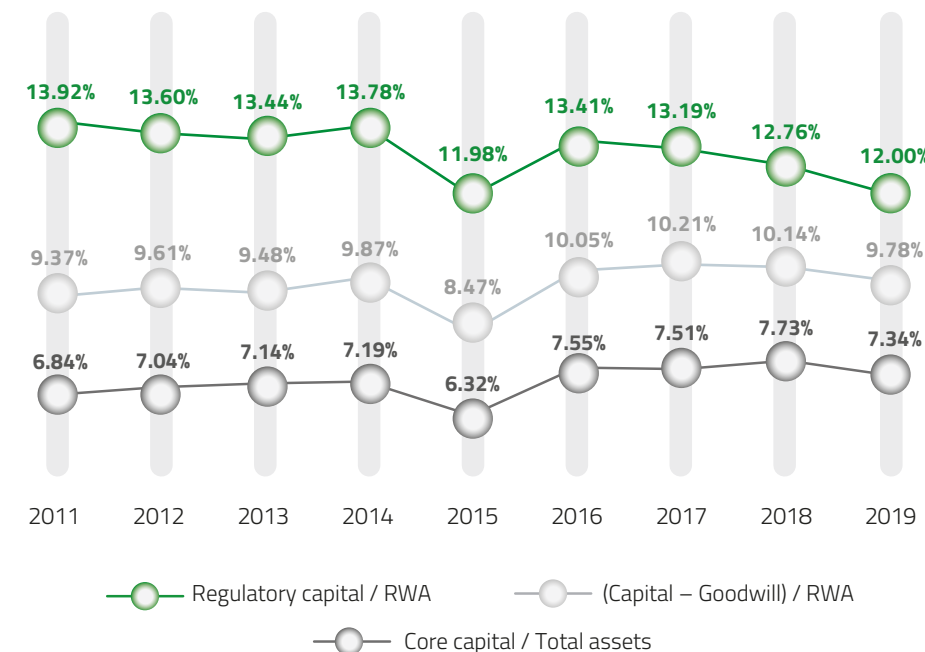
-22 pb

Annual change

Despite the adverse social context of the final quarter, default was stable year-on-year, due in large part to our diversification strategy: City National Bank of Florida closed 2019 with nonperforming loans equivalent to just 0.22% of its total portfolio.



Capital Adequacy Ratio, Core Capital, and Tier 1 Ratio



Bci ended 2019 with a capital adequacy ratio (regulatory capital over risk-weighted assets) of 12.00%, well above the regulatory minimum of 8%.

Core capital over total assets was 7.34%, which is also above the regulatory requirement established by the Chilean Financial Market Commission (FMC) (3%).

Tier 1 capital over risk-weighted assets was 9.78%, more than double the regulatory requirement of 4.5%.

The reduction of these capital ratios is mainly explained by a decrease in voluntary provision, the higher exchange rate, and the drop in interest rates.

City National Bank of Florida closed 2019 with Tier 1 capital of 10.88%, 44 bp higher than the previous year.

TIER 1

9.78%

-36 pb

Annual change

CORE CAPITAL

7.34%

-39 pb

Annual change

CAR

12.00%

-76 pb

Annual change



FOR OUR FINANCIAL SUMMARY, SEE PAGE 92

Performance

Nonfinancial Indicators



Digital Customer Experience

**56%**

of new mortgage loans are processed online.

490,000

users of the new Bci App.

60%

of small business loans are processed online.



Employee Experience

**88%**

employee commitment.

81%

satisfaction among teams with flexible work arrangements.

350

leaders trained in the new Bci Leadership Academy.



Financial inclusion

**81,981**

foreign MACH users.

54%

of micro business loans were given to women.

12%

of the micro business loan portfolio corresponds to migrant entrepreneurs.



Responsible Financing

**58 million**

dollars in Sonda green bonds structured and issued by Bci.

2

Bci green bond issues placed by the Bank.

60 million

dollars in green bonds issued by Bci in the year.

Performance

Nonfinancial Indicators



Operational Eco-efficiency



25%

carbon footprint reduction relative to the baseline (2017).

100%

renewable energy in six corporate buildings.

14%

water use reduction in corporate buildings¹.

(1) in corporate buildings, relative to the baseline (2017)



Transparency and Trust



96%

of employees state that their direct boss ensures that ethical guidelines are met.

99%

invoices are paid within seven days.

2

business days is the average supplier payment period.



Community Commitment



1.6 million

people attended cultural events sponsored by Bci.

6.822 billion

pesos allocated to social investment projects.

925

employee volunteer hours in Corporate Citizenship programs.

> Accolades

Bci in 2019

Corporate Reputation

- ✓ **Best corporate reputation in Chile.** Merco Chile, Companies 2019.
- ✓ **2019 La Voz del Mercado Award.** In this year's version of the Voice of the Market Award, Bci was one of the top three companies for corporate governance. The survey is conducted by EY Chile and the Santiago Stock Exchange.

Sustainability

- ★ **Included in the DJSI MILA and DJSI Chile indexes,** for the third and fifth consecutive year, respectively. Dow Jones Sustainability Index.
- ★ **Most responsible company and Best corporate governance in Chile.** Merco Chile.
- ★ **Participant in the First E-Mobility Accelerator in Chile.** Agencia de Sustainability Energética (Sustainable Energy Agency of Chile).
- ★ **2019 HuellaChile Certification.** Carbon footprint certification. by the Ministry of the Environment.

Customer Experience

- 👤 **Most Innovative Companies 2019, categoría Bancos.** ESE Business School y La Tercera.
- 👤 **Mejor Banco en Social Media Marketing y Servicios de Latinoamérica.** Global Finance.
- 👤 **Primer lugar en el Ranking de Carteras Recomendadas de El Mercurio,** con un rendimiento de 6,06 pp por sobre el IPSA.
- 👤 **Mejor Experiencia de Cliente,** sector Banca. IZO.
- 👤 **Premio Lealtad Consumidor 2019.** ALCO Consultores y Escuela de Negocios Universidad de los Andes.

Employee Experience

- 👤 **Best place to work in Chile. Great Place to Work Chile, 2019.**
- 👤 **Third place out of 100 countries for attracting and retaining talent. Merco Talento Chile 2019.**

Our Bank

We are a growing organization that generates growth, motivating people to fulfill their dreams and helping them simplify their lives.



11,209
employees in Chile

962
employees overseas (1)

236
branches

(1) U.S. subsidiaries and branches and other overseas representative offices.

> _ Corporate Profile

Bci is a private financial corporation headquartered in Chile, with subsidiaries in Chile and the United States and representative offices in four South American countries and China.

The Yarur family has had an ownership interest in Bci since its foundation in 1937.



FOR THE HISTORY OF BCI, SEE PAGE . 91

Business Units

Bci offers a wide range of products and services to individuals, businesses, and institutions, through specialized business units and subsidiaries that are connected to a global network.

Retail Banking

Through its Retail Banking Division, Bci covers the financing, financial services, and investment needs of individuals and micro, small, and medium-sized businesses, with personalized solutions and multi-channel service.



FOR 2019 HIGHLIGHTS, SEE PAGE 55

Wholesale Banking

The Wholesale and Investment Banking Division serves the needs of corporations, businesses, and high-net-worth families, providing comprehensive solutions and competitive, differentiated value proposals, focused on the business success of our customers.



FOR 2019 HIGHLIGHTS, SEE PAGE 61

Finance Division

The Finance Division supports Bci's strategic plan by obtaining the best financing conditions for our customers; contributing to the optimization of the Bank's asset and liability portfolio; and providing consulting, risk coverage, and investment services. The Finance Division comprises three areas: Treasury, Sales & Trading, and Bci Research.



FOR 2019 HIGHLIGHTS, SEE PAGE 63

International Division

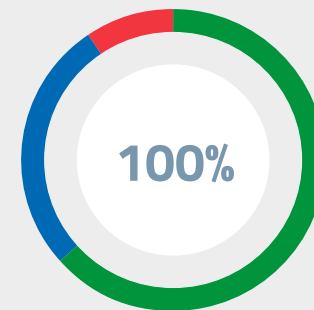
The International and Corporate Development Division promotes Bci's growth strategy, especially in the United States, the Andean region, and the Asia-Pacific axis, providing business support for City National Bank of Florida, the Bci Miami branch, and the Bank's foreign representative offices.



FOR 2019 HIGHLIGHTS, SEE PAGE 67

Shareholders' Ownership Interest

31 December 2019



63.56%
Controlling interest



27.06%
Free float



9.38%
Pension funds



FOR DETAILS ON OWNERSHIP AND CONTROL, SEE PAGE 28

Global Coverage

With a presence in seven countries and affiliation with the main global banks, Bci is able to meet our customers' international needs, through an extensive supply of products and services.



FOR INTERNATIONALIZATION HIGHLIGHTS, SEE PAGE 51

United States

Subsidiaries

1. City National Bank of Florida
2. Bci Securities

Branch

Bci Miami

Chile

Business units

Retail Banking
Wholesale Banking
Finance Division

Subsidiaries

Bci Asesoría Financiera S.A.
Bci Asset Management Administradora General de Fondos S.A.
Bci Corredor de Bolsa S.A.
Bci Corredores de Seguros S.A.
Bci Factoring S.A.
Bci Securitizadora S.A.
Servicios de Normalización y Cobranza, Normaliza S.A.
Bci Corredores de Bolsa de Productos S.A.
Servicios Financieros y Administración de Créditos Comerciales S.A.
Administradora de Tarjetas Servicios Financieros Limitada
SSFF Corredores de Seguros y Gestión Financiera Limitada
Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión SSFF Limitada
Servicios y Cobranzas SEYCO Limitada
Bci Análisis y Servicios S.A.

Latin America

Representative offices

1. Ciudad de México, México
2. Lima, Peru
3. São Paulo, Brazil
4. Bogotá, Colombia

Asia-Pacific

Representative offices

1. Shanghai, China



Geographical Diversification

Total Assets

Country	Total Assets	Share ¹
United States	US\$ 20.378 billion	28,1%

(1) Share in Bci's Consolidated Assets

Cooperation Agreements

Effective 31 December 2019

Country	Institution
Spain	CaixaBank
Japan	Mitsubishi Union Financial Group MUFG
Mexico	Banorte
United States	Wells Fargo Bank
Italy	Intesa Sanpaolo
Brazil	Bradesco
China	China Construction Bank
Colombia	Bancolombia

Business Context

Economic Environment

Chile

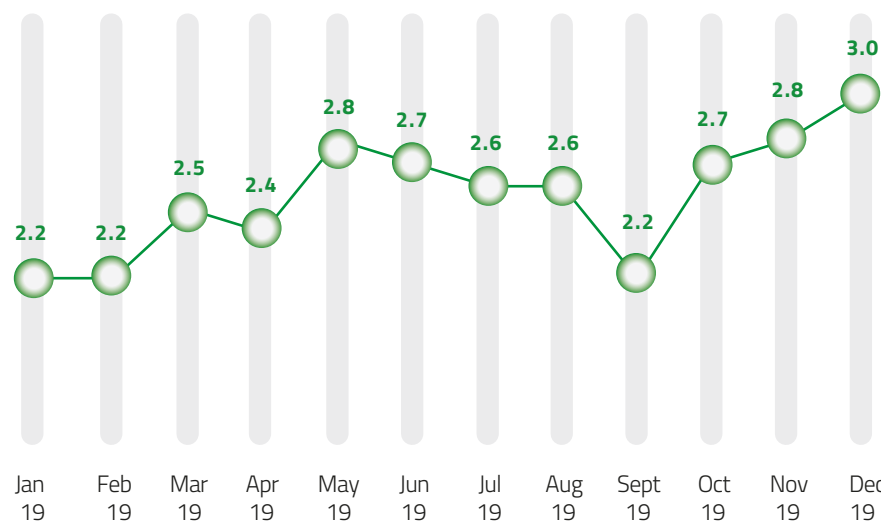
The Chilean economy posted a weak performance in 2019, marked by a sharp drop in activity in the last quarter of the year due to disruptions in manufacturing and services. Investment was dynamic through the third quarter. Construction, in particular, was the most dynamic component of domestic demand, although it also fell sharply toward the end of the year as a result of the social crisis. Exports, measured in dollars, declined 7.6%, reflecting lower mining and industrial shipments. Imports, in turn, fell 7.5%, largely explained by durable consumer goods. Inflation was 3.0% in annual terms in December, after following

an upward trend over the course of the year. To support this trend, the Central Bank of Chile increased the monetary stimulus in June 2019. The exchange rate with up 7.8% at year-end 2019. The sharp appreciation in the final months of the year led the Central Bank to initiate an exchange rate intervention process in early December.

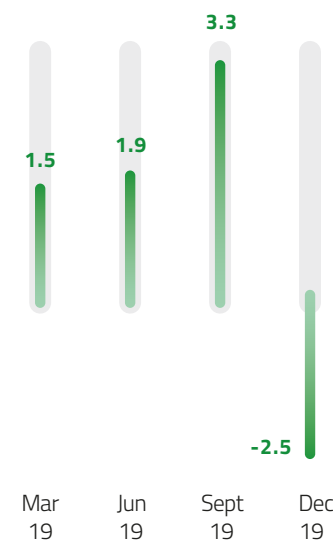
> **3%**
Annual inflation in
December 2019

> **7.6%**
Contraction in
exports measured
in dollars

Inflation in Chile in 2019
(annual change, %)



Quarterly Growth in Chile in 2019
(annual change, %)



United States

Preliminary estimates for the United States point to an annual growth rate of 2.3%, with strong growth of consumption, while investment recorded a fairly weak performance in the second half. The labor market remained dynamic, upheld by the solid performance of the services sector. The unemployment rate was 3.5%, the lowest level of the past 50 years. Annual CPI inflation was 2.4% in December. To support economic growth, the U.S. Federal Reserve lowered the monetary policy rate to a range of 1.50-1.75% over the course of the year.

Banking Industry

At year-end 2019, there were 18 banking institutions in Chile. This represents a decrease from the previous year, following the approval, in February, of the closure of the Chilean branch of MUFG Bank (a Japanese bank with which Bci signed a strategic partnership in 2018).

Banco Santander-Chile acquired 51% of Santander Consumer Chile S.A., and, like Ripley, began issuing prepaid debit cards, a step taken by Bci in 2018.

The share of overseas bank branches and subsidiaries in loans outside of Chile was relatively stable at 8.35% (8.68% in December 2018).

At year-end, banking industry indicators reflected the impact of the national scenario. Growth was lower than twelve months previous, risk indicators had increased, and profitability was down.

> **18**
banking
institutions in Chile

> **8.3%**
of industry loans
are overseas

Regulatory Framework

On 1 June 2019, the Chilean Financial Market Commission (FMC) took over the functions of the former Superintendence of Banks and Financial Institutions, in accordance with Law 21,130 of 12 January 2019, which modernized Chilean banking legislation and established a new institutional framework.

As of that date, all institutions that were subject to supervision or other regulatory processes by the former Superintendence under the previous legal framework are now subject to supervision by the FMC, which was created under Law N° 21,000.

Regulatory Changes

In 2019, regulatory changes made by the FMC in relation to banking activity include the following:

Material	Change
Outsourcing of services by banks and financial institutions	Loosens the requirement of maintaining a data processing site in Chile for services that are outsourced overseas and that affect critical or strategic activities.
Compendium of Accounting Regulations for Banks	Incorporates the most recent changes in International Financial Reporting Standards (IFRS) and updates the content to improve information quality, contribute to the financial stability and transparency of the banking system, improve the functioning of the capital market, and promote comparability at the international level.
Standard model for calculating provisions for the collectively assessed commercial portfolio	Implements a new standard methodology for calculating credit risk provisions for the collectively assessed commercial portfolio, defining new risk parameters for factoring, leasing, student loans, and the generic commercial portfolio.

Regulations under Public Consultation

The following regulations, opened for public consultation in 2019 by the FMC, are particularly relevant for the banking sector:

Material	Description
Cybersecurity and Information Security Management	Establishes guidelines and best practices that must be taken into account by banking entities to be better prepared for a scenario in which operational risk management is becoming increasingly relevant: namely, the role of the Board of Directors in the adequate management of both information security and cybersecurity; the minimum stages of a cybersecurity and information security management process; the determination of critical cybersecurity assets; and the policies and procedures for identifying assets that are part of the critical infrastructure of the financial industry and the payment system, as well as for exchanging information on incidents with other members of these critical infrastructures.
Calculation of regulatory capital held by banks to comply with the legal limits established in the General Banking Law	Implements modifications to the General Banking Law, in line with the latest accord of the Basel Committee on Banking Supervision (Basel III), which will allow the banking system to incorporate international best practices and thus to have more robust capital to face an unexpected loss scenario, granting greater stability to the functioning of the financial system.
Proposed methodology for identifying systemically important banks and determining additional requirements for these institutions	Takes into account the stipulations of the General Banking Law and the latest accord of the Basel Committee on Banking Supervision (Basel III).

Bci in the Capital Market

At the international level, Bci debt issues continued to appeal to investors interested in companies' environmental, social, and corporate governance performance. On the Chilean stock exchange, Bci shares were affected by local events in the fourth quarter.

Bci shares

Banco de Crédito e Inversiones is listed on the Santiago Stock Exchange and the Chilean Electronic Stock Exchange.

> **141,616,409**
Shares in circulation

> **US\$ 6.414 billion**
Market capitalization¹

> **-19.4%**
Total annual return²

> **12.6%**
Annualized ten-year compound return²

Bci is listed on the following stock indexes:

Chile

IPSA
(Índice de Precio Selectivo de Acciones / Selective Stock Price Index)

DJSI Chile
(Dow Jones Sustainability Index Chile)

MSCI Chile
(Morgan Stanley Capital International Chile)

Latinoamérica

DJSI MILA
(Dow Jones Sustainability MILA Pacific Alliance Index)

Solvency Ratings

National

AAA
Feller Rate

International

A2
Moody's

AAA
Fitch Ratings

A
S&P Global Ratings

A
Fitch Ratings



FOR INFORMATION ON CREDIT RATINGS, SEE PAGE 94

(1) Calculated using the exchange rate of \$752.87 pesos to the dollar at year-end.

(2) Including dividends and equity adjustments.

Share Return

2019	
Opening price (2 January)	Ch\$42,121.16
Highest closing price (16 September)	Ch\$46,800.00
Lowest closing price (23 December)	Ch\$33,750.00
Year-end closing price (30 December)	Ch\$34,100.00
Dividend return	2.9%
Total return	-19.4%(*)

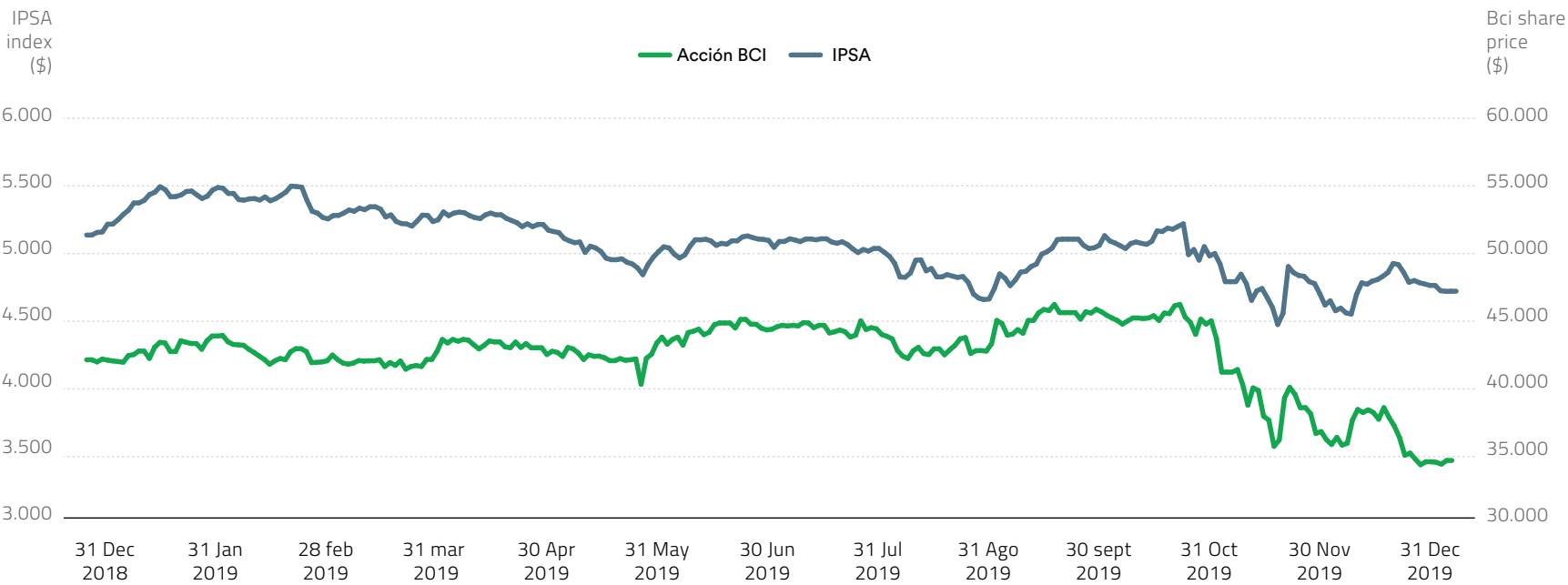
(*) Including dividends and equity adjustments (Source: Bloomberg).

Due to the high volatility of the local market in the fourth quarter, the Bci share price, including dividends, recorded a total annual return of -19.4%, in line with the performance of comparable shares.

The positive fundamentals that characterized the banking industry throughout most of the year could not offset the effects—across the entire economy—of the events that occurred in the country starting in October.

Share performance in 2019

Bci share price vs. IPSA



Summary of Analyst Recommendations for Bci Shares

International

Broker	Recommendation
Credicorp	Hold
Citi	Buy
Itaú	Hold
HSBC	Sell
JP Morgan	Hold
Goldman Sachs	Buy

National

Broker	Recommendation
Bice	Hold
LarrainVial	Buy
Security	Hold

Bond Issues

The diversification of funding sources, in both local and international markets, has been a priority in Bci's balance sheet strategy.

At year-end 2019, long-term debt issues, in both local and international markets, recorded competitive rates and volumes of over US\$1.7 billion.

Locally, Bci has been an important participant in the debt market all across the term structure, in pesos and in UF (unidades de fomento, an inflation-indexed unit of account); and achieved historical records in 2019 in terms of both rates and spreads, relative to the yield curve on Central Bank of Chile bonds.

Internationally, the Bank has been actively developing its presence in key capital markets, conscious of the strategic importance of having an expanding and diversified investor base.

In 2019, the Bank placed two ten-year green bond issues for a total of US\$60 million.

Bci's International Funding Year-end 2019

➤ **US\$2.513 billion**
(24% of the total base)

Geographical distribution of bond markets	Share
United States	40%
Asia	35%
Europe	25%

In more developed markets, Bci's focus on sustainability has attracted investors seeking portfolios assets that place an emphasis on environmental, social, and corporate governance (ESG) factors.



FOR INFORMATION ON GREEN
BOND ISSUES, SEE PAGE 87



Investor Relations

Bci Investor Day 2019
Centro Nace



Bci Investor Day

The 2019 Bci Investor Day was held at the Centro Nace business center in August. The presentations addressed three topics: disruptive payment solutions; how Bci supports entrepreneurship; and why companies need startups to innovate.

> **80**
investors attended Bci
Investor Day 2019

> **150**
people live-streamed
the event

Investor Conferences

The 2019 conference schedule included the first Bci Non-Deal Roadshow (NDR) in North America (Canada and the United States) and, subsequently, in Brazil, England, and France.

The NDRs—presentations that are not oriented toward a specific investment product or opportunity—help strengthen investor relations by providing useful information about the Bank, its vision, and its performance.

Type of event	Month	Place	Company
Conference	March	Santiago	Larrain Vial
Conference	May	San Francisco-Chicago	JP Morgan
Non-Deal Roadshow	May	Toronto-New York	Santander
Conference	June	Buenos Aires	JP Morgan
Conference	September	Lima	Credicorp
Non-Deal Roadshow	October	São Paulo	Itaú BBA
Non-Deal Roadshow	October	London-Paris	HSBC

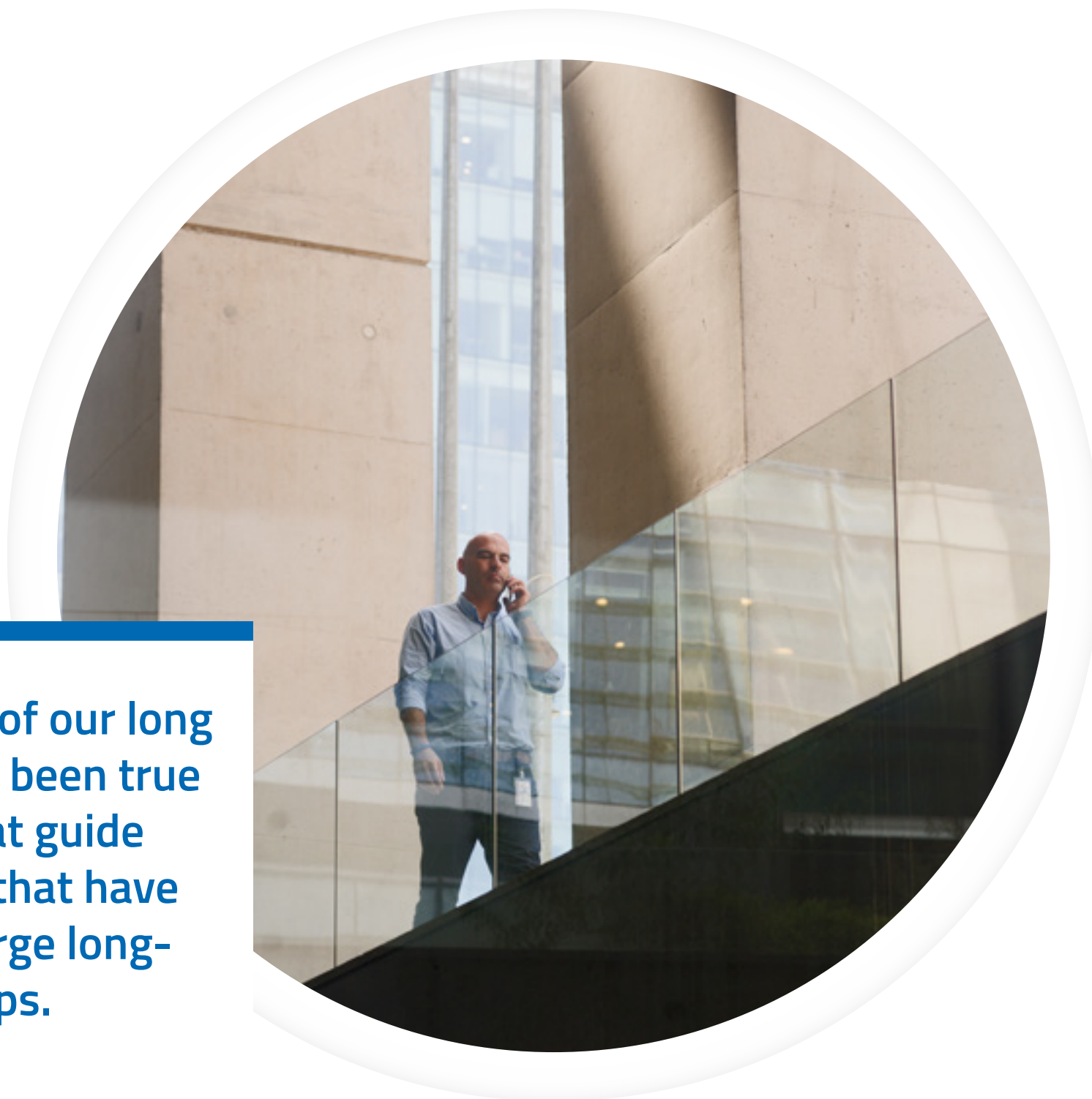
Quarterly Conference Calls

Since 2016, the Bci Investor Relations Area holds conference calls immediately following the publication of our quarterly reports. Investors and other stakeholders can connect to these meetings by telephone or internet (webcast). Bci and City National Bank of Florida executives and the Bank’s chief economist explain the main points in the quarterly results, the business performance, and the execution of the strategy. After the presentations, they answer questions on the topics addressed, as well as any other issues raised by participants in the conference call.

Shareholders



Over the course of our long history, we have been true to the values that guide our actions and that have allowed us to forge long-term relationships.



1,732
shareholders

12%
regulatory capital to
risk-weighted assets





Capital Resources

In 2019, Bci’s core capital over total assets was 7.34%, while regulatory capital over risk-weighted assets (CAR) was 12.00%. Both values are substantially higher than the minimum requirements established by the General Banking Law: 3.0% and 8.0%, respectively.

On 31 December 2019, common equity Tier 1 capital¹ is composed of:

Paid-up capital (141,616,409 shares)	Ch\$3,394,798,673,646
Other equity accounts	114,828,006,957
Net income for the year	402,645,431,356
Dividend provisions	(120,793,629,407)
CET1 capital	Ch\$3,791,478,482,552

Note: in Chilean pesos

Regulatory capital, which acts as a regulator of the different operating limits established in the General Banking Law, is composed of the following items:

CET1 capital	Ch\$3,791,478,482,552
ADDITIONS	
Additional provisions	13,500,058,856
Subordinated bonds	813,058,728,187
Minority interest	1,042,235,923
DEDUCTIONS	
Goodwill	144,506,770,057
Consolidated minority investment surplus	-
Regulatory capital	Ch\$4,474,572,735,461

Note: in Chilean pesos.

(1) CET1 capital is equivalent to the net amount that must be shown on the financial statements as shareholders' equity, as established in the Compendium of Accounting Regulations issued by the Financial Market Commission (FMC).

> Dividend Taxation

At the Ordinary Shareholders' Meeting held on 3 April 2019, a dividend payout of Ch\$1,000 per share was approved, with a charge to net income in the 2018 financial year. This amounts to \$135,892,980,000, equivalent to 34.33% of total net income.

This amount was distributed and charged to taxable profits subject to the first-category income tax rate under Chilean Income Tax Law. This tax qualifies as a credit against the global complementary or additional tax that shareholders must declare annually.

Shareholders are informed of the dividend taxation scheme through a certificate that provides the necessary information for filing the respective annual tax declaration.

The Bank's shareholders must specify that the dividend distributed in April 2019 was charged to taxable income that is eligible for a first-category tax credit, with an effective rate of 27% (factor 0.369863), which is subject to the tax obligation of returning 35% of the credit where applicable.

> Distribution of Bonus Shares

At the Extraordinary Shareholders' Meeting held on 3 April 2019, an agreement was reached to increase the company's capital by Ch\$259,900,926,849, through the capitalization of reserves from 2018 earnings. Of the total, Ch\$259,900,910,890 was capitalized through the issue of 5,723,429 bonus shares with no par value, at a ratio of 0.0421171792686 bonus share for each share held on the date that the right to receive these shares was acquired.

In accordance with Chilean Income Tax Law, these bonus shares do not constitute shareholder income and thus are not subject to taxation.





Ownership and control

25 Main Shareholders of Bci,
31 December 2019

Shareholder	Shares	Ownership interest
Empresas Juan Yarur SpA	78,397,880	55.36%
Yarur Bascuñán Jorge Juan	4,680,554	3.31%
Banco de Chile por cuenta de terceros no residentes (Banco de Chile por cuenta de terceros C.A. 4607976.- Acciones)	4,607,976	3.25%
Banco Santander por cuenta de inversionistas extranjeros	3,745,192	2.64%
Banco Itaú Corpbanca por cuenta de inversionistas extranjeros (DCV no tiene detalle de mandantes y el Banco Itaú no lo proporciona)	3,615,211	2.55%
AFP Habitat S. A.	3,381,940	2.39%
Bci Corredor de Bolsa S. A.	3,320,312	2.34%
AFP Provida S. A.	3,077,355	2.17%
AFP Cuprum S. A.	2,765,661	1.95%
Inversiones Cerro Sombrero Financiero SpA	2,409,587	1.70%
AFP Capital S. A.	2,371,780	1.67%
IMSA Financiera SpA	2,113,723	1.49%
Larrain Vial S. A. Corredora de Bolsa	1,871,306	1.32%
Inversiones Tarascona Corporation Agencia en Chile	1,720,445	1.21%
Inversiones VYR SpA	1,614,267	1.14%
Banchile Corredores de Bolsa S. A.	1,497,910	1.06%
Inversiones Nueva Altamira SpA	1,413,424	1.00%
Yarur Rey Luis Enrique	1,400,648	0.99%
AFP Modelo S. A.	1,115,399	0.79%
Inversiones Meyar S. A. C.	1,051,766	0.74%
Empresas JY SA	778,964	0.55%
Inversiones Colibrí Financiera S.A.	661,332	0.47%
Cía. de Seguros de Vida Consorcio Nacional de Seguros S.A.	610,139	0.43%
Nueva Chosica Uno SpA	574,604	0.41%
AFP Planvital S. A.	571,372	0.40%
Subtotal	129,368,747	91.35%
Summary		
Main shareholders	25	129,368,747 91.35%
Other shareholders	1,707	12,247,662 8.65%
Total	1,732	141,616,409 100.00%
Subscribed and paid-in shares		141,616,409 100.00%
Authorized share capital		141,616,409
Employee-subscribed shares	107	182,569 0.13%

Shareholders' Agreement

On 7 October 2015, the shareholders related to the Yarur family—which, on 31 December 2019, held 63.558% of the duly subscribed and paid-up shares issued by Bci—signed a new shareholders’ agreement, which replaced the agreement in effect since 30 December 1994. In the agreement, the signing shareholders reaffirmed their commitment to maintaining their traditional coalition and control of Banco de Crédito e Inversiones and reiterated their desire to preserve the current management principles.

In accordance with the provisions of Article 14 of the Chilean Corporations Law, the aforementioned shareholders’ agreement is kept in the Bank’s Shareholders Register, which is available to the other shareholders and interested third parties.

Empresas Juan Yarur SpA is the principal shareholder of Bci with 78,397,880 shares, equivalent to 55.359% of the total shares issued. Given that Luis Enrique Yarur Rey is the controlling shareholder of Empresas Juan Yarur SpA, he is therefore also the controlling shareholder of Bci.

The 7 October 2015 shareholders’ agreement and its later modifications were signed by the following natural and legal persons. In the case of corporations, the majority owners are identified:

Shareholders’ agreement	Shareholder	Tax ID	Direct or indirect ownership interest (*)
EMPRESAS JUAN YARUR SpA	Luis Enrique Yarur Rey	5.196.456-K	Controlling shareholder
INVERSIONES CERRO SOMBRERO FINANCIERO SpA	Carlos Juan Yarur Ready	12.069.987-3	28.99%
	Gonzalo Ignacio Yarur Ready	7.517.825-5	28.99%
	Patricia Andrea Yarur Ready	6.378.077-4	18.49%
	Virginia Yarur Ready	6.378.078-2	18.49%
IMSA FINANCIERA SpA	María Paulina Yarur Chamy	7.010.880-1	19.06%
	José Luis Yarur Chamy	7.010.879-8	19.06%
	Rodrigo Alberto Yarur Chamy	9.578.628-6	19.06%
	Sebastián Andrés Yarur Chamy	9.604.685-5	19.06%
INVERSIONES VYR LIMITADA	Victoria Inés Yarur Rey	4.131.984-4	97.79%
INVERSIONES NUEVA ALTAMIRA SpA	Luis Enrique Yarur Rey	5.196.456-K	87.53%
LUIS ENRIQUE YARUR REY		5.196.456-K	100%
INVERSIONES MEYAR S.A.C.	María Eugenia Yarur Rey	Domiciled in Peru	72.76%
INVERSIONES COLIBRI FINANCIERA LIMITADA	María Paulina Yarur Chamy	7.010.880-1	19.80%
	José Luis Yarur Chamy	7.010.879-8	19.80%
	Rodrigo Alberto Yarur Chamy	9.578.628-6	19.80%
	Sebastián Andrés Yarur Chamy	9.604.685-5	19.80%
RECOMSA S.A.	Carlos Juan Yarur Ready	12.069.987-3	19.30%
	Gonzalo Ignacio Yarur Ready	7.517.825-5	19.30%
NUEVA CHOSICA UNO SpA (2)	María Eugenia Yarur Rey		19.72%
	Luis Alberto Said Yarur		20.07%
	Andrés Ignacio Said Yarur	Domiciled in Peru	20.07%
	Pablo Horacio Said Yarur		20.07%
	María Eugenia Said Yarur		20.07%

Continuación

Shareholders' agreement	Shareholder	Tax ID	Direct or indirect ownership interest (*)
NUEVA CHOSICA DOS SpA (2)	María Eugenia Yarur Rey	Domiciled in Peru	19.72%
	Luis Alberto Said Yarur		20.07%
	Andrés Ignacio Said Yarur		20.07%
	Pablo Horacio Said Yarur		20.07%
	María Eugenia Said Yarur		20.07%
NUEVA CHOSICA TRES SpA (2)	María Eugenia Yarur Rey	Domiciled in Peru	19.72%
	Luis Alberto Said Yarur		20.07%
	Andrés Ignacio Said Yarur		20.07%
	Pablo Horacio Said Yarur		20.07%
	María Eugenia Said Yarur		20.07%
NUEVA CHOSICA CUATRO SpA (2)	María Eugenia Yarur Rey	Domiciled in Peru	19.72%
	Luis Alberto Said Yarur		20.07%
	Andrés Ignacio Said Yarur		20.07%
	Pablo Horacio Said Yarur		20.07%
	María Eugenia Said Yarur		20.07%
INVERSIONES LOS CORRALES SpA	Carlos Javier Massu Yarur	6.376.768-9	54.00%
	María Cecilia Massu Yarur	6.376.769-7	36.80%
LUANPAMA S.A.C.	Luis Alberto Said Yarur	Domiciled in Peru	25.00%
	Andrés Said Yarur		25.00%
	Pablo Said Yarur		25.00%
	María Eugenia Said Yarur		25.00%
JUAN CARLOS YARUR REY		4.131.982-8	100%

(1) Over 15% ownership interest.
(2) At the Extraordinary Shareholders' Meeting of NUEVA CHOSICA S.A. held on 10 October 2019, an agreement was reached to reorganize the corporation into a joint stock company, NUEVA CHOSICA UNO SpA, and also to divide the original company into four independent companies: NUEVA CHOSICA UNO SpA (ex NUEVA CHOSICA S.A.) and three new joint stock companies (NUEVA CHOSICA DOS SpA, NUEVA CHOSICA TRES SpA, and NUEVA CHOSICA CUATRO SpA). The Bci shares held by the former NUEVA CHOSICA S.A. were divided equally among the four new companies, which became parties to the Agreement, pending entry in the Banco de Crédito e Inversiones Shareholders Register.

Corporate Governance



At Bci, people are always at the center of every decision we make: our employees, our customers, and the community.

2

outside board members

7

board committees

98%

attendance at regular meetings (12)

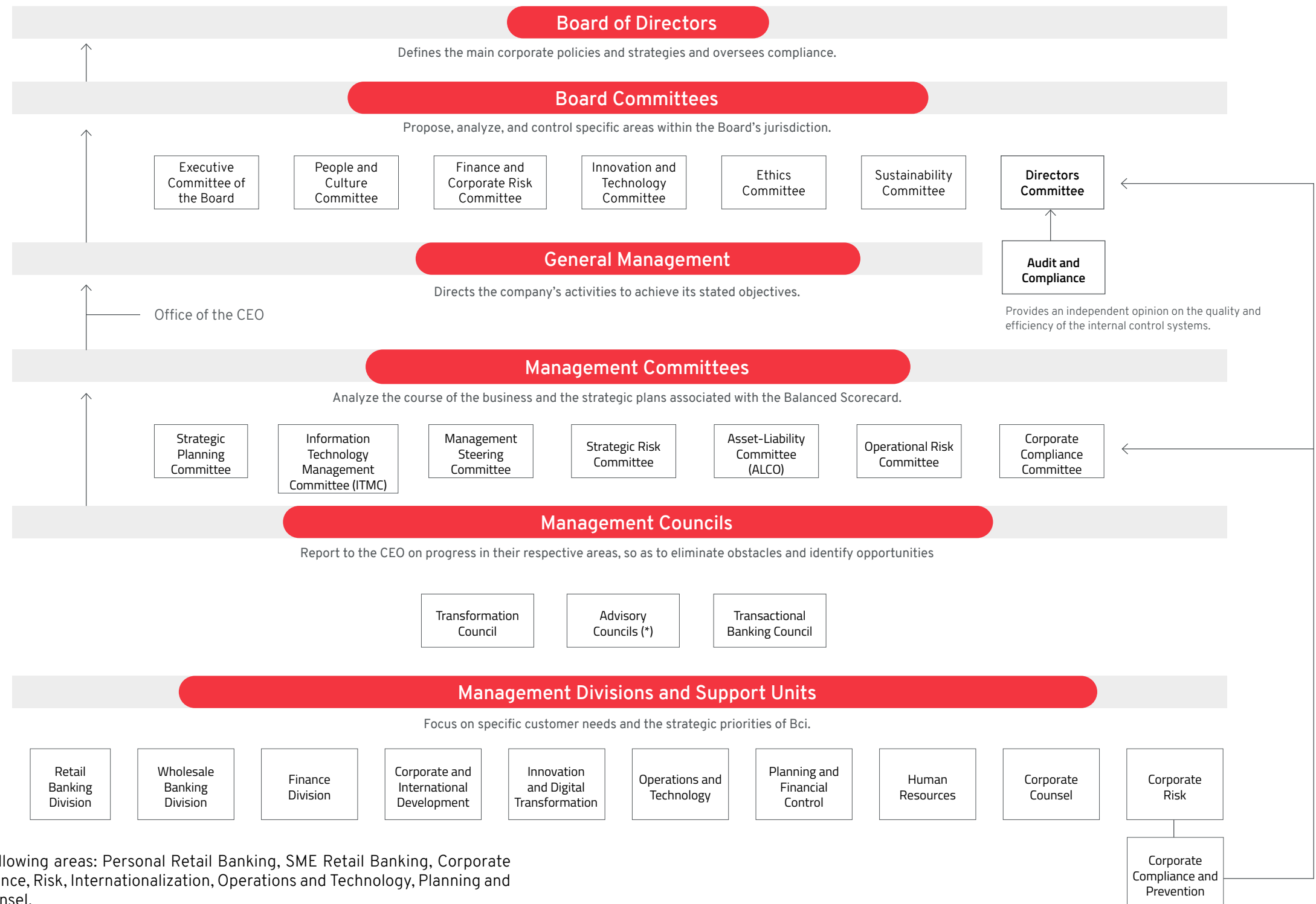
94%

attendance at special meetings (4)



Governance Structure

Bci's corporate governance is led by the Board of Directors. The nine Board Members are elected by the shareholders for a period of three years. Two of the Board Members are independent.



(*) In 2019 Advisory Councils were convened for the following areas: Personal Retail Banking, SME Retail Banking, Corporate Wholesale Banking, Commercial Wholesale Banking, Finance, Risk, Internationalization, Operations and Technology, Planning and Financial Control, Human Resources, and Corporate Counsel.



Board of Directors

At the Ordinary Shareholders’ Meeting held on 3 April 2019, the following Board Members were elected:



FOR INFORMATION ON THE PERSONAL HISTORY AND EXPERIENCE OF THE BOARD MEMBERS, SEE PAGE 95



1

Luis Enrique Yarur Rey
Chairman



2

Lionel Olavarría Leyton
Vice-Chairman



3

José Pablo Arellano Marín
Board Member



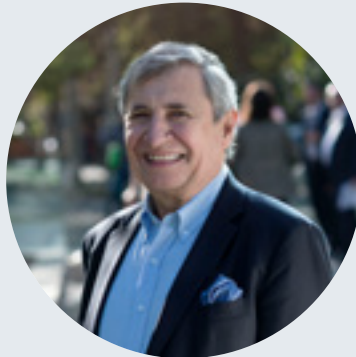
4

Juan Edgardo
Goldenberg Peñafiel
Board Member



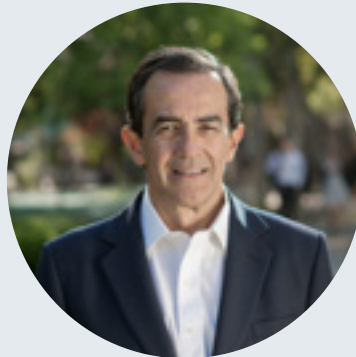
5

Mario Gómez Dubravic
Board Member



6

Miguel Ángel Nacrur Gazali
Outside Board Member



7

Hernán Orellana Hurtado
Board Member



8

Claudia Manuela
Sánchez Muñoz
Board Member



9

Klaus Schmidt-Hebbel Dunker
Outside Board Member

Board Committees

The Board Members participate on seven permanent committees to reinforce strategic control and corporate compliance.

	Functions and powers	Members	Meetings (total in 2019)
Executive Committee	Responsible for approving the general financial, credit, and operational risk management policies; reviewing and approving loan operations submitted for resolution; approving the credit and risk policy manuals; determining the resources that are periodically allocated to loan loss provisions and write-offs; granting general and special powers; and approving specific donations, among other matters.	Full members Luis Enrique Yarur Rey Lionel Olavarría Leyton José Pablo Arellano Marín Mario Gómez Dubravcic Claudia Manuela Sánchez Muñoz Alternates The remaining Board Members	76
Directors Committee	Carries out the functions outlined by Article 50 bis of Law 18,046 on Corporations and other duties in accordance with legal and administrative standards.	José Pablo Arellano Marín Miguel Ángel Nacrur Gazali Klaus Schmidt-Hebbel Dunker	25
Finance and Corporate Risk Committee	Controls and reports on financial strategies and the definition and revision of financial, operational, and credit risk policies, as well as the different exposures maintained by the Bank.	Full members Luis Enrique Yarur Rey Lionel Olavarría Leyton Juan Edgardo Goldenberg Peñafiel Mario Gómez Dubravcic Klaus Schmidt-Hebbel Dunker Alternates Los restantes directores	11
People and Culture Committee	Establishes the general remuneration and compensation policies for the company's various stakeholder groups, without prejudice to the powers vested in the Chairman of the Bank or the Directors Committee, which are responsible for examining the remuneration and compensation of senior management.	Full members Luis Enrique Yarur Rey Lionel Olavarría Leyton Mario Gómez Dubravcic Miguel Ángel Nacrur Gazali Claudia Manuela Sánchez Muñoz Alternates Los restantes directores	3



Board Committees

The Board Members participate on seven permanent committees to reinforce strategic control and corporate compliance.

Continuación

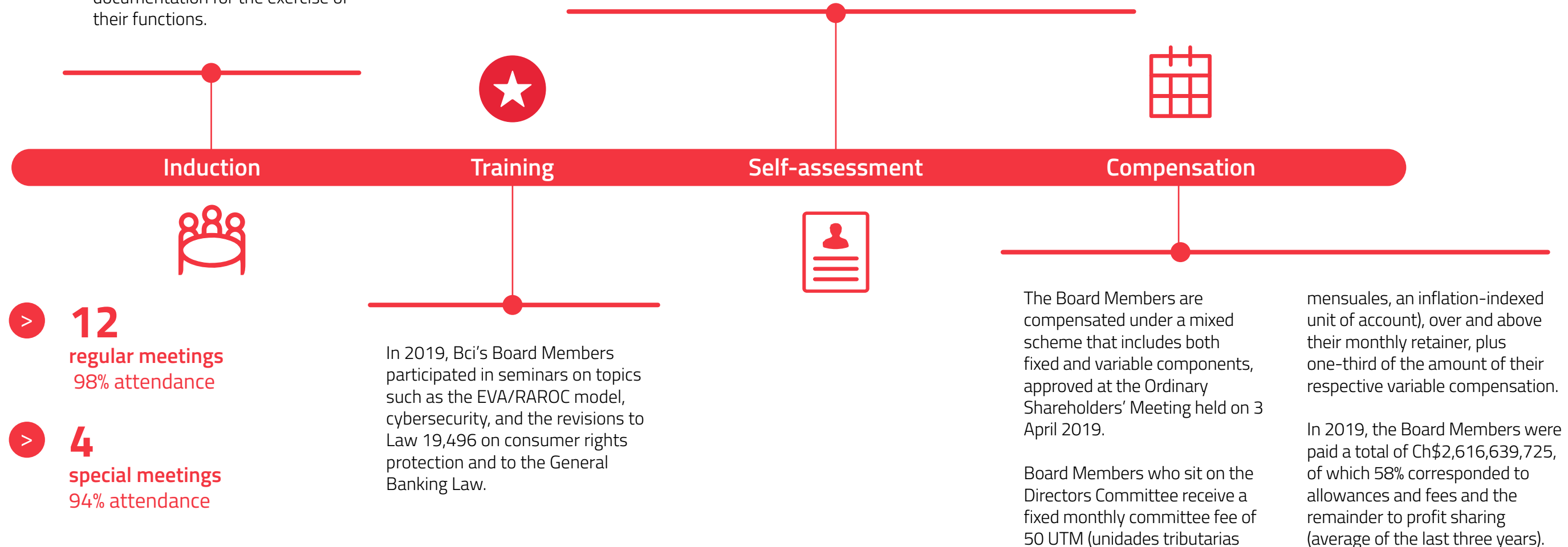
	Functions and powers	Members	Meetings (total in 2019)
Sustainability Committee	Reviews the Bank’s strategy, policies, and programs related to sustainability, with the objective of achieving social and environmental sustainability for the stakeholders defined in the Bank’s mission statement and thus safeguarding the corporate image and reputation of the company and its subsidiaries.	Full members Luis Enrique Yarur Rey Lionel Olavarría Leyton José Pablo Arellano Marín Juan Edgardo Goldenberg Peñafiel Mario Gómez Dubravcic Alternates Los restantes directores	4
Innovation and Technology Committee	Reviews and approves the Bank’s technological strategy and architecture; its IT security strategy and plan; the innovation ecosystem and plan proposed by the Office of the CEO; and the annual short- and medium-term technology and operations investment plan; and ensures that all of these areas are in line with the Bank’s business strategy.	Full members Luis Enrique Yarur Rey Lionel Olavarría Leyton Miguel Ángel Nacrur Gazali Hernán Orellana Hurtado Claudia Manuela Sánchez Muñoz Alternates Los restantes directores	6
Ethics Committee	Interprets the Code of Ethics, studies violations thereof, adopts measures to protect the identity of the people involved and the confidentiality of related information, sanctions unethical conduct, and determines whether the reported incident will lead to civil or criminal proceedings. This Committee is responsible for authorizing the actions of Bank employees with regard to activities, operations, or investments that, in accordance with the Code of Ethics, must be reviewed by the Committee; and for handling the communication and diffusion of ethical content.	Full members Luis Enrique Yarur Rey José Pablo Arellano Marín Juan Edgardo Goldenberg Peñafiel Permanent attendance Eugenio von Chrismar Carvajal Pablo Jullian Gröhnert Fernando Carmash Cassis Juan Yarur Lolas 2018 Award Eric Recart Balze Jorge Yarur Banna 2018 Award Ximena Kutscher Taiba	3

Governance Practices

For new Board Members, Bci has established an induction process that includes meetings with the CEO and all managers who report to the CEO (top-level managers) and the provision of relevant documentation for the exercise of their functions.

The Board conducts an annual self-assessment of its functioning and compliance with corporate governance standards, in order to consolidate best practices and propose actions to generate any changes deemed necessary.

The Board analyzes the results of the self-assessment and adopts agreements to implement the improvements, proposals, or suggestions that have been put forth and approved by majority vote.



FOR INFORMATION ON THE BOARD COMPENSATION STRUCTURE, SEE PAGE 97



Senior Management



1

Eugenio von Chrismar Carvajal
Chief Executive Officer



2

Rodrigo Corces Barja
VP Retail Banking



3

Gerardo Spoerer Hurtado
VP Wholesale Banking



4

Javier Moraga Klenner
VP Finance Division



5

Diego Yarur Arrasate
*VP Corporate and
International Development*



6

Ignacio Yarur Arrasate
*VP Innovation and
Digital Transformation*



7

Antonio Le Feuvre Vergara
VP Corporate Risk



8

Pablo Jullian Grohnert
VP Corporate Human Resources



9

Patricio Subiabre Montero
VP Operations and Technology



10

José Luis Ibaibarriaga Martínez
*VP Corporate Planning and
Financial Control*



11

Ximena Kutscher Taiba
VP Corporate Audit and Compliance



12

Fernando Carmash Cassis
Corporate Counsel



Subsidiaries



1

Patricio Romero Leiva
CEO, Bci Asset Management
Administradora General de Fondos S.A



2

Tomás Flanagan Margozzini
CEO, Bci Corredor de Bolsa S.A.



3

Jorge González Echazabal
President and CEO, City National
Bank of Florida



4

Andrew Q. Barrett
CEO, Bci Securities Inc.



5

Víctor Aguilar Zaforas
CEO, Bci Factoring S.A.



6

Eric Recart Balze
CEO, Bci Corredores de Seguros S.A.



7

Luis Felipe González Holmes
CEO, Bci Asesoría Financiera S.A.



8

Francisco García Pinochet
CEO, Bci Corredora de
Bolsa de Productos S.A.



9

Michel Awad Bahna
CEO, Bci Servicios Financieros ⁽¹⁾



10

Paula García Cuesta
CEO, Servicios de Normalización y
Cobranza Normaliza S.A.

11

Pilar Pérez Carmona
CEO, SSFF Corredores de Seguros
y Gestión Financiera Limitada.

12

José Assadi Zaror
CEO, Análisis y Servicios S.A.

(1) This trade name is used to cover four subsidiary corporations, all of which Michel Awad is the CEO: Servicios Financieros y Administración de Créditos Comerciales S.A.; Administradora de Tarjetas Servicios Financieros Limitada; Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión SSFF Limitada; and Servicios y Cobranzas SEYCO Limitada.

> Ethics and Compliance

The 2019 Ethics Plan was developed in line with the Bci cultural framework.

Ethical Culture

Bci's ethical management model is built on the Bank's history, its business philosophy, culture, and values, and its Code of Ethics. Performance in this area is periodically measured using tools such as the biannual ethical climate survey, the Values and Ethics Barometer, and confidential reporting channels. Based on that analysis, work plans are defined and structured according to the Bci Cultural Management Model, which has four key pillars: leadership by example, promotion of understanding and conviction, reinforcement through formal mechanisms, and talent and skills development.

Ethics and the employee experience

Bci has incorporated a number of processes and areas to spotlight ethics, which are managed in coordination with the different phases of an employee's experience within the Bank, from the initial hiring through retirement.

For example, the talent attraction and selection process is based on clearly established ethical and inclusive practices. During the professional development phase, employees receive both in-person and online training on ethical behavior, while promotion processes are merit based and aimed at promoting employee empowerment and engagement.



Highlights of the 2019 Ethics Plan

Verdict Dynamics

In 2019, former managers with over 30 years of history at the Bank moderated the Verdict Dynamics sessions, which analyze ethical dilemmas. This initiative was launched in 2018, with the publication of the updated Code of Ethics. During the sessions, employees debate a case in a simulated trial, using the Code.

> **51**
branches
held sessions
(2018: 9)

> **853**
employees
participated
(2018: 127)

> **99%**
satisfaction (Snex)
among participants

> **78%**
of the branches in the program
improved their ethical climate by
up to 20 percentage points

92% of employees
state that in the event of an ethical conflict, they
know who and when to contact in the Bank.

Confidential Reporting Channels

Bci has four channels designed to receive information, questions, or complaints, confidentially and at any time. Contacts are handled by the Ethics Committee or the respective manager.

Bci Listens

This channel for reporting problems related to the work environment, such as abuse of power or harassment, is managed by the Human Resources Division.



Fraud Prevention

This channel for reporting bad practices, weaknesses in monitoring and control, and potential internal and external fraud is managed by the Operational Risk Division.



What Should I Do?

This is a mechanism for employees to contact the Ethics Committee with questions or reports.



Criminal Risk Prevention and Free Competition

This channel for employees, customers, and suppliers to report possible instances of money laundering, terrorist financing, bribery, corruption, or issues related to free competition is managed by the Corporate Compliance and Prevention Unit.



Corporate Compliance and Prevention

At Bci, the Corporate Compliance and Prevention Unit is responsible for overseeing compliance with the regulations that govern the Corporation's business. The main objective is to avoid regulatory and reputational risk within the company, with a focus on prevention.

This unit is part of the Bank's Risk Division and reports directly to the Directors Committee and the Corporate Compliance Committee. The corporate compliance manager is also in charge of prevention, based on the Bci Crime Prevention and Detection Model, applied under the framework of Law 20,393 on the criminal responsibility of legal persons.



Main Activities

Corporate Compliance and Prevention Unit

- Implementation of measures to detect, monitor, and report unusual or suspicious operations that could be related to possible cases of money laundering, terrorist financing, or other crimes associated with the criminal responsibility of legal persons (Laws 19,913 and 20,393).
- Application of compliance programs in relation to various regulatory frameworks, such as the Compliance Program for the Promotion and Defense of Free Competition and the Compliance Program for Consumer Rights Protection, incorporating the modifications contained in Law 21,081 on these issues. Oversight of the compliance program for ensuring observance of the Foreign Account

Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) at the level of the holding company.

- Ongoing improvement of models for learning more about the Bank's customers, employees, and suppliers, through the development of procedures and technological tools that make it possible to detect and analyze patterns of high-risk behavior and to identify customers with risky assets, risky geographic regions, or particularly risky business activities.

2019 Achievements

- Supervision of compliance activities in the United States. The Regional Compliance Officer is in charge of developing a range of activities to strengthen and standardize best practices in the U.S. business units. The focus in 2019 was on the development of processes for implementing new services for Private Banking customers in the United States.
- Updating of compliance programs. In 2019, part of the unit's focus was aimed at strengthening the Compliance Program for Consumer Rights Protection, pursuant to modifications introduced to Law 19,496 via Law 21,081.
- Incorporation of controls for the prevention of the new crimes incorporated into Law 20,393 via Law 21,121 and modifications to the Penal Code.
- Implementation of the compliance program for the publication of reference rates in the local market, by the Finance Division and the Financial Risk Unit.

Training and Diffusion

The 2019 annual training and diffusion plan carried out by the Corporate Compliance and Prevention Unit included the following activities:

- In-person courses on compliance, taught throughout the year, with regularly scheduled classes in the different areas as well as special classes to address specific needs;
- Diffusion of compliance and ethical management in all the Bank's induction courses;
- Training of all managers and supervisors in the Corporation under the Program for the Promotion and Defense of Free Competition;
- Regular bulletins on compliance topics;
- Working sessions in the branch network to address issues such as the prevention of money laundering, Know Your Customer (KYC) procedures, and the investigation of alert signals related to predicate offenses associated with money laundering, terrorist financing, and bribery; and
- Development of training courses for the new Risk School initiative, which comprises 12 modules with varying levels of instruction, on topics such as the prevention of money laundering, terrorist financing, bribery and criminal risk, free competition, compliance with FATCA and CRS regulations, and, in the case of Financial Division units, issues related to compliance with international regulations and codes of conduct, including Dodd-Frank and EMIR.

Risk Management

Comprehensive risk management, focused on customers and the market and based on data and models, is a crucial aspect of the corporate strategy and transformation.

Bci has incorporated international best practices to contribute to optimizing the risk-return ratio of its operations through the comprehensive management, assessment, and control of all the risks to which the organization is exposed.

Responsibility in this area is allocated under a structure led by the Board, with the participation of upper management committees and specialized units.

Risk Governance at Bci

Board of Directors

Defines the global risk management framework and monitors the risks.
Performs a comprehensive analysis of the risks to which the Bank is exposed.
Establishes adequate levels for provisions, additional provisions, and the capital adequacy ratio.

Executive Committee

Defines and approves the Bank's risk tolerance and related policies, as delegated by the Board, and makes decisions on loans of significant size and complexity.

Directors Committee

Responsible for the functions of the Audit and Compliance Committee, in accordance with the Corporations Law and FMC regulations, and directly supervises the activities of the Audit and Compliance Division and the Corporate Compliance and Prevention Division.

Finance and Corporate Risk Committee

Monitors credit, market, and operational risk management, periodically reviewing the main indicators and analyzing the quality of the loan portfolio and the associated provision rates. In 2016, this Committee's domain was expanded to include Bci's business operations in the United States.

Senior Management

Committees

Asset-Liability Committee (ALCO)

Responsible for the financial risk policy framework and for decisions on asset and liability management and market and liquidity risks, including risk monitoring.

Operational Risk Committee

In charge of defining the operational risk strategy; continuously reviewing policies on operational risk management, technology risk and information security management, business continuity, fraud prevention, and regulatory risk; monitoring risk levels; and tracking improvement plans for maintaining risks within the established tolerance ranges.

Corporate Compliance Committee

Establishes and monitors material and policies spearheaded by the Corporate Compliance Division, on issues related to the prevention of money laundering, terrorist financing, bribery, practices that infringe on free competition, compliance with consumer rights protection programs, compliance with FATCA and CRS regulations, and other such issues.

Strategic Risk Committee

Main function is to generate high-level discussions on key strategic risk issues, so as to guide the business toward the desired portfolio while staying within the risk tolerance limits defined by the Board.

Models Council

Responsible for managing the strategic function of risk management models, as well as prioritizing and aligning the development, adjustment, and utilization of the models with the Bank's strategy and that of the Corporate Risk Division.

Corporate Risk Division

Manages the units in charge of credit risk, operational and financial risk, and the prevention of money laundering and terrorist financing.

2019 Highlights

- New mass banking model that eliminates the use of profit as the primary parameter for loan origination. The model was generated using machine learning and agile methodologies that accelerated the development timeline.
- 62% of Wholesale Banking loans were processed seamlessly, thanks to process automation.
- 55% of sales to SMEs were generated with automated or mass processes.
- Nontraditional retrospective and prospective analysis of the concentration, profitability, and risk of the different portfolios, which revealed important findings in the mortgage, consumer, and commercial portfolios that were reported for consideration in business management.
- Extension of the use of risk models to include monitoring issues related to compliance and the prevention of money laundering.
- ISO 27001 certification, expanding the scope to include the mobile platform.
- Reinforcement of the first line of defense in areas such as cybersecurity, crisis management, and outsourced services.
- Successful implementation of regulations, including the B1 Model for collectively assessed commercial loan provisions.
- Of a total of 9,454 qualified employees, 80% successfully completed the basic and regulatory courses in the Bci Risk School curriculum.

Risk Control

Risk tolerance

Bci and its Corporate Risk Division have maintained their focus on reviewing and controlling risk tolerance and monitoring compliance, taking as a baseline the “Principles for an Effective Risk Appetite Framework” from the Financial Stability Board (FSB), which is hosted by the Bank for International Settlements in Basel, Switzerland.

Within the Basel III pillars, risk tolerance is a key factor for identifying the risks to which the Bank is exposed and defining and communicating the limits within which management must execute the business strategy, so as to optimize the risk-return ratio. Additionally, the definition of risk tolerance contributes to understanding the risks to which the Bank is exposed and managing them proactively—that is, transforming risk assessment metrics and methods into business decisions, optimizing results and value creation within the organization (including resource allocation and the development of new products and services, new customer segments, and new businesses), contributing to the creation, calibration, and maintenance of policies, and supporting the generation of dialogue at the highest levels of the organization about situations that could compromise the Bank.

The Risk Tolerance Unit is responsible for proposing and managing the risk tolerance framework at the corporate level. Its main functions include the following:

- Manage risk tolerance statements for Bci and its subsidiaries;
- Oversee the limits within which management must optimize and execute the Bci business strategy;
- Monitor the indicators defined in the risk tolerance framework and oversee the execution of action plans when limits are breached; and
- Report to the Risk Tolerance Council, Directors Committee, Executive Committee, Finance and Corporate Risk Committee, and the Board on the different risks defined in the tolerance framework.

Bci’s adherence to the Risk Tolerance Statement is reviewed and managed monthly, as a function of the defined limits. The Board is responsible for approving the risk tolerance framework and ratifying it annually. The Board has delegated to the Executive Committee the power to modify adherence to the Risk Tolerance Statement, in terms of the incorporation, replacement, or modification of defined risks and their limits, based on proposals submitted by Senior Management. The Finance and Corporate Risk Committee periodically monitors the evolution of adherence, analyzes proposed measures in the event of critical levels, and requests that pertinent measures be taken to avoid exceeding the established limits for the respective indicators.

In 2019, work continued on the consolidation of a culture that defines the Bank’s strategy within the risk tolerance framework, strengthening control of national and international subsidiaries. Progress was also made on integrating this tool into the Bank’s main business processes and incorporating a forward-looking perspective in the definition of risk tolerance limits.

Capital Stress Tests

Stress tests aim to monitor the risks to which the Bank is exposed, in order to proactively identify, quantify, and mitigate those risks. This process is considered to be a strategic factor for the long-term stability and viability of the Corporation, as well as for the management of the Bank’s risk culture.

Stress testing is a mechanism for measuring simultaneous impacts between macroeconomic scenarios and the Bank’s financial statements, based on mathematical models that assess the effect of adverse or stress scenarios on financial statement performance. The results help identify possible vulnerabilities in performance (profitability) and capital adequacy (Tier 1 capital, the Basel ratio), so that the Bank can generate action plans to guarantee, within the planning horizon, a volume of own resources in line with the identified risks, thereby safeguarding legal and regulatory compliance and the financing of its strategic plan. At the same time, stress test results contribute to a correct allocation of capital, focusing on the businesses that add value to the Corporation.

In 2019, Bci continued to move forward on integrating this tool into its management practices, with the collaboration of the different divisions, and strengthening the models used for these tests in order to converge with Basel III following the approval of the new General Banking Law (LGB) in Chile. Additionally, the teams of Bci and City National Bank of Florida began collaborating on convergence to a consolidated stress test, after the integration of the international subsidiary’s stress testing methodology and results.

> Crisis Management

Since 18 October, Bci has demonstrated the effectiveness of its business continuity plans and the strength of its business culture.

The Bank's values and principles—respect, integrity, and excellence—have been essential for navigating the social context in Chile since October. They have been evident from the very start in an overarching sense of unity, a feeling that we are acting as “one Bci,” while all our employees have displayed flexibility and solidarity, providing mutual support and demonstrating concern for our customers and suppliers.

Special support for affected microbusinesses and SMEs

> Centro Nace

- Free workspaces with Wi-Fi access (60 locations added).
- Talks and workshops.
- Expert guidance on issues such as business models, sales strategies, and fundraising.
- Space on Social Store, Bci's platform for raising the profile of products and services on social networks.
- Room for producing multimedia content (photos, videos, and podcasts).

> Renace Program

In December 2019, Bci reactivated the Renace program to structure support measures to help our micro, small, and medium-sized business customers to recover and emerge stronger after suffering damage and losses due to the crisis.

The program has reached an estimated 1,000 customers in the SME segment.



Contingency Management

General Objective

To maintain business continuity under a scenario of high absenteeism among employees and suppliers, as well as damage to physical infrastructure.

> Immediate Measures

To ensure the security of our employees

To maintain continuity of customer service.

To maintain the payment chain.

To maintain constant communication

Immediate Measures



Employees

Focal points

- Ensure their security and personal safety both during commutes and in the workplace.
- Provide support to shorten commute times as much as possible.
- Provide economic support.

Main actions

- Flexible hours and remote work.
- Safe transportation and lodging (500 employees benefitted).
- Emotional support workshops (102 employees participated).
- Loan payment deferrals.



Customers

Focal points

- Ensure their security and personal safety in bank branches.
- Generate the best customer experience possible, with information on all the available service options.
- Provide personalized solutions to customers experiencing difficulties.

Main actions

People

- Benefit of zero minimum payment on credit cards in the months of November and December (180,000 customers took advantage of this measure).
- Extension of the fraud claim filing period from 3 to 10 days, and in some cases 30 days.

Microbusinesses and SMEs

- Direct contact with customers to ask about their situation (10,919 microbusinesses and SMEs were contacted).
- Workspaces and assistance at Bci Centro Nace.
- Facilities for the use of insurance (claims and questions).
- Special terms on reconstruction loans.
- Payment deferral of 60 days.
- Increase in business credit lines to pay suppliers.



Suppliers

Focal points

- Safeguard business continuity.
- Support SME suppliers.

Main actions

- Review of at-risk suppliers.
- Expedited payment on executed projects.



Authorities

Main actions

- Submission of operational continuity reports to the Financial Market Commission.
- Provision of information on the secure operation of the payment chain (branch offices and ATMs); customer and employee support actions; and measures to assess the impacts on risk and the financial strength of Bci in the face of exchange rate, liquidity, and solvency risks.

Sustainability

In 2019 Bci began the implementation of its 2021 Sustainability Plan, which aims to create value for every one of our stakeholders, promoting economic, social, and environmental well-being.

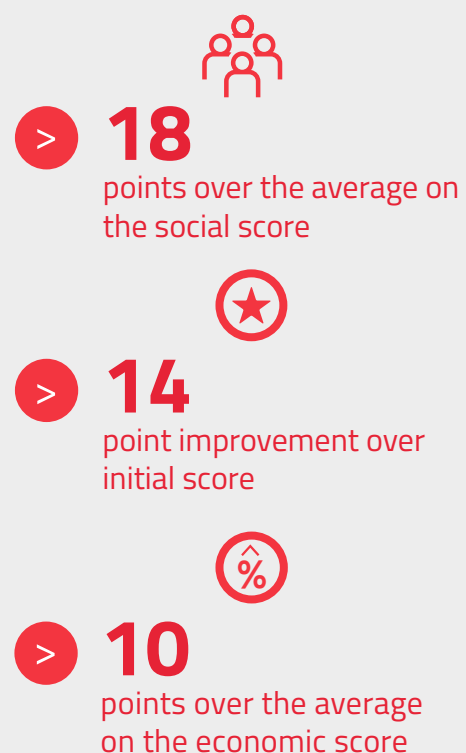
The Bci Sustainability Plan was developed through a materiality assessment process that included an in-depth review of the Bank's strategy, studies from outside the banking and business sectors, interviews with internal stakeholders to identify the most important issues, and surveys of external stakeholders to prioritize them. The assessment used benchmarks such as the Dow Jones Sustainability Index, as well as international standards and best practices on every material issue observed in the banking industry, both in Chile and abroad.

Progress on this plan is periodically reviewed by the Sustainability Committee.

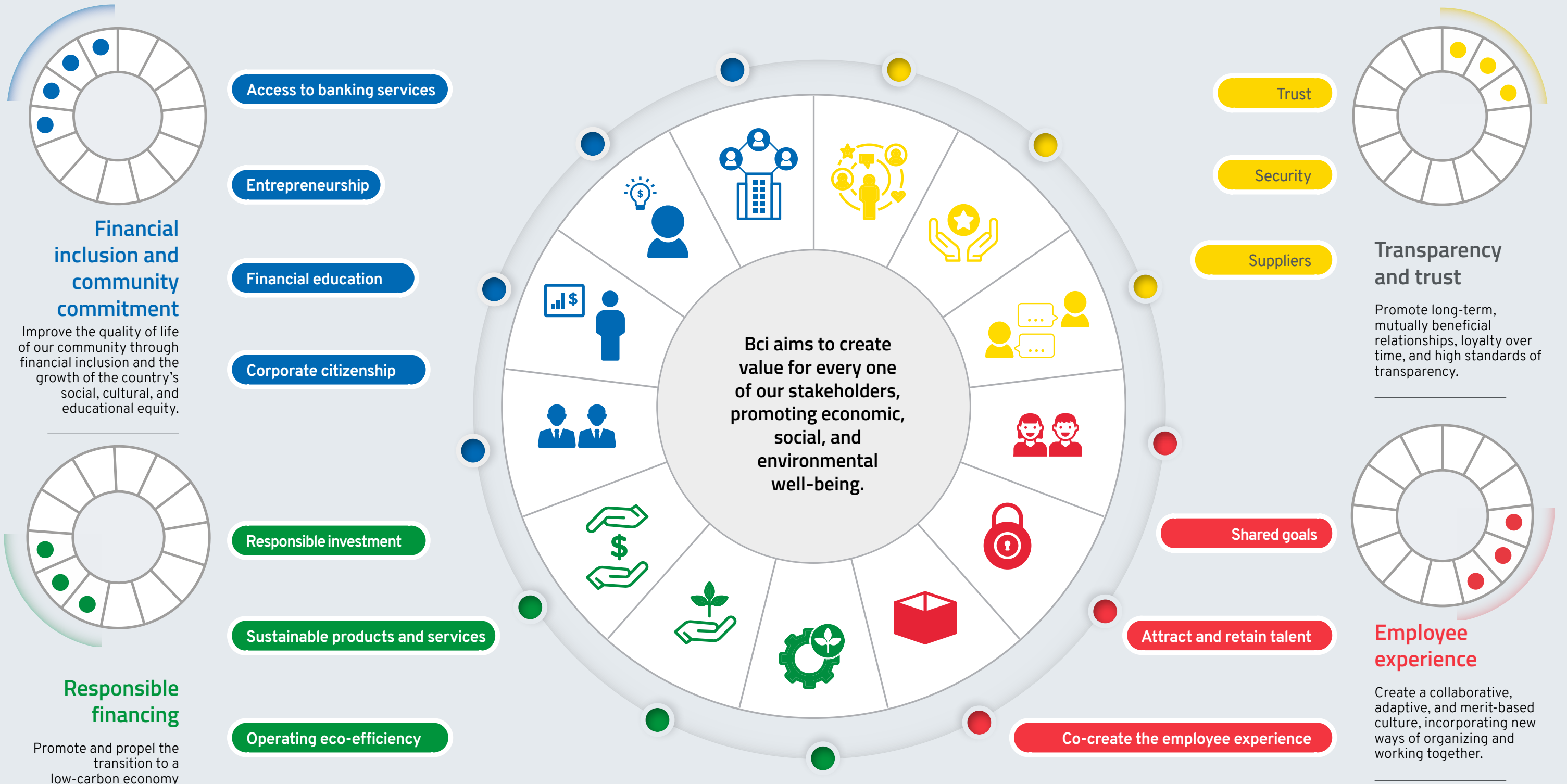
MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

With a higher score than 67% of banks worldwide, Bci maintained its position in the Dow Jones Sustainability Indexes (DJSI), created to track the performance of leading companies in sustainability. In 2019, the Bank was included in the DJSI Chile for the fifth consecutive year and the DJSI MILA Pacific Alliance for the third consecutive year. The latter comprises the top 42 companies in the Integrated Latin American Market based on environmental, social, and corporate governance factors. Bci has been included in both indexes since their creation.

In the 2019 assessment, Bci's best performance was on the social score, at 18 points above the average. The Bank's environmental score was also above the industry average, with an improvement of 14 points over its initial score, while its economic score was 10 points above the average.



> 2019–2021 Sustainability Plan



Strategy



We know that daring to make a difference is the only way to constantly evolve.

28.1%

of Bci's assets are overseas.

60%

acceleration of product development in the retail segment.

45%

of Bci international credit card transactions are through MACH.

2,000

employees are already using the Salesforce customer experience management platform.

> Interview with the CEO



2019 was a challenging year for Bci. We made important achievements in our transformation and internationalization processes and in the development of services for the different segments we serve, which contributed to our ongoing improvement efforts and benefited our customers. At the same time, toward the end of the year, the eruption of social unrest in Chile presented an unprecedented challenge in terms of working as a team, strengthening our vision, and responding with agility to maintain the operational continuity of the bank at all times.

“The bank has made a commitment to the country to provide a service that is critical for the stability of the financial system, thereby increasing the reliability of the payment systems and supporting people and businesses in their financial needs. This social role must be protected by those who are entrusted with providing that service to our customers and the community, which is why we must not fail to maintain operational continuity. As a bank, we have a commitment to the country,” says the CEO of Bci, Eugenio von Chrismar.

This challenge is even greater considering that at the time of this interview, Chile and the world are living through one of the worst public health crises of the past hundred years. The effects are growing daily, given the high contagion rate and the speed of transmission, as well as the reactions of the global markets.

How was 2019 for Bci?

Despite everything that happened in the last quarter of the year, overall I think it as a good year for the bank. We started out 2019 with the inauguration of our entrepreneurial support center, Centro

de Emprendimiento Nace, which delivers a unique financial and nonfinancial value proposition for entrepreneurs in Chile. It creates a space where all the different interactions that occur independently in the entrepreneurial and innovation ecosystem are happening within those 1,000 m2.

Next, we announced a joint project with Evo Payments to provide acquirer services, creating a new payment network

“The bank has made a commitment to the country to provide a service that is critical for the stability of the financial system, thereby increasing the reliability of the payment system and supporting people and businesses in their financial needs.”

Eugenio von Chrismar
Chief Executive Officer

through which more than 400,000 businesses all across the country can accept payments with debit, credit, and prepaid cards, thereby promoting financial inclusion. We want to expand our role in the traditional issuer business through the creation of our own acquirer services network, taking advantage of capacities in the ecosystem to accelerate the time to market.

Internationally, we had two major announcements with regard to our internationalization strategy: the entry into the Peruvian market through the creation of a new subsidiary, Banco Bci Perú; and the signing of an acquisition agreement to purchase 100% of Executive National Bank, through City National Bank of Florida. These operations will allow us to strengthen our regional platform while diversifying growth in strategic markets and supporting our customers in their Latin American expansion.

Finally, in 2019 we surpassed 2 million MACH users, which is a major achievement considering that MACH accounts represent over 50% of international credit card transactions in terms of number.

How was the year financially?

In terms of financial performance, 2019 was a difficult year for the whole industry, with lower business volume and less dynamism. Nevertheless, we were leaders in loan market share and growth of operating margins above our main competition. At the same time, we consolidated our diversification and inorganic growth strategy and made substantial progress on the Bank's transformation.

How do you view the social unrest?

It has certainly been difficult. We faced a major challenge in maintaining operational continuity despite the upheaval after 18 October, given the criticality of our business. Here, I want to thank all of our employees for their tremendous commitment. Since the eruption of the crisis, they have acted with speed and efficiency to resume operations at our damaged branches and maintain service provision to support our customers in these trying times.

How do you see the role of the local banking industry?

In the current scenario, which has changed in the last six months due to two specific situations—the social crisis and the coronavirus pandemic—the banking industry's role in society is critical. Every day, banks process millions of transactions that underpin monetary and financial stability. We ensure the maximum security of the payments systems, and we support people and businesses in their financial needs. This social role must be safeguarded by those of us who are entrusted with providing these services to our customers and the community, which is why we must not fail to maintain operational continuity. As a bank, we have a commitment to the whole country.

What are the main challenges for Bci in this new scenario?

Our first priority has been and will always be our concern for our employees and their families, as well as our customers and suppliers, who could once again be affected in their routine business, their jobs, and thus their financial situation. Here, I want to

emphasize that our company has the skills, capacities, and digital tools necessary to continue operating as normally as possible. This is due to the transformation process that we, as a bank, have implemented in recent years.

For the same reason, to face the various contingencies, we have not only adopted remote work practices, but also optimized our digital processes and remote channels for all the services that can be executed digitally. Continuing to strengthen our digital area will make our service model more efficient.

How have you managed the rapid recovery, and what measures have you taken?

This capacity to react is no accident; it is undeniably the result of the culture of resilience that we have built over the course of Bci's history, which we have been able to pass on over the generations.

More concretely, in recent years we have focused on developing different capacities and competencies for facing not only this contingency, but a generally more volatile and uncertain world, where change is the new normal. For example, we have been developing data analytics capacities, new service models, ecosystems, digital channels, and ways of working that today are helping us address the crisis more efficiently, while taking care of our employees and making a greater effort to serve the needs of our customers and other stakeholders.

At the same time, to address the social crisis and the current pandemic, we have made available a series of special measures to help our customers return to their normal activities as quickly as possible. We want to help them recover their businesses,

which we know they put all their efforts into establishing. For our workers, too, we have taken measures to reassure them and help them be safe. People have always been at the center of every decision we make, and that will not change.

Given the new scenario, has the Bank's strategy changed in any way?

We continue to pursue the same vision and strategy. In over 80 years of history, Bci has always held a firm commitment to being a leader in innovation, customer support, and customer experience, with a culture that puts people first and strives for sustainable growth. We are a bank of and for people, which is constantly seeking to generate value and growth not only for our shareholders, but for our employees, customers, suppliers, and society. We believe that this is the formula for achieving sustainability and making a real contribution to our country.

We continue to work with strategic partners like Microsoft, Amazon, Google, Everis, and Salesforce to implement our digital transformation and process improvement strategy, which will undoubtedly result in better processes and services for our customers.

What do you predict for the Chilean economy in 2020?

The impacts of the social crisis will be exacerbated by the coronavirus pandemic. We are talking about a highly uncertain scenario, in which the Central Bank and the government have implemented major plans to moderate the effects of the epidemic. Even so, a poor performance is expected for the economy, especially in the second

quarter of the year, due to the measures that have been adopted to contain the spread. We know that there will be a strong impact on the economy, but we trust that it will be temporary and that there will be higher growth going forward.

What are the main challenges facing the country?

Our main challenges as a nation are cooperation and adaptation. Cooperation because we are facing situations that require mutual agreement and working together. We all have something to contribute in this crisis, and we as a bank have a commitment to the country, our employees, and our customers. Cooperation will also help us overcome the economic downturn.

With regard to adaptation, both the social crisis and the pandemic are going to change how we act, how we relate to one another, and how we get things done in this country. Today, for example, telecommuting has gone from a dream to a reality. Adapting to this new reality represents a tremendous cultural and technological challenge.

Internationalization

The consolidation of Bci's international platform has been one of our primary objectives, because it allows us to support our customers in their regional expansion and diversify operations into high-potential markets.

Objectives of internationalization

Support our personal and business banking customers in their regional expansion, through a solid platform of products and services.

Diversify our operations geographically into high-growth markets, exporting the Bci service model.

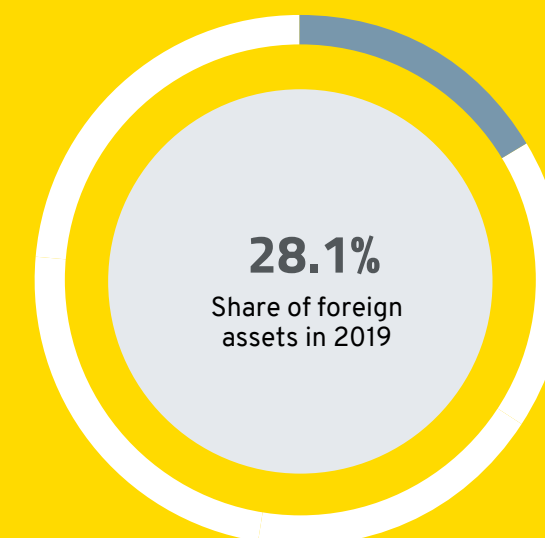
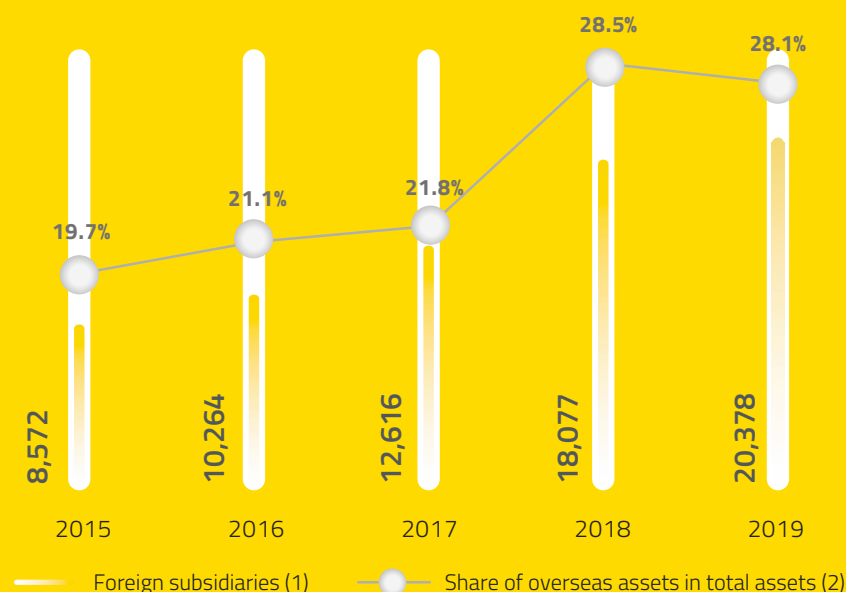
Consolidate and optimize the international business platform, with a focus on Florida.



Five-Year Evolution



Total assets in December of each year
(US\$ billions)



(1) CNB, Bci Miami, and BCI Securities
(2) Share in total Bci Consolidated Assets

With our customers at the center of our strategy, internationalization is part of Bci's vision of being a bank that delivers innovative and personalized responses, services, and solutions, at the global level.

Launch of the strategy

Twenty years ago, Bci opened a branch in Miami, followed by representative offices in Peru, Mexico, Colombia, Brazil, and China. These were the first steps in a long-term strategy aimed at expanding the business into new areas and diversifying assets in emerging and developed markets, with ownership investments in banks or branches.

Following an intense and exhaustive search, Bci signed an acquisition agreement with City National Bank of Florida (CNB) in 2013 and took control of the bank in 2015. This was a major milestone in our internationalization strategy and one of the longest, most complex processes in the Bank's history, as well as the largest investment by a Chilean company in the United States.

With this acquisition, Bci strengthened its position in the main financial market in the world, becoming the number one Latin American bank in Florida. Currently, CNB and Bci Miami have combined assets of over US\$20 billion, representing 28.1% of Bci's total consolidated assets and solidifying the Bank's position as an international company.

In 2015, the Bank opened an office in Shanghai, with the further mission of exploring innovative new business models, products, technologies, and partners. The work at this office has been crucial in Bci's transformation process.

In 2018, CNB finalized the acquisition of 100% of TotalBank, a bank with over 40 years of business history, positioning us as the third-largest local bank in Florida, following a successful merger led by CNB.

Acquisition Agreement for a Third Bank in the United States

The acquisition of Executive National Bank—announced in September 2019 and subject to approval by the Chilean and U.S. banking authorities—will further strengthen CNB's presence in south Florida and increase its market share, to become the second-largest bank based in Florida and 93rd out of 4,500 banks in the United States, by size of assets.

As a major actor in Florida, Bci is able to offer our customers everything they need from a bank, with the close relationship and flexibility typical of a community bank.



FOR MORE INFORMATION ON
THE ACQUISITION AND EXECUTIVE
NATIONAL BANK, SEE PAGE 68

Entry into the Peruvian Market

In September 2019, Bci also announced the launch of operations in the Peruvian market with the creation of a new subsidiary, Banco Bci Perú, which will increase our market share in that country and reinforce our internationalization strategy.

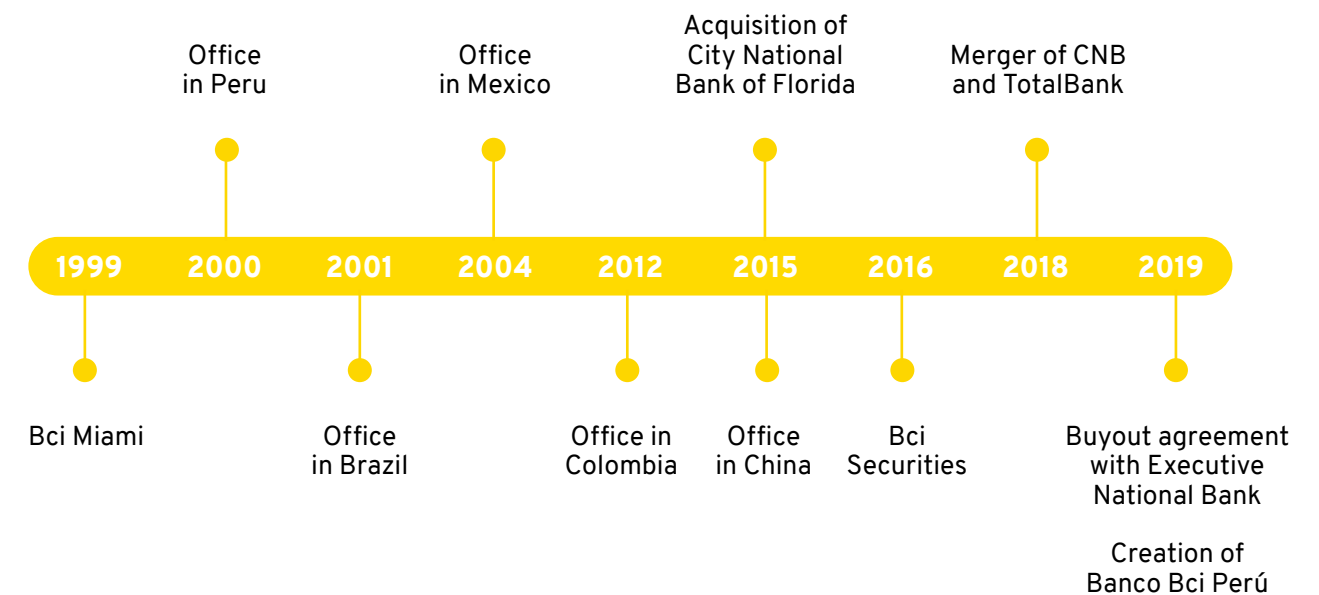
The objectives of Banco Bci Perú include developing a regional platform for supporting Bci customers as they expand throughout Latin America.

With initial capital of US\$60 million, the subsidiary will focus on corporate and large business customers, serving both Peruvian and Chilean customers in the neighboring country.

The Banco Bci Perú corporation will be subject to Peruvian regulations and registered with the country's National Superintendence of Public Registries. The establishment and operation of the bank are subject to pending approval by the Chilean Financial Market Commission and the Central Bank of Chile, as well as the regulatory authorization, registration, and inscription required under Peruvian legislation. The Peruvian subsidiary is expected to begin operating in the first quarter of 2021.

Having a presence in Peru will allow Bci to offer a platform covering three countries, including Chile and the United States, where customers can take advantage of commercial brokers and communication facilities in all three countries.

Bci Internationalization Highlights



The operations announced in 2019 will allow Bci to strengthen its regional platform, diversifying its growth in strategic markets and supporting the Bank's customers in their expansion across Latin America.

Innovation and Transformation

Cultural change and the new ways of working in the Corporation, together with investment in technology and new digital capabilities, have been key pillars for delivering value to all our stakeholders.

To adapt to new customer needs, Bci launched a transformation plan in 2015, with the clear understanding that the process was about far more than just incorporating technology. The plan emphasized four factors:

- Leadership, because it was necessary to make this our top priority;
- Design of customer-centered solutions, using data capabilities to create a strong, personalized offer;
- Partnerships that increase Bci's capacity for innovation and deliver integrated solutions; and
- Reformulation of our employee value proposition, to attract, retain, and develop the best digital talent.

Objectives of the transformation

Be a leader in customer experience.

Promote financial inclusion.

Increase efficiency.

Digital Technology and Talent

Through investment in digital infrastructure and the incorporation of new digital talent, Bci has been able to develop a digital architecture based on cloud computing, microservices, and application programming interface (API), which allows us to respond to our customers' needs quickly and efficiently.

The growth of the technological ecosystem and the new digital habits of our customers make it imperative to continually update our cybersecurity and data protection systems, to mitigate fraud risks. This also contributes to maintaining customer confidence in the Bank's digital products and solutions.

New Ways of Working and Creating Value

Bci has provided training in agile development methodologies for the various multidisciplinary teams involved in developing digital products and solutions. The agile teams are structured around work cells, which collaborate in their specialties to quickly and efficiently deliver solutions that customers truly want and need.

Distinctive Capabilities

To solidify Bci's position in the digital world, the Bank has invested in Big Data architecture and specialized talent, so as to compete effectively based on analytics.

Fully Digital Solutions

Positioning the customer at the center of everything we do is a fundamental aspect of Bci's culture of innovation. This has been reflected in a highly productive year, in terms of delivering new value propositions.

FOR HIGHLIGHTS, SEE CUSTOMERS ON PAGE 54

Reinvention of the Bank

The MACH payment platform continues to demonstrate that there is a need for innovative financial solutions in the market. To continue developing the platform's value proposition, in late 2019 Bci launched a physical MACH card, which can be used in businesses that already accept prepaid debit cards.

FOR MORE INFORMATION, SEE PAGE 55

Partnerships with Big Tech

Moving forward with technology has become essential for Bci. Partnerships with Big Tech companies push us to be different, to stay one step ahead in the financial world, to keep up with our customers' needs, and to give our employees the tools they need for a good workplace. The Bank currently has agreements with:

- Amazon: joint project development, including MACH;
- Microsoft: cloud systems;
- Google: Google Pay digital wallet.

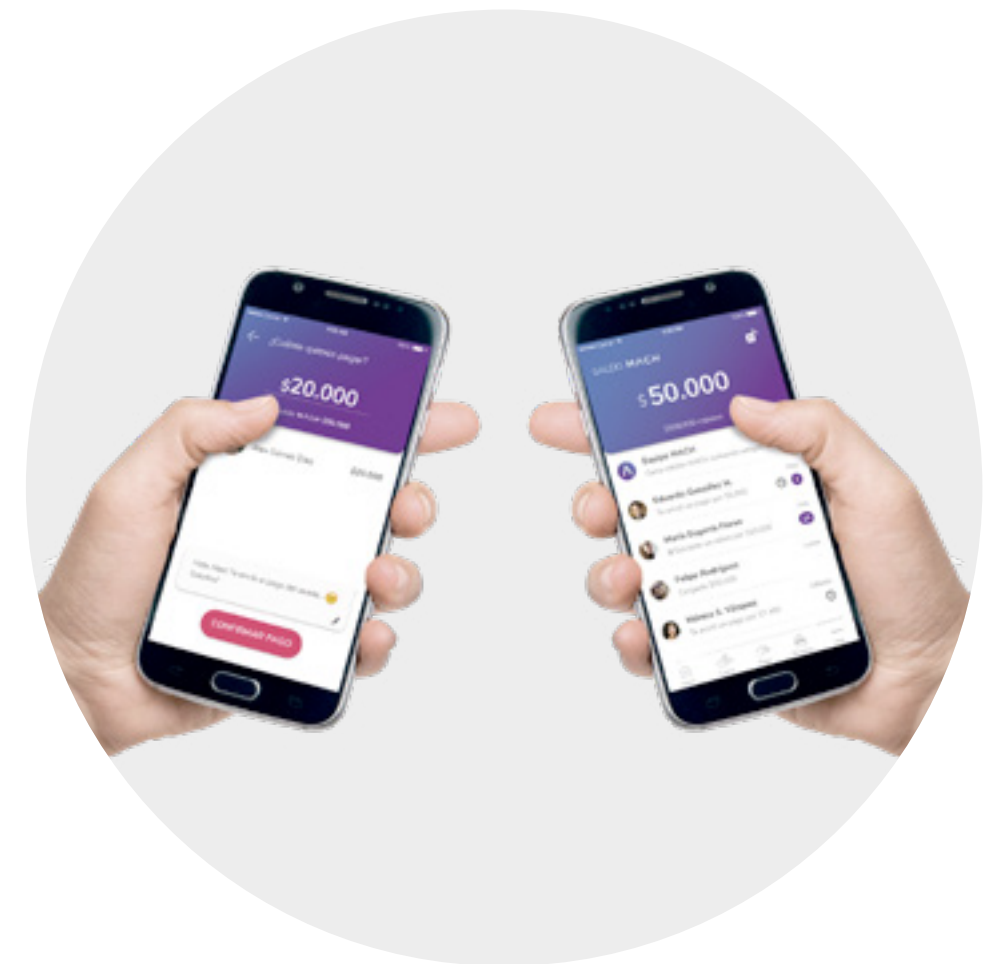
World-Class Platforms

In January 2019, Bci began implementing Salesforce, the largest customer-relationship management service platform in the world. This easy-to-use platform allows the different areas of the Bank to share information, which expedites customer response, and to operate on all our channels. The implementation is part of a strategic partnership with Salesforce, aimed at accelerating the digital transformation and process improvement. The implementation will be complete in late 2020.

Payment Innovation

Bci has reached an agreement with the U.S.-based company, Evo Payments, to launch a new payment system in Chile, which will allow over 500,000 businesses to accept credit, debit, and prepaid cards. The project and its implementation are currently awaiting authorization from the Chilean Financial Market Commission (FMC) and other relevant agencies.

Once the project is implemented, customers will be able to use their cards throughout the country, and businesses—whether large, medium, or small, brick-and-mortar or digital—will have access to payment options according to their needs. This will contribute to financial inclusion and market access to banking services in the country.



> **337**
employees
have digital jobs

> **95%**
of time deposit
transactions are digital

Customers



We are a leading company with a clear vision of the future, looking to generate value and development opportunities for our customers, employees, communities, and country.



35%

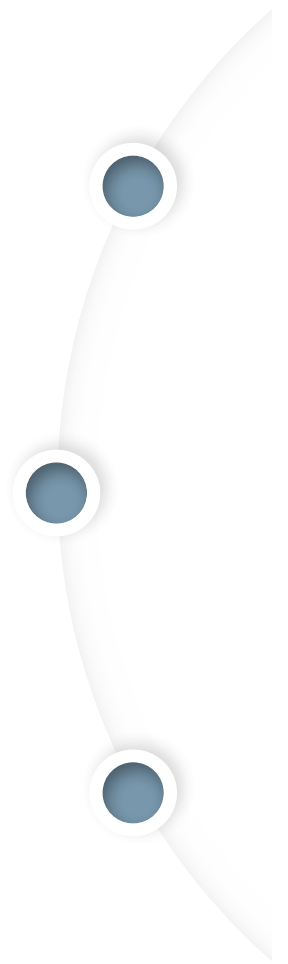
of new mutual fund customers made their first investment digitally

23%

of new checking account plans are originated digitally

70%

of customers received fast, personalized responses through customer relationship management (CRM) processes



> _Retail Banking

Personal Banking

Fast, secure, unique solutions

The Bci Retail Banking Division aims to give customers increasingly immediate, efficient, secure, and personalized service, available over a range of channels. To accelerate progress in this area, in 2019 we began using Salesforce, a platform that can radically improve the customer experience. We also launched a new mobile application and introduced payment innovations that represent important milestones in the development of the Chilean banking industry, as was the case with MACH in 2017.

Products and services

The personal banking products offered by the Retail Banking Division include consumer and mortgage loans, checking accounts, credit cards, insurance, and investments. For businesses, we also offer financing products (commercial loans, guarantee bonds, factoring, leasing, etc.), payment and foreign trade services, and specific support in line with the different stages of business development, to provide more direct access to the entrepreneurial ecosystem.

Evolution of MACH

Two years after its launch, in December 2019, the MACH application is a consolidated product, with over 1,830,000 total users. Over the past year, Bci continued to develop this innovation and, in November, launched MACH Pay and the physical MACH card.

MACH Pay is a mobile payment system for both online platforms and physical points of sale, which enables businesses to receive payments directly from MACH users. It is fast and secure, because it uses a closed digital system that eliminates the possibility of cloning or hacking. The technology is easy for businesses to incorporate, resulting in lower implementation costs, and there are fewer parties in the transaction process, making it competitive to use.

The physical MACH card uses contactless chip technology for in-store purchases at supermarkets and other businesses that accept prepaid debit cards. The card has a one-time cost of Ch\$4,990, with no commissions or maintenance or transaction fees.

MACH users,
31 December of each year

> **15,353**
users 2017

Digital Branches

Bci has two branches in Santiago (located at 2140 Providencia and 355 Estado) designed for testing and improving platforms that the Bank is developing to give customers a better omnichannel experience. The branches have sales and service assistants who show people how to use the digital self-service channels, as well as account executives who provide personal service for customers who prefer it. These branches do not have teller windows, but rather offer ATMs for making withdrawals, and they have extended business hours (open until 17:30 Monday through Thursday and until 14:30 on Friday). There is a teleconferencing booth for customers who wish to contact an investment specialist.

These branches act as laboratories for testing options for the future distribution model, which will probably not be based on a single type of branch office, but will adapt to the changing needs of our customers.

> **938,390**
users 2018

> **1,833,523**
users 2019



New Means of Payment

- **Smartphones.** On entering a partnership with Google and Visa, Bci became the first bank in Chile to allow purchases from a smartphone using the Google Pay application, a payment method currently operating in 29 countries (including Brazil, Singapore, and the United States). This option has been available to Bci customers since August.
- **Garmin Pay.** As of December 2019, Visa credit cards issued by Bci can be used, with contactless technology, to make purchases from a Garmin watch, thanks to an agreement between the Bank and Garmin on the use of Garmin Pay. This innovation by Bci is a pioneering move in Chile, and it will evolve to include new smartwatch devices in the near future.

Integration of Bci Nova customers

Over 900,000 customers, who were previously clients of Bci Nova, are now part of the Bci Retail Banking portfolio. This absorption began in late 2018, when the decision was made to offer these customers the same comprehensive product and service lines as Bci, together with its country-wide branch network, digital channels, and self-service options. The integration of Bci Nova has been well assessed by these customers, and it opened the possibility for the Bank to offer them more personalized services, converting a primarily transactional relationship into a more advisory relationship. As a result, more than 22,000 of these customers have contracted plans, and annual surveys show that this group of customers has a higher level of satisfaction than they had in Bci Nova and also higher than other Bci customers in the same period.

Expansion of Preferential Banking

To strengthen the Preferential Banking service model and to ensure a better experience, the Bank increased the coverage of preferential account executives at the national level in 2019. This has allowed the provision of more personalized attention to this client segment. Additionally, the Bank can offer them a comprehensive range of products and services, with access to different markets, through Bci's foreign subsidiaries, offices, and branches.

New Bci App

Artificial intelligence and data analysis technology were used to develop one of the distinctive features of the new Bci App: the My Finances section, which allows users to see an overview of their income and outflow, a classification of their expenses, and their projected balance.

The old mobile app ceased to function on 21 January 2020, but at year-end 2019 over 95% of users had already migrated to the new app.

These advances are the result of our dedication to significantly improving the digital customer experience, expanding the functionality and usability of this channel. The Bci App will continue to evolve, as we aim to be a leader in digital experience, making it our customers' preferred service channel.

Functionalities
incorporated in 2019

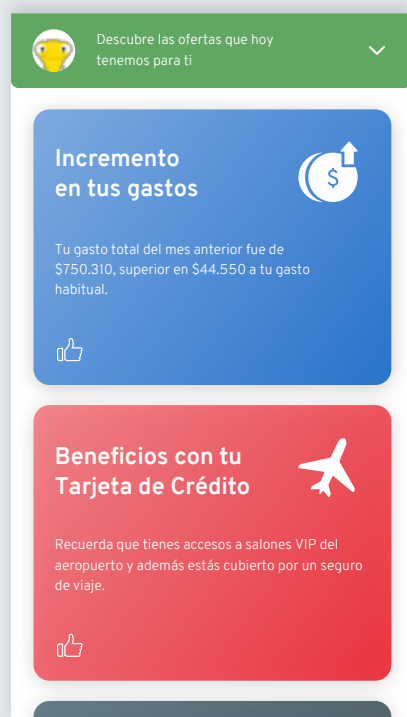
- > • Income and outflow graphs
- Expenditure classification
- Dynamic investment portfolios and investment withdrawal
- Redemption of OpenSky points (pesos)
- Reload Bip! metro card and cellphone
- Dynamic data importer for new transfer recipients.
- Discounts with Vivir con Beneficios
- Virtual card
- Travel advice
- International price quotations
- Help chat
- Alcancía – micro-savings
- Feed tailored to the customer's interests and online behavior.





Easy access to functionalities

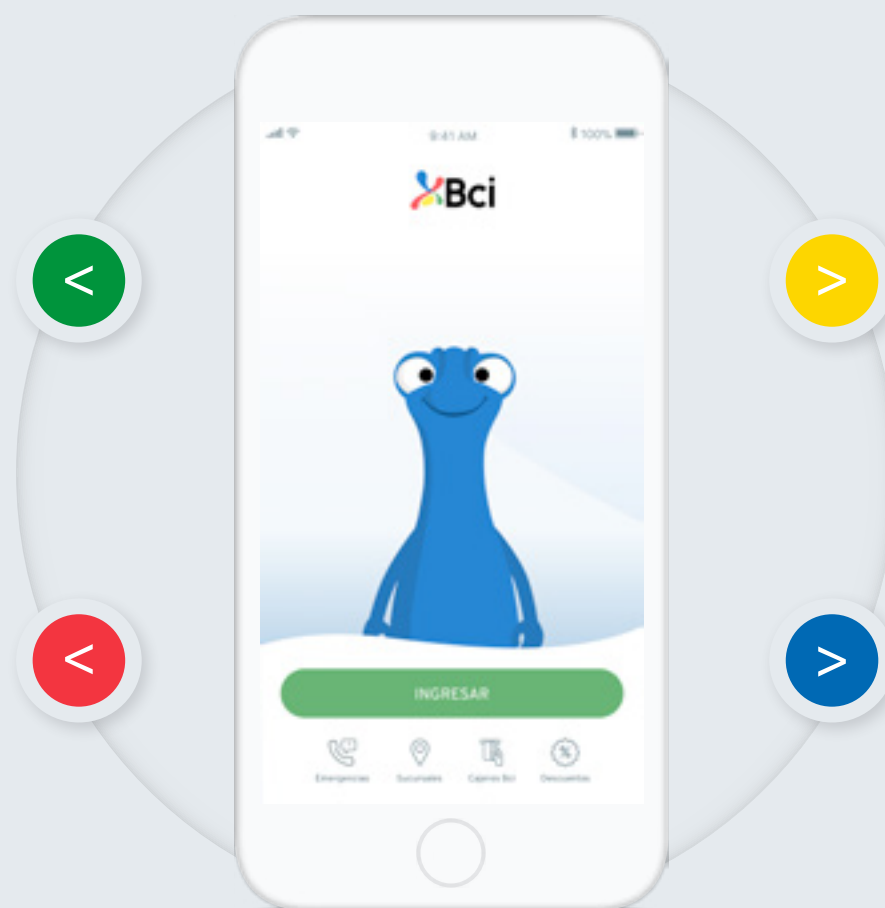
Startup menu with main and secondary menus. Direct access to the feed.



Personalized recommendations

The App feed is built using artificial intelligence models that make suggestions based on the customer's behavior.

Distinctive features of the new Bci App



My Finances

Assistance for better decisionmaking: analyzes expenditures by category and projects the account balance for the coming weeks.



Investments

Offers alternatives in dynamic portfolios or time deposits and withdrawals from existing investment funds. Allows users to enroll, define their profile, and receive personalized advice.



Entrepreneurs and SMEs

A bank of entrepreneurs,
for entrepreneurs.

Bci has created a specialized
value proposition for
entrepreneurs and small and
medium-sized enterprises
(SMEs), including partnerships
with the main actors in the
ecosystem and opportunities
to expand their business
management capabilities.

First Bci Centro Nace

In March Bci inaugurated the first Centro Nace, a space created by the Bank for developing the entrepreneurial ecosystem. At this center, customers who are starting up their businesses can find advice from all the Bank's partners in this area: Endeavor, Pyme UC, Startup Chile, Chile Global Venture (Fundación Chile), Magical Startups, Ganesha Lab, Innova 360, Escritorio Empresa, and Sercotec. The center also provides facilities to support the growth and development of their projects, as well as opportunities for building trust, throughout all the business growth phases.

In this space, Bci provides
financial and nonfinancial
support services and
successfully promotes
entrepreneurship.

> **1,077 m²**
Area

> **Hours**
Monday to Friday
9:00 to 18:00

> **11**
meeting rooms



Nace value proposition
bank executives specialized in
entrepreneurship

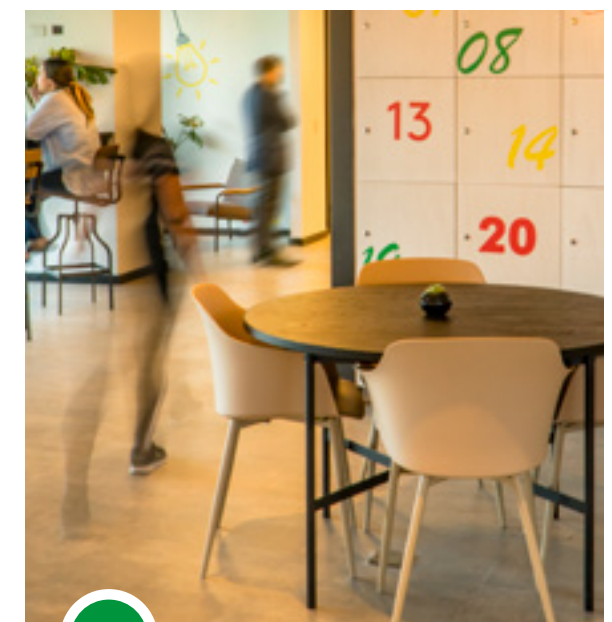
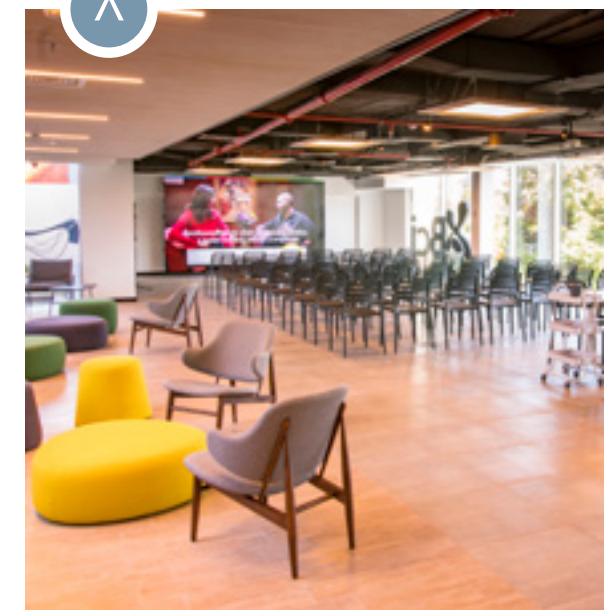


Training
talks,
workshops,
mentoring

**Free
coworking
spaces,**
for up to 100
people working
simultaneously

Multimedia room
radio, television,
and photography

Auditorium
with a seating
capacity of 120
people



**Free
Wi-Fi**

**Meeting
rooms**

**Networking
activities**

Bci Empréndate Show on social networks and cable TV

In April 2019, the Bci Empréndate Show, a talk show for entrepreneurs launched in 2018, began airing on Channel 13C, with 10 episodes transmitted live via Facebook Live. The program is part of the Bank's nonfinancial value proposition. The content is generated collaboratively by the Digital Content and Social Networking team, the different business segments, the Corporate Communications area, and the program's producer. All of last year's episodes were recorded at the Centro Nace.

In 2019

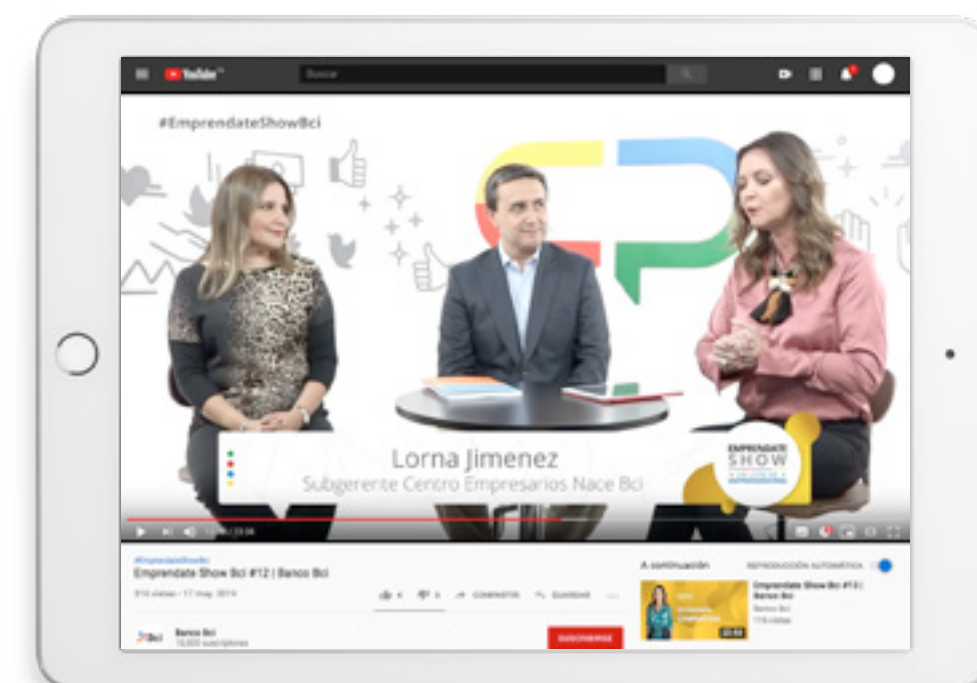
> **44**
episodes

> **52**
entrepreneurs
interviewed

> **25**
entrepreneurs who
are Nace customers
told their story
("How They Did It")

390,000
viewers per week

800,000
people viewed the
"How They Did It"
segments



✓ **1,000,000**
people shared the program's content on
Facebook and Instagram

Nace, in ten regions

Bci expanded the Nace value proposition to 10 regions in Chile over the course of the past year. Each region now has an entrepreneurship specialist, connected to the regional public and private ecosystem.

Today Bci Nace is in:

Arica,
Iquique,
Antofagasta,
La Serena,
Valparaíso,
Talca,
Concepción,
Temuco,
Puerto Montt
Punta Arenas.

Bci-Endeavor Tour

In the context of the partnership forged in 2018, Bci and Endeavor organized a tour of Miami and Mexico City for entrepreneurs in April, with a focus on internationalization. The Bank provided support to the 27 entrepreneurs who participated in the tour, to explore business opportunities in these markets.



Demo Days Bci

Bci Labs held two Demo Days in 2019, under the conviction that the Chilean entrepreneurial ecosystem is powerful and has the potential to facilitate reaching customers. The first event, Payments Demo Day, focused on the payment ecosystem; the second, Proptech Demo Day, on the real estate industry. Participants had three minutes to present themselves, another two minutes to give a demonstration, and then a period to take questions from the jury. The winners were Nicolás Jaramillo, CEO of Global66.com, a company specializing in international remittances; and Igal Roitman, cofounder de Mejores Condiciones, a platform that connects the credit supply with the best customers for each bank.

Bci Demo Days
Winners

> _ Wholesale Banking

Large Companies and Corporations

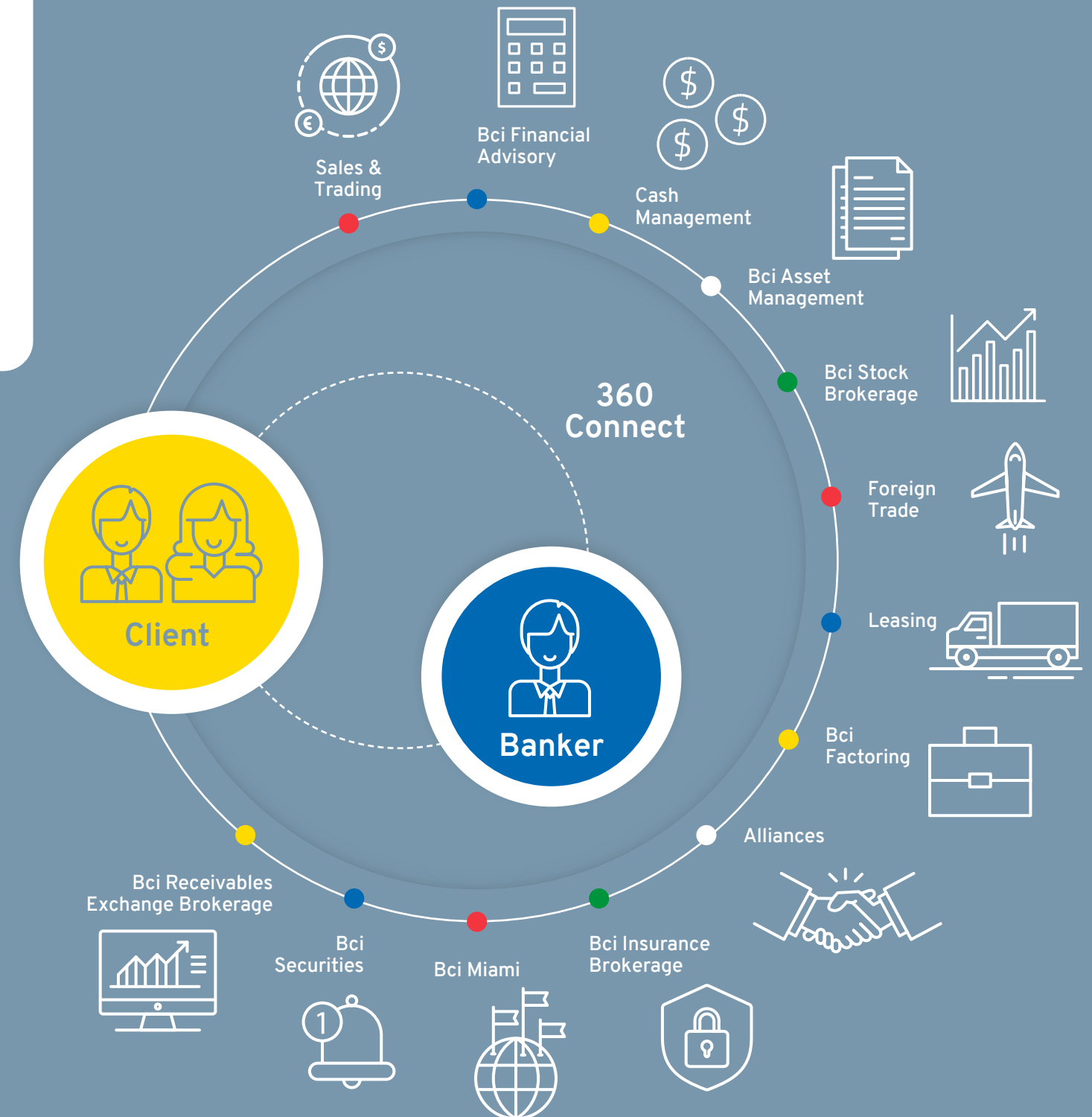
Comprehensive, digital,
international solutions

Bci Wholesale & Investment Banking

comprises Business Banking, Large Business and Real Estate Banking, Corporate Banking, and Private Banking, as well as the Strategy Division and four specialized business areas: Transactional Banking, Bci Financial Consulting, Factoring, and Leasing. This structure fosters a comprehensive vision of the client and shared collaborative practices in all segments of every industrial sector, so as to efficiently address the business ecosystem as a whole.

Service Model

The Wholesale Banking service model is oriented toward generating long-term relationships with our clients, through management, execution, and expert consulting by bankers who can clearly articulate the specialized services or products that the Bank offers, to deliver integrated, efficient solutions.



360 Service Model

The 360 Connect website, launched in 2018, offers functionalities that are co-created with the client to provide a tool for optimizing their financial management, significantly reducing the associated times. It was designed to offer an agile, secure, intuitive, and flexible platform for payment operations, collections, investment, and financing, as well as general queries and account management.

In 2019, product coverage and depth were expanded, and an English version was incorporated. One of the most important advances involves online financing operations: commercial loans can be initiated and processed digitally 24 hours a day, 365 days a year.

The transformation of the way the Wholesale & Investment Banking Division works has resulted in more efficient solutions to clients' needs.

International Private Banking, Miami

In October 2019, the International Private Banking unit began operating in the Bci Miami branch. This new unit acts in conjunction with the Private Banking unit in Chile and is oriented toward providing services for Chilean and other Latin American customers, using the Bci international platform of Bci Miami, Bci Securities, and City National Bank of Florida.

International Transfers in Real Time

Using blockchain technology, in 2019 Bci began testing international online payments from accounts in Chile to accounts in Bci Miami as if they were transfers in pesos in the local market. This positions the Bank at the vanguard of the development of international payments in real time.

Historic IPO

Bci Asesoría Financiera and the brokerage subsidiary (Bci Corredor de Bolsa S.A.) acted as advisors and placement agent for the largest initial public offering in the history of the Chilean stock exchange. On the first day of trading (28 June), Cencosud Shopping earned US\$1.055 billion. The order book recorded demand of almost three times the supply.

Customer and Community Relations

In 2019, the Bci Scale Program, developed in conjunction with Endeavor Chile for its customers, selected three companies, out of over 100 applicants, to undergo fundraising and internationalization. Endeavor is a global nonprofit organization that seeks to catalyze economic development by supporting entrepreneurs with a large potential impact.

To contribute to the communities where it does business, the Wholesale Banking Division has sponsored free high-quality cultural events in different cities around the country since 2017. In 2019, the division sponsored the tour, “**Three Chilean Tenors and Friends**,” featuring Gonzalo Tomckowiack, José Azócar, and Leonardo Pohl, and their friends Beatrice Berthold, a German pianist, and Dennis Kolobov, a Russian violinist. Concerts were held in Temuco, Concepción, Valparaíso, and Puerto Montt.

On the 360 Connect website, clients can initiate and process commercial loans digitally 24 hours a day, 365 days a year.



Three Chilean Tenors and Friends
2019 concert tour for customers



> Finance Division

People, Businesses, and Corporations

Expert consulting with a regional scope

The objective of the finance Division is to consolidate its position as a global leader in risk hedging solutions, investment management, and asset brokerage for its clients.

The Finance Division encompasses the following areas: Treasury, in charge of Bci's growth financing, liquidity management, and balance sheet strength; Sales & Trading, specializing in financial solutions related to hedging, derivatives, and fixed-income securities trading; and Bci Research, which prepares internal and customer reports on the external scenario and economic policy decisions, among other issues.

2019 Achievements

Sales & Trading

- > Approximately 40% increase in volume on digital transaction platforms for the Financial Institutions segment.
- > 51% of foreign currency transactions were digital in the SME segment.
- > Market share growth in corporate USD/CLP spot and forward operations (Central Bank of Chile database), from 19% in 2018 to 23% in 2019.
- > First place in long-term derivative hedging operations for the pension fund management industry, with a 27% market share

Bci Research

- > Strengthening of relationships with Bci customers, as reflected in the growing number of presentations, teleconference participants, and downloads of the economic reports that are regularly published by Bci Research.

- > Substantial press coverage of the Bank's chief economist and the Bci Research team, who contribute actively to the economic and social debate in Chile.

Treasury

- > Two ten-year green bond issues, totaling US\$60 million.
- > Long-term debt issues, with competitive rates, totaling over US\$1.7 billion.
- > Development of a new scheme for managing foreign currencies other than the U.S. dollar, aimed at supporting the growth of the Bank's assets, in line with the international growth strategy.
- > Development of repo alternatives to provide contingency funds and to complement the investment financing strategy.



> Subsidiaries

The Bci subsidiaries performed the necessary activities to deliver a comprehensive value proposition for their customers



Hitos 2019

▼ Bci Asset Management Administradora General de Fondos S. A.

- 24.4% growth of equity under management, resulting in a mutual fund market share of 13.87% (up 95 basis points since December 2018).
- Implementation of a new investment distribution model in the Retail segment, with a focus on digital investment counseling.
- For the tenth consecutive year, Bci Asset Management received the highest international credit rating (Excellent) from Fitch Ratings.
- Implementation of a new core system at Bci Asset Management, generating improvements in operating processes, closing times, and employees' quality of life.
- Advances on the Latam Internationalization Plan: approval of three new strategies on the Luxembourg SICAV platform (High-Grade Latam, High-Yield Latam, and Equity Latam) and the organization of customer-loyalty events for institutional clients, focused on Peru and Colombia.

▼ Bci Asesoría Financiera S. A.

- Consultant on the initial public offering (IPO) of Cencosud Shopping S.A., which earned US\$1.056 billion, thus becoming the largest IPO in the history of the local market.
- Leader in operations associated with highway concessions, thus retaining its position as a key actor in the infrastructure sector, while also expanding the products and services supplied to other segments and industries.

▼ Bci Corredor de Bolsa S. A.

- Placement agent for the Cencosud Shopping IPO.
- Tri-party agreement (TPA) with Bci Securities to use the Pershing platforms in the United States for international operations.
- Growth in the number of international variable-income clients, which represent half the portfolio in this segment.
- Joint venture with the Central Securities Depository (CSD) to sponsor the brokerage of foreign securities in the local market, including exchange-traded funds (ETFs), mutual fund shares, and corporate shares, and to settle returns locally in Chilean pesos or U.S. dollars.
- Agreements with brokerage firms in Peru and Colombia (Seminario SAB and Grupo Bancolombia, respectively), following on the agreements signed in 2018 with Grupo Financiero Banorte in Mexico and Allaria, Ledesma & Cía. in Argentina, which will give Bci Corredor de Bolsa broad regional coverage.
- Green agreement with the Ministry of Finance, which generates processes in line with our commitment to climate risk management and responsible investment criteria.
- N°1 in the El Mercurio Inversiones ranking of recommended portfolios, with yields 6 percentage points above the IPSA stock index.

▼ Bci Corredores de Seguros S. A.

- Implementation of an in-house technology factory for the development of initiatives that promote transformation.
- Creation of a repository on the customer website, with policy details and other information on their insurance.
- Development of self-service functionalities and new contact channels, which had a positive impact on both internal and end customers.
- 119% and 95% growth on digital and remote sales channels, respectively.

> **_Subsidiaries**

Hitos 2019

▼ **Bci Servicios Financieros ⁽¹⁾**

- Issue of 481,929 Lider-Bci cards, including 147,185 new accounts and 235,779 replacement cards, following Bci's purchase of Walmart Chile's financial business (December 2018).
- Launch of a contactless chip card.
- Launch, in December, of the simulation and sale of cash advances using the Bci Servicios Financieros application, creating a new sales channel via the app; and the incorporation of an option to receive purchase and payment notifications in the app in March.
- At year-end, the Bci Servicios Financieros app, launched December 2018, had over 250,000 downloads and more than 140,000 customer users per month.
- Digital channels, including websites, account for 23% of total customer credit card payments.
- 85.8% commitment level in the annual survey.
- 16 new branches opened in the year (13 Express and 3 Lider), thereby meeting the planned goal of 145 branches, before the social crisis.
- The merger with Bci did not affect business continuity for either customers or employees. During its first year of operation, this new subsidiary was given substantial support by all areas of the Bank.

▼ **Bci Factoring S. A.**

- Consolidation of digital factoring and implementation of the digital factory, to improve process efficiency and optimize customer response times.
- Expansion of customer relationships, through international products (import and export factoring, international reverse factoring) and participation in the Factors Chain International (FCI) network. The latter enables import and export factoring operations, through a correspondent bank.

▼ **Bci Corredora de Bolsa de Productos S. A.**

- Participation in reverse factoring for Agrosuper, aimed at providing lower-rate financing to the company's suppliers (i.e., based on Agrosuper's credit rating), transparently and in a public market
- Preparation for the entry into force of Law 19,220, approved in 2019, which will expand the Chilean receivables exchange (Bolsa de Productos) to incorporate other sectors of the economy, such as the mining and energy sectors, as well as receivables such as loan contracts, property rights, concessions, licenses, and real estate. The law also gives more flexibility to brokerage firms operating on the receivables exchange.

▼ **Servicios de Normalización y Cobranza, Normaliza S. A.**

- More than 1,100,000 collection calls made via robocalls in the year, achieving payment commitments of Ch\$400 billion and 79% compliance.
- New online payment channel for written-off loans, generating collections of Ch\$650 million.
- 100% digital delivery of first notice (claims notices are mass generated using an advanced electronic signature and do not have to be filed in court).

(1) This trade name is used to cover four subsidiary corporations: Servicios Financieros y Administración de Créditos Comerciales S.A.; Administradora de Tarjetas Servicios Financieros Limitada; SSFF Corredores de Seguros y Gestión Financiera Limitada; Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión SSFF Limitada; and Servicios y Cobranzas SEYCO Limitada.

Annual Performance of Bci Subsidiaries

Company	Annual income		Share of Bci's consolidated income	
	31-Dec-19 Ch\$ billion	31-Dec-18 Ch\$ billion	31-Dec-19 %	31-Dec-18 %
BCI Asesoría Financiera S.A.	5.424	4.285	1.35	1.08
BCI Asset Management Administradora General de Fondos S.A.	30.834	28.391	7.66	7.17
BCI Corredor de Bolsa S.A.	10.294	8.473	2.56	2.14
BCI Corredores de Seguros S.A.	35.561	44.117	8.83	11.15
BCI Factoring S.A.	16.449	18.086	4.09	4.57
BCI Securitizadora S.A.	60	237	0.01	0.06
Servicio de Normalización y Cobranza. Normaliza S.A.	2.042	841	0.51	0.21
Banco de Crédito e Inversiones Sucursal Miami	11.692	11.958	2.90	3.02
BCI Financial Group. INC. And Subsidiaries	121.487	69.368	30.17	17.53
BCI Securities INC.	-1.943	-1.468	-0.48	-0.37
BCI Corredores de Bolsa de Productos S.A.	-387	186	-0.10	0.05
Servicios Financieros y Administración de Créditos Comerciales S.A.	3.217	4.086	0.80	1.03
Administradora de Tarjetas Servicios Financieros Limitada	-754	-1.319	-0.19	-0.33
SSFF Corredores de Seguros y Gestión Financiera Limitada	2.790	1.231	0.69	0.31
Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión SSFF Limitada	-1.361	-2.985	-0.34	-0.75
Servicios y Cobranzas SEYCO Limitada	1.784	-489	0.44	-0.12
Subsidiaries' income (total)	237.188	184.998		
Bci's income	402.645	395.794		

International Division

City National Bank of Florida

City National Bank of Florida (CNB) is a key pillar of Bci's internationalization strategy. It is currently the second-largest local bank in the state of Florida and one of the top 100 in United States, with assets approaching US\$16 billion once the acquisition agreement with Executive National Bank is approved.

2019 Highlights

- Agreement to acquire 100% of Executive National Bank.
- Implementation of Salesforce, a software system that will help make the sales area more efficient and facilitate customer relations.
- Consolidation as one of the largest regional banks in the state of Florida.
- Relocation of the corporate offices to Coral Gables and Miami Tower, designed to facilitate collaborative work.

Accolades

- Business of the Year. South Florida Business Journal.
- One of the Fastest-Growing Companies in 2019. South Florida Business Journal.
- 5-Star "Superior" Rating from Bauer Financial, the leading bank rating company in the country

At a Glance

1946
Founded

2015
Acquired by Bci in

875
Employees

31
Branches

40
ATMs



City National Bank of Florida 31 December 2019

Total Assets (excl. ENB*)

US\$ 15.841
billion

+ 11%
Annual growth

CNB: Key Statistics (excl. ENB*) (US\$ millones, 31 December of each year)

	2014	2015	2016	2017	2018	2019
Total assets	5,353	6,478	8,257	10,169	14,326	15,841
Net loans	3,311	4,041	5,325	7,062	10,110	10,924
Deposits	4,159	4,483	5,580	7,822	11,287	11,854
Tangible equity	761	845	908	982	1,459	1,487
Net income	43	47 ¹	70	91 ²	146 ³	163

¹ Net income in 2015 normalized to reflect income for the full year (12 months) and not just income generated after the takeover (in mid-October 2015), which would be US\$10.4 million.

² Normalized net income in 2017 (does not include the effect of the U.S. tax reform). When the reform is taken into account, accounting net income is US\$52.3 million.

³ Normalized net income in 2018. When the TotalBank acquisition is taken into account, accounting net income is US\$95.8 million.

* ENB por: Executive National Bank

At year-end 2019, CNB's assets represented 23.7% of Bci's consolidated assets. This subsidiary contributed 31.4% of final earnings and 25.1% of total loans in the period.



FOR INFORMATION ON THE INTERNATIONALIZATION STRATEGY, SEE PAGE 51



Acquisition of Executive National Bank

On 25 September 2019, Bci announced that it had signed an agreement for the acquisition of 100% of Executive National Bank, through City National Bank of Florida.

The operation, which is subject to regulatory approval in the United States and Chile, will involve an investment of approximately US\$75 million, which will be financed with CNB's own resources.

The acquisition of Executive National Bank will imply an immediate growth of assets of US\$455 million and will contribute approximately 4.5% to CNB's earnings. The merged entity will have assets of nearly US\$15.5 billion, to become the second-largest bank based in Florida and one of the 100 largest in the United States, where the industry comprises over 4,500 commercial banks.

Bci Securities

Bci Securities—headquartered in Miami—has become one of the key counterparties of Bci Corporation, in terms of both equity management for customers of Bci Corporation and treasury services, providing the best investment counselling in its class.

This subsidiary is the international equity management and brokerage firm of Bci Corporation.

2019 Highlights

- Launch of integrated managed investment platform.
- Specialization of sales channels, to better address the needs of the institutional and retail segments.
- Headquartered in Miami, Florida

Main products

stocks, bonds, mutual funds, ETFs, options, structured notes, and margin accounts

Main services

sales and trading, wealth and portfolio management, market analysis, and periodic reports.

At a Glance

Founded in
2011

Startup of
operations in March
2016



Bci Securities

31 December 2019

Assets under Management (AUM)

US\$ 676
million

+ 50%
Annual growth

Key Statistics

(US\$ million, 31 December of each year)

	2016	2017	2018	2019
Assets under management (AUM)	186	181	451	676
Income	0.107	0.9	1.4	2.4

Bci Miami

The Bci Miami branch celebrated its 20th anniversary in 2019. Opening the branch was the first step in Bci’s internationalization process.

2019 Highlights

- Creation of the International Private Banking unit, to deliver more personalized products and services.
- Relocation of offices to bring together international bankers and investment consultants from Bci Miami, Bci Securities, and City National Bank of Florida, specializing in traditional banking products, equity management, and corporate banking products.

Bci Miami gives our customers the option of opening checking accounts in a wider range of currencies and having a place to receive their export income.

Today, Bci’s Chilean customers with accounts in Miami operate as if the accounts were in Chile in terms of commercial loans, cross-border transactions, etc.

At a Glance

Established in
1999

65
employees

Bci Miami in 2019

31 December 2019

Total Assets

US\$ 4.533
billion

+ 21%
Annual growth

Key Statistics

(US\$ million, 31 December of each year)

	2015	2016	2017	2018	2019
Total assets	2,094	2,007	2,445	3,746	4,533
Net loans	1,283	1,228	1,495	1,858	1,710
Deposits	1,286	1,375	1,437	1,587	2,024

Employees

We know that we are in the midst of a major transformation process, but as has always been the case, we continue to promote and strengthen our relationships with our customers, employees, and community through connection, confidence, and active listening.



Nº 1

on the 2019 Great Place to Work Survey

1,187

employees with flexible work schedules

70

participants in the Women's Leadership Challenges Program

100

former employees in the Bci Senior program

Simple, accessible, innovative policies and programs make up the Bci Employee Experience Model. The results have positioned Bci as the Best Place to Work in Chile, according to the 2019 Great Place to Work Survey.

Over the course of the past year, Bci updated its cultural framework to communicate the Bank's mission, vision, and objective as simply as possible. As part of this process, the Bci Profile was also updated, to highlight the behaviors and values that are essential for executing the strategy and achieving the objective. "Daring to make a difference" is a statement that guides all our actions at Bci, from how we serve our customers to how we attract and develop talent.

Bci Profile

As part of the process of laying out the corporate objective and simplifying the cultural framework, the Bci employee profile was defined based on the following attributes: acts like the owner; achieves ambitious goals; gets the best out of people; and is committed to our customers.

These behaviors were defined through a participative process involving team leaders and employees, and it was complemented with a review of practices used by global companies that are leaders in innovation, agility, and customer experience.

The new Bci Profile embodies and encapsulates the personal qualities we will need going forward to achieve our institutional goals and development.

Act like the owner

- **Main focus:**
Teamwork

Get the best out of people

- **Main focus:**
Empowerment

Be committed to our customers

- **Main focus:**
Agility

Achieve ambitious goals

- **Main focus:**
Innovation and experimentation



Employee experience

Careful, systematic listening has been critical for Bci. The Bank is constantly organizing surveys, meetings, quality-of-life committees, and other forums to understand the main motivations and interests of our employees and identify any new needs that should be addressed in our policies, programs, and benefits. These are related to all the areas of the Employee Experience Model: training and development; work climate and quality of life; leadership; meaningful work and purpose; and total compensation.

▼ Main Benefits

Health

- Complementary health insurance at zero cost
- A fund to offset the cost of catastrophic illnesses

Education

- Annual fund for national and international undergraduate and graduate scholarships; open, multidisciplinary, and specialist training programs
- Scholarships to finish national or international technical, undergraduate, or graduate degrees
- Spouse education bonus

Compensation

- Business-wide minimum wage that is double the legal minimum wage
- Financial support at key points in the employee lifecycle (birth of a child, marriage, change in living situation, death in the family, etc.)
- Incentives for pension saving

Quality of life

- Work flexibility: remote work, flexible schedules, and leave
- Health, sports, and healthy lifestyle programs



Prepared for the future

The business strategy proposes yet another challenge for Bci. New organizational capacities, skills, and knowledge are needed to operationalize the Bank’s transformation.

Leadership

Bci builds leaders through the Leadership Academy, whose objective is to lay the groundwork for and promote the Bci culture and leadership style.

2019

- > **Launch of the New Leadership Academy**, to foster a culture and leadership style that contribute to the achievement of the business strategy.
- > **350 leaders have been trained at the Bank’s** new academy, with a 100% satisfaction rating.
- > **Over 50 leaders in the company** participate in the program, including the Chairman and the CEO of Bci..

Flexibility

Given the varied needs and interests of the diverse workforce at Bci, it is important and valuable to implement ways of working that contribute to achieving work-life balance. Therefore, Bci has developed a wide range of flexible work options in terms of schedules and the workplace.

2019

- > **1.187 employees** used flexible work options.
- > **65% increase in the number of employees** with work flexibility relative to 2018.



Individual Options

Program	Description	Number of employees using this option
Flexible Schedules	Employees can set their own schedule, as long as they maintain the standard 45 hours a week.	417
Remote Work	Employees can work from home for part or all of the workday.	205
International	Employees can work remotely from anywhere in the world for a period of one to three months	4
Time Off for Dreams	Employees can take unpaid leave to pursue a dream, such as travelling or studying abroad.	14

Group Options

Program	Description	Number of employees using this option
Home Office	Everyone on the team coordinates so that each worker has a remote office day.	157
Full Flexible	Work from anywhere, based on business needs (office, other Bci offices, work cafés, or home).	384

Agility

Agility is essential for developing the capacity for early value delivery. Bci is moving forward with this work approach, expanding from areas directly related with the transformation into others, which provide services. Progress is measured using international standards.

- > **81% satisfaction**
among agile work teams.
- > **962 employees**
trained in agile practices.
- > **1,053 employees**
trained in agile principles and tools.

Training

Bci's training value proposition has a dual objective: to reinforce the skills that employees need for their professional development and employability and, at the same time, to build the capabilities that are critical for the business.

- > **34.63 training hours**
per employee, on average, of which 40% was e-learning (the goal is to reach 80% by 2022).
- > **Ch\$265.108**
average investment in training per employee.
- > **16,8% of employees**
use open training.
- > **255 employees**
act as speakers for the training programs, for which they receive special training in communication, effective presentations, and public speaking.

Diversity

Diversity and innovation, as well as the space to create within a framework of mutual respect and collaboration, have been and will continue to be fundamental pillars of Bci's strategy to meet the challenge of the transformation.

- > **Women**
Third version of the Women's Leadership Challenges Program at the Universidad Adolfo Ibáñez, with a total participation of over 70 women leaders.
- > **Senior workers**
Bci Senior has 100 active members, 20 of whom participate in training and ethics sessions within the Corporation. This group of retired employees is mostly made up of former leaders with a long history at Bci. The goal of the Bci Senior program is to maintain a connection between the members and the Bank and to promote contact and friendship among the members.

Creation of the Senior Mentors Pool, a group former Bci employees who have acted as mentors to 40 new commercial executives in training.

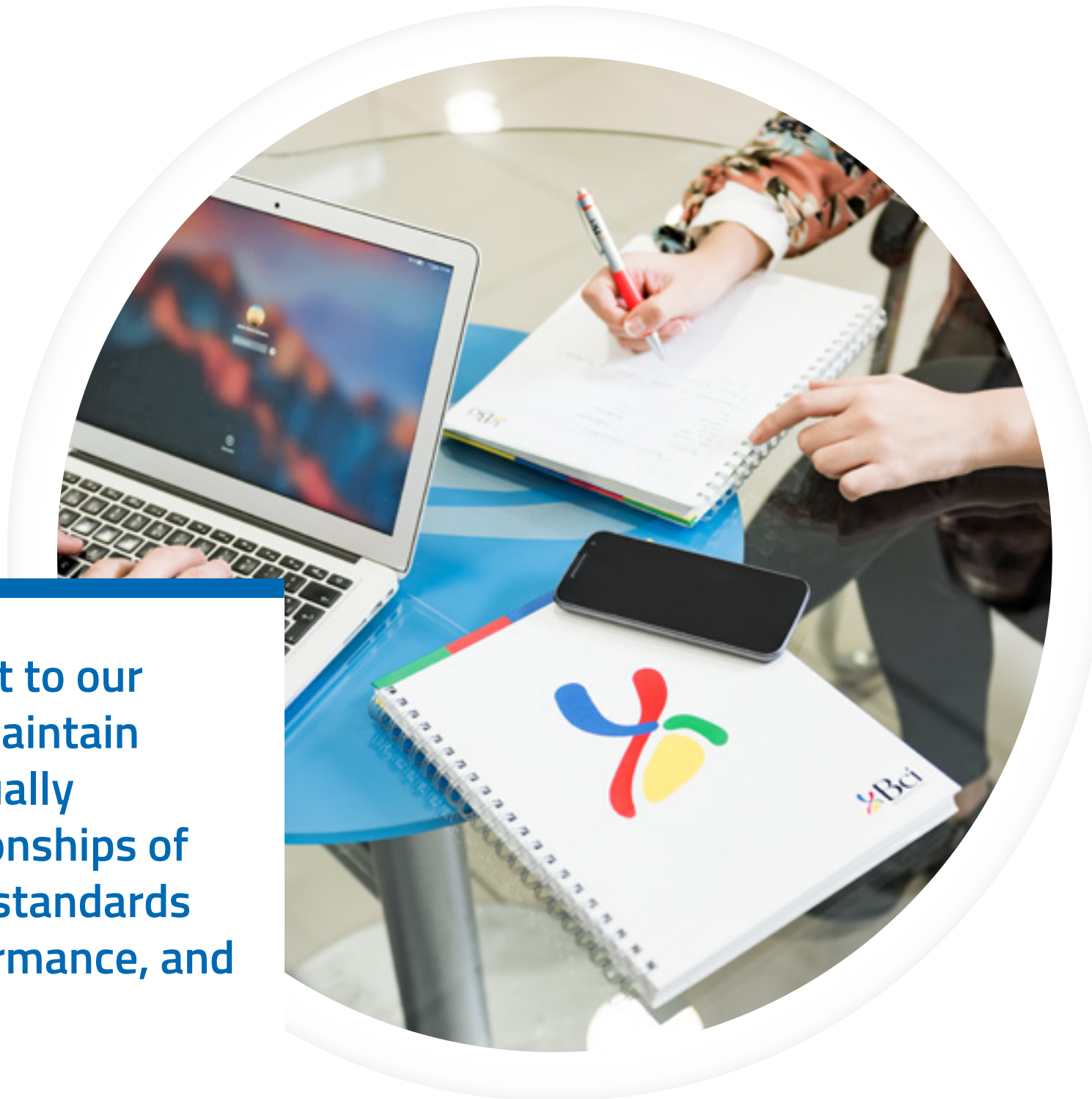
- > **Workers with disabilities**
For 14 years, Bci has implemented the "Bci Unlimited" program, whose objective is to hire and provide real development opportunities for people with a sensory or motor disability. Currently, people with disabilities represent 1% of employees in 75% of the Bank's areas.
- > **Multiculturalism**
323 Bci employees are foreigners, coming from 22 countries, mainly Venezuela, Peru, Argentina, and Colombia.

Alberto Abarza, Bci employee, won three gold medals in swimming
ParaPan-American Games—Lima, 2019



Suppliers

Our commitment to our suppliers is to maintain long-term, mutually beneficial relationships of trust, with high standards of quality, performance, and transparency.



1,292
suppliers

97%
of suppliers are local

90
suppliers have B Corporation
certification

_Supplier Experience

Bci has a governance structure for suppliers and outsourced services that encompasses all the areas involved in supplier supervision, to support the associated management and control activities. This ensures full compliance with the many different supplier agreements and transparency in the purchasing process.

To achieve these objectives, the governance structure enforces a clear separation of duties, which promotes the early detection and control of the risks associated with purchasing and supplier management, including operational, legal, and reputational risks, in terms of commercial, labor, welfare, financial, and tax practices.

Suppliers and Outsourced Services Committee

Scope and responsibilities

- Ensure compliance with policies and regulations in the purchasing, supplier management, and outsourced services control processes.
- Submit supplier reports and notification of any identified events or heightened-risk situations to Bci's management and Board of Directors.
- Strengthen sustainability practices in the development of long-term supplier relationships.
- Approve the control and supervision processes and protocols in different areas.
- Supervise the execution of contingency tests, results, and mitigation plans.

Bci Suppliers	Total
Permanent	629
Other	663
Total	1,292
National	1,251
Foreign	41
Total	1,292

Seamos Diferentes: Bci "Let's be Different" Supplier Program

Sustainable Supplier Management

In 2019 Bci launched its "Let's be Different" (Seamos Diferentes) Supplier Program, which aims to build a sustainable supplier ecosystem; that is, a base of economically, socially, and environmentally responsible businesses.

This program is aligned with the objectives of contributing to the country's economic, social, and environmental development, mitigating operational and reputational risks related to suppliers, and anticipating future regulations, all through collaborative work with our supplier community.

The program has been addressed through the adoption of the B Corporation management model and the measure of triple-impact sustainability practices in the supplier portfolio of the Measure What Matters program. The latter is based on the review of sustainability practices on five pillars: Governance, Customers, Employees, Community, and Environment.

Supplier Benefits

- Facilitate the early incorporation of new concerns and expectations from employees, customers, and the community.
- Increase competitiveness, by anticipating possible regulatory changes.
- Measure and adopt best sustainability practices, using a certified methodology.
- In the medium term, social and environmental impact indicators will be considered in the selection and retention of Bci suppliers.

2019

> **90**
suppliers have B
Corporation certification

Commitment to SME suppliers

Bci works to ensure that its management processes are increasingly agile and efficient, in order to pay suppliers that are small and medium-sized enterprises (SMEs) as quickly as possible and in accordance with the agreed conditions.

In 2011 Bci was the first company in Chile to receive the government's Pro-SME certification, which recognizes companies that pay their SME suppliers in under 30 days. We continue to move forward on this initiative, with the goal of paying all our suppliers within 7 business days from the receipt of the invoice.

2019

- > **100%**
of payments made in less than 30 days
- > **85%**
Supplier satisfaction
- > **99%**
of invoices paid in under 7 days
- > **2**
business days: average payment period



Responsible Supply Chain Links Program

Bci is a leader in the Program for the Promotion of Responsible Supply Chain Links, organized by Acción Empresas, a national nonprofit organization comprising more than 130 businesses and other organizations committed to sustainable development in Chile. Acción Empresas is a representative of the World Business Council for Sustainable Development (WBCSD).

Focal Points

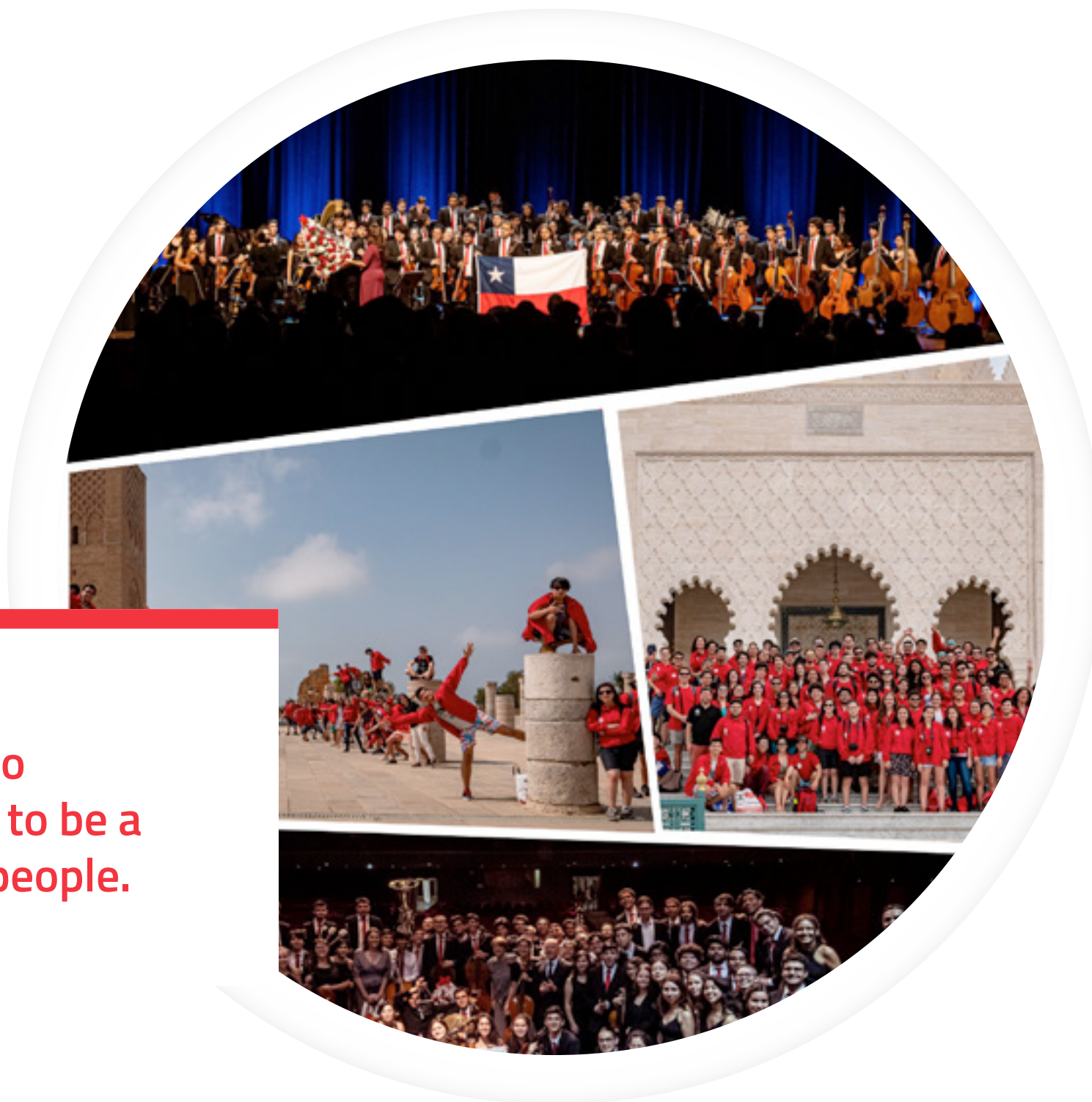
- > Timely payment of small and medium-sized suppliers, to support their economic development.
- > Transparency and the prevention of corruption in the buyer-supplier relationship.
- > Greenhouse gas (GHG) management in the supply chain, to contribute to the fulfillment of Chile's commitments under the Paris Agreement.



Community



Our biggest
commitment is to
always continue to be a
bank of and for people.



1.4

million unique users of
the blog Con Letra Grande
(In Large Print)

1,386

youth applied for the
Creators digital award,
sponsored by Bci.



> Financial Inclusion

One of the objectives of the Bci transformation is to promote access to high-quality banking products and services for all people.

2019 Achievements and Lines of Action

Access to Banking Services

Seniors

At Bci, around 73,000 of our customers are people over the age of 60. Based on meetings with some of these customers and overseas visits to leading banks in sustainability to discuss their practical experience, we were able to identify opportunities to promote their financial inclusion, designing a plan that improves their experience in terms of banking services and products, especially with regard to digitalization.

- > Redesign of the value proposition for this segment, with consumer products, credit cards, investments, and insurance.
- > Formulation of a special service protocol for this group, which was tested in five branches to assess its application across the entire distribution network.
- > Practical workshops on how to use Bci apps and other issues, held in the Santiago Metropolitan Region and Viña del Mar; 165 customers participated.
- > Creation of a recognition plan for people who have been Bci customers for over 50 years.

Immigrants

Bci developed MACH in 2017 with the goal of offering a means of payment accessible for everyone. Users only need to have a Chilean identification number (RUT) and be 18 years or older, to create an account from their telephone in about two minutes. As a result, this product directly favors the financial inclusion of foreigners who do not have a bank account in Chile. The application allows them to transfer funds to other people, purchase products overseas without a credit card, and make withdrawals at Bci ATMs, all at no cost.

> **143%**
annual growth in the number of immigrants using MACH.



Entrepreneurship

Given the importance of access to credit for business development, Bci has sought to open up possibilities for segments that normally do not have such access. In recent years, the upward trends in women's business initiatives and immigration in the country have led to an increase in the relative weight of these customers in the microbusiness loan portfolio.

Microbusiness Owners

> **54%**
of microbusiness loans are to women heads of household.
(2018: 52%)

Foreign Microbusiness Owners

> **11%**
of microbusiness loans are to customers who are immigrants.
(2018: 9%)



Financial Education

To help people make informed decisions about their finances, Bci implements a number of programs to deliver key content on relevant issues. In 2019, the programs were expanded to incorporate issues related to small businesses.

In Large Print Program

The blog Con Letra Grande (In Large Print) was created by Bci in 2015, and 2019 was its most successful year to date.

> **1,428,687**
unique users
(double the total in 2018)

> **14,876**
new people signed up to
receive emails.

> **+3,000**
visits per day, on average

Financial Education Website

Since mid-2018, Bci has operated a financial education website entitled Yo Me Educo, designed to provide financial literacy training to registered businesses and their employees.

> **3.886**
views

#MePeino Campaign

During Financial Education Month (October), the Bank implemented a social media campaign to boost the number of subscribers to the ConLetraGrande blog, using the hashtag #MePeino (a reference to the expression “me peino,” meaning that something comes easily to the speaker).

> **4,000**
new subscribers during the 2019
campaign

> **152,000**
unique users



> _ Corporate Citizenship

The objective of Bci's community commitment is to contribute to increasing the country's social, cultural, and educational equity.

2019 Achievements and Lines of Action

Children and Youth Seniors

Corporación Crecer Mejor

The Better Growth Corporation (Corporación Crecer Mejor, CCM) was created by Jorge Yarur Banna 27 years ago, and it is largely funded through donations from Bci employees and the Bank. The project sponsors a home specialized in the protection of disadvantaged girls aged 6 to 18. There is also a Center for Innovation and Research, whose objective is to contribute to national policies on children and adolescents and to support community intervention, through the systematization, research, and documentation of good practices.

2019 Achievements

- 84% of the girls at the home were able to return to their family of origin or a foster family, or to graduate to independent living.
- The CCM Center for Innovation and Research published its Manual of Best Practices for Residential Intervention.
- 5 new teams of Bci employee volunteers committed to supporting the corporation.
- 8 activities were organized in the year, with the participation of 150 employees who worked a total of 700 volunteer hours.
- 250 employees pledged to the foundation in 2019, which had 2,700 members at year-end.

Bci has supported the Las Rosas Foundation since 2007, to raise awareness of the problems facing the elderly and to contribute to fundraising efforts to finance the services provided by this nonprofit organization.

The foundation aids the most destitute elderly people in the country, providing the necessary care so that they can live through old age with affection and dignity. The entity has 30 homes serving 2,200 residents.

- 2,200 poor and disabled elderly people were cared for in the foundation's 30 homes. Of these, 96% are functionally dependent; 72%, mentally dependent; and 75%, hospitalized.

Since 2014, Bci has sponsored the PADAM home care program run by the Hogar de Cristo charity organization. The objective is to help elderly adults living in poverty to maintain their family and community ties, by providing a support network and home care services.

- 1,200 people benefited in the regions of Maule, Bío Bío, and La Araucanía.
- 96% of the elders achieved minimum conditions, as established in technical models, after six months in the program.
- 100% of the elders have at least one

significant social connection, after one year in the linkage building programs.

- 94% of the elders participate in at least one support community.
- 96% of the elders and their caretakers participate in developing their work plans.
- 89% of the elders gave a positive assessment of their participation in the programs.

> **2,200**

seniors were cared for in the Foundation's 30 homes.

> **1,200**

seniors received in-home services from PADAM in three regions.



Quality Education

Bci has been a strategic partner of the Enseña Chile Foundation since its establishment in in 2008. This organization’s mission is to train a network of agents of change in education, including teachers in a range of disciplines at vulnerable schools in nine regions of the country, thereby influencing many different areas of the system. In 2019, Bci specifically supported Enseña Chile’s professional selection, training, and support project for teachers in vulnerable schools.

The Kodea Foundation is focused on talent generation for the digital world, promoting more inclusive technological development and training to address the country’s challenges in this area. Bci has had a partnership with this foundation since 2018.

In 2019, in addition to continued sponsorship of the Hour of Code—a campaign for students in Chile learning to program—Bci reinforced this partnership with support for the Creators Initiative (Los Creadores), which provides tools and content to teachers to expand the development of technological projects in schools around the country.

>

1,386

students around the country entered the Los Creadores digital talent competition

>

233

projects were presented in the competition

Cultural Heritage

Bci establishes partnerships and supports institutions that promote and develop programs that cultivate patriotism, a sense of belonging, and community attachment, through high-quality artistic expression.

- 45 events sponsored.
- 1,600,000 beneficiaries.
- 70,000 people attended the free Las Condes Festival in January.
- 80,000 people enjoyed Chilean folklore, crafts, and cuisine at the San Bernardo Folklore Festival.
- 45,000 people attended the Quilicura Theater, which presented 20 shows in the year.
- 150,000 people participated in cultural and recreational activities at Las Vizcachas Village.
- 500,000 people participated in the Independence Festival, in Talca and the surrounding areas. This celebration includes a music festival in February, a folkloric festival in August, and the Spring Festival in October.
- 78 people participated in guided tours of the Bci corporate building on 26 May, Chile’s National Heritage Day, to view the Bank’s collection of crafts, sculptures, and over 70 paintings by renowned Chilean artists.

Social Investment

Distribution of social invetment in 2019

Total: Ch\$7,107,480,612

Type of investment	
Cash donations	97.8%
Volunteer work (1)	0.2%
Non-monetary donations (2)	2.0%
Administrative costs (3)	0.35%
Total	100%

(1) Volunteer work: monetary value of employee volunteer hours
(2) Non-monetary donations: valued at cost
(3) Administrative costs: wages, consulting fees, administrative expenses

> _Commitment to the Country

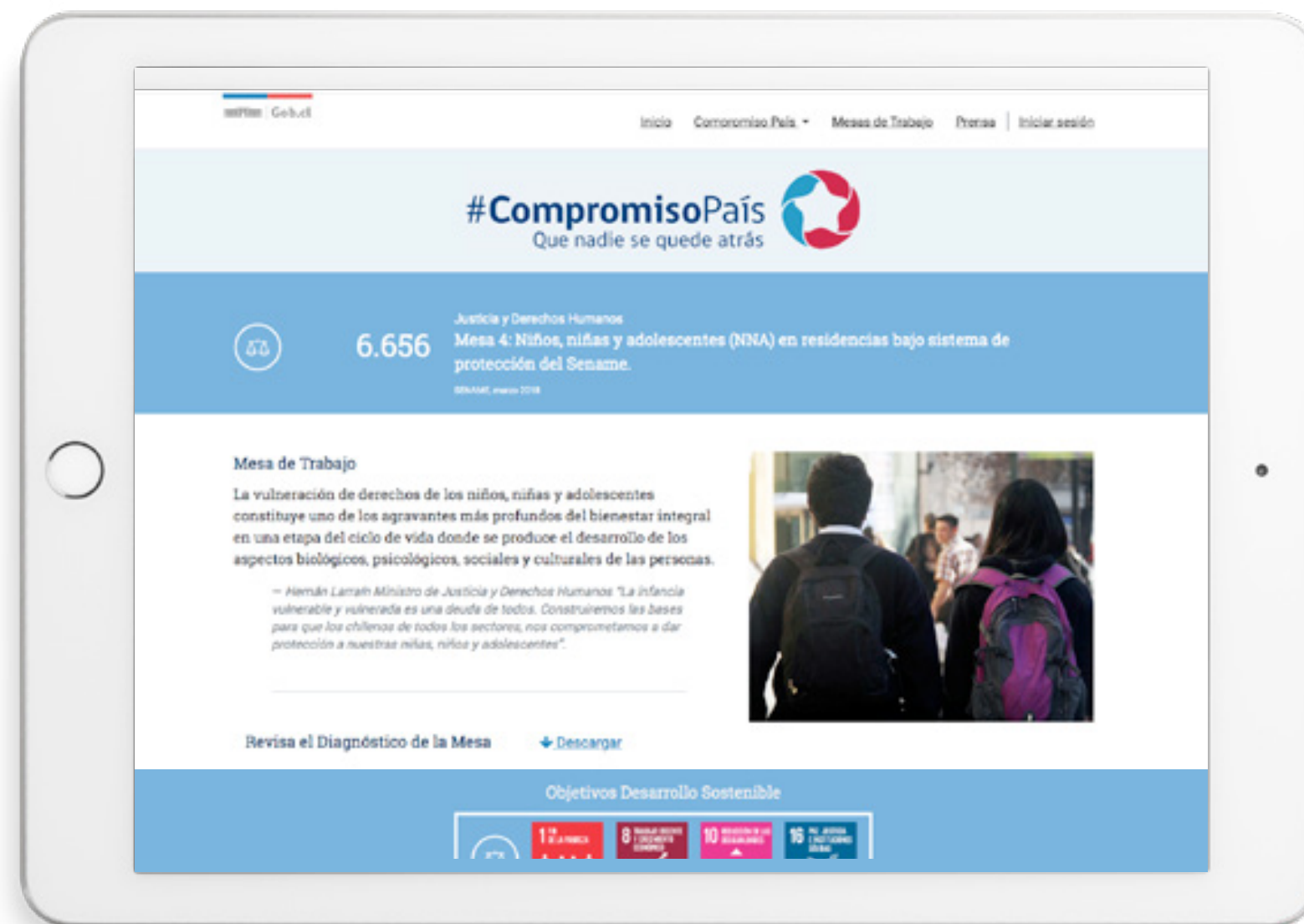
Bci participates on the National Board for boys, girls, and adolescents who live in homes administered by the child protection services system (SENAME).

Based on its three decades of experience with the Crecer Mejor Corporation, Bci has become an active member of the Ministry of Family and Social Development's initiative Compromiso País (Commitment to the Country), whose objective is to improve the quality of life of boys, girls, and adolescents who live in homes administered by the national child protection services system (SENAME).

This program—which includes representatives from the Justice Ministry, SENAME, the Catholic University of Chile's School of Social Work, and civilians (through the juvenile residential board)—is facilitated at Bci by a multidisciplinary task force that promotes the holistic development of the boys, girls, and adolescents in the system; the resignification of damage caused by children's rights violation; the restitution of their right to a family; and preparation for independent living.

In 2019, the first national survey for the detection of education and training needs was carried out, achieving a 17.5% response rate (856 responses from a total of 4,890 workers). In 2020, the National Board will use this information to create a centralized training facility and develop a progressive training curriculum, with skill certification.

Compromiso País Mesa 4



> _ Enviroment

Toward a Low-Carbon Economy

One of Bci's current objectives is to mitigate climate change, generating sustainable financial solutions for our customers so that they can incorporate more efficient products, processes, and technologies, while also helping to reduce social and environmental impacts at the local level in Bci and at the global level, in countries where the Bank has operations.

The Bci Sustainability Plan in this area is developed along three axes: responsible investment, sustainable products and services, and operational eco-efficiency.

Responsible Investment

Integration of social and environmental criteria in Bci's loan portfolio.

Green Agreement

In December 2019, Bci Asset Management signed the Green Agreement, a voluntary commitment between the financial sector, the government, and regulators, which defines general principles on climate change opportunity and risk management, to serve as guidelines for decisionmaking by the signatories, and makes a commitment to achieving concrete actions in this area.

This agreement, spearheaded by the Finance Ministry, aims to contribute to financial stability and the fulfilment of the country's climate commitments. The Green Agreement has four lines of action: Governance; Strategy and Opportunities; Risk Management; and Objectives and Measures.

Sustainable Products and Services

Development of financial products that generate positive impacts on the environment.

Bci Green Bond Issue

Bci issued a ten-year green bond in July 2019 for US\$50 million, to finance non-traditional renewable energy (NTRE) projects that contribute to mitigating climate change. This private placement with an Asian investor is the second by the Bank (the first was for US\$10 million).

Green Bond Consulting Services

Bci acted as financial consultant and underwriter for a corporate bond issued by Sonda in the local market, a certified green bond placement of UF 1.5 million (US\$58 million). Sonda is the first technology company in Latin America to raise capital using this type of bond, allocating an equivalent amount to construction and development projects incorporating green standards.



Seguimos tomando medidas para combatir el cambio climático, esta vez financiando proyectos de energías renovables no convencionales (ERNC) emitiendo un Bono Verde.

Operational Eco-efficiency

Carbon footprint reduction through more efficient operations and management.

2030 Plan

Climate change	Energy	Paper	Waste	Water	Certification
2030 Goal					
Reduce and/or offset 100% of Scope 1, 2, and 3 greenhouse gas emissions, relative to the baseline (2017).	Reduce the Corporation's energy performance indicator by 50% relative to the baseline (2014).	1. Reduce paper use throughout the Corporation. 2. PEFC or FSC certified paper for 100% of the paper used.	Eliminate the inclusion of recyclables in waste sent to landfills, in 100% of the Corporation's waste.	Reduce water use indicator by 50% throughout the Corporate buildings.	100% ISO 14001, 50001 certification for corporate buildings and replicate the management system in all other facilities.
2019 Achievements					
1. 41% reduction in CO2e emissions, (Scope 2) relative to the baseline (2017). 2. Carbon offsetting of ATMs that are located outside Bci branches and of customer web transactions, equivalent to 5.9% of the total reduction.	1. Renewable energy contract. 2. Participation in the First E-Mobility Accelerator in Chile, organized by the Sustainable Energy Agency of Chile.	28% reduction in paper purchases relative to the baseline (2017) and replacement of paper towel dispensers with electric hand dryers in the corporate buildings in the Santiago Metropolitan Region.	Adoption of a waste management model based on circular economy principles, with the goal of becoming a zero-waste bank.	14% reduction in water use at the corporate buildings, relative to the baseline (2017). Data collection at Bci branches to implement reduction plan in 2020.	Maintenance of ISO 14001 and 50001 certification for corporate buildings and LEED certification for the new Puerto Natales branch (in process). 2019 HuellaChile carbon footprint certification.

Renewable Energy Sources

In September, Bci signed an energy supply contract with Engie Chile, with certification of 100% renewable energy. The contract, which has a duration of four years, covers six of the Bank's corporate buildings and assumes energy consumption of 11 GWh a year. Bci is the first bank in the country to incorporate a renewable energy supply.

E-Mobility Accelerator

Together with Codelco, Empresas CMPC, Seguros SURA Chile, and Chilexpress, Bci participated in the first E-Mobility Accelerator in the country, created by the Agencia de Sustainability Energética (Sustainable Energy Agency of Chile) to promote the incorporation of electro-mobility in the different sectors of the economy. In this program, Bci identified opportunities related to maintenance suppliers, where there is a need to migrate to a more sustainable model, incorporating electric vehicles in the services provided to Bci.

Internal campaigns

World Environment Day provided an opportunity to diffuse the Eco-efficiency Plan within the Bank. Other actions in the year included the announcement of the purchase of certified renewable energy and the diffusion of information on environmental actions on Earth Day and Planet Hour.





Additional Information

> _ General Corporate Information

Registered name:

Banco de Crédito e Inversiones

Tax ID:

97.006.000-6

Main office:

Avenida El Golf 125, Las Condes,
Santiago. Chile

Telephone:

(562) 692 70 00

SWIFT code:

CRED CL RM

SBIF code:

016

Website:

www.bci.cl



Contact

Investor Relations
Andrés Atala Salim-Hanna
Head of Investor Relations

Telephone: (562) 2383 54 71
Email: andres.atala@bci.cl
investor_relations_bci@bci.cl

> _History

Banco de Crédito e Inversiones was established in 1937 by a group of families who wanted to support small and medium-sized businesses and entrepreneurs who did not have access to bank credit. That same spirit, that desire to solve the problems of others, continues to mobilize Bci to this day, and it has become the essential factor differentiating our Bank throughout its 80-year history.

1937

Bci was founded by Juan Yarur Lolas and associates

1944

Bci was one of the one of the driving forces behind the formation of the Chilean Bank Association.

1956

Bci expanded into Chile's regions, opening its first branch in Valparaíso and, a year later, in Antofagasta.

1959

Inauguration of the corporate building on Huérfanos Street, Santiago.

1978

Bci was the first "online bank," with high-speed transaction processing a.

1984

Introduction of the slogan "We're Different" (Somos Diferentes)

1998

The first representative office was opened in Peru, followed by Brazil and Mexico.

1999

Inauguration of the first overseas branch of Bci, in Miami, United States.

2000

Opening of a representative office in Peru.

2004

Opening of a representative office in Mexico.

2008

Bci was the first Latin American Bank to issue banker's acceptances in Hong Kong.

2012

Opening of a representative office in Colombia.

2015

Acquisition of City National Bank of Florida (CNB).
Opening of a representative office in China.

2016

Creation of Bci Securities, in the United States.

2017

Acquisition agreement for TotalBank, for US\$528 million.
Acquisition of Walmart's financial business in Chile.

2018

Change in the corporate slogan to "Let's Be different" (Seamos Diferentes).
Merger of CNB and Total Bank.

2019

Initiation of the process to establish a bank in Peru.
Signature of an acquisition agreement for Executive National Bank, in Florida.

Financial Summary

						Change
Consolidated Balance Sheet	2015	2016	2017	2018	2019	2018-2019
<i>Year-end balance, in millions of Chilean pesos</i>						
Commercial and interbank loans	13,406,099	14,902,850	15,962,764	19,372,094	22,067,812	13.92%
Mortgage loans	4,485,485	4,999,917	5,855,391	7,380,507	8,333,973	12.92%
Consumer loans	2,412,813	2,644,473	2,892,370	3,680,173	3,936,633	6.97%
Total loans	20,304,397	22,547,240	24,710,525	30,432,774	34,338,418	12.83%
Loan loss provisions	-364,452	-369,666	-401,041	-556,767	-668,321	20.04%
Net total loans	19,939,650	22,177,574	24,309,484	29,876,007	33,670,097	12.70%
Financial investments	3,706,013	3,792,479	4,730,198	5,270,611	6,230,655	18.22%
Other assets	5,038,738	4,828,165	4,843,714	6,203,099	10,435,868	68.24%
Total assets	28,684,401	30,798,218	33,883,396	41,349,717	50,336,620	21.73%
Non-interest-bearing demand deposits	8,047,288	8,194,263	9,534,124	12,222,539	14,180,699	16.02%
Time deposits	9,301,896	9,957,688	10,692,346	12,328,776	13,372,756	8.47%
Other liabilities	9,334,801	10,127,546	10,928,640	13,340,039	18,990,645	42.36%
Capital and reserves	1,768,715	2,280,185	2,467,862	3,180,453	3,509,627	10.35%
Minimum dividend provisions	-99,247	-102,049	-111,421	-118,738	-120,794	1.73%
Earnings	330,819	340,165	371,403	395,794	402,645	1.73%
Minority interest ¹	238	420	442	854	1,042	22.01%
Total liabilities and shareholders' equity	28,684,401	30,798,218	33,883,396	41,349,717	50,336,620	21.73%

Note 1. The portion of net profit or loss in the period and the rest of the consolidated subsidiaries' shareholders' equity that is attributable to other entities (outside of Bci) that hold a minority of shares.



Financial Summary



Financial Indicators

	2015	2016	2017	2018	2019	Change 2018-2019
BCI SHARES						
Price (in pesos. last business day of year) ²	26,730	33,894	42,780	45,085	34,100	-24%
Earnings per share	2,986	2,753	2,973	2,913	2,843	-2%
Stock price / Book value (times)	1.48	1.7	2.1	2.0	1.3	-34%
Stock price / Earnings per share (times)	9.0	12.3	13.3	16.0	12.0	-25%
Market capitalization (billions of pesos)	2,962	4,188	5,345	5,691	5,141	-10%
PROFITABILITY AND EFFICIENCY						
Return on equity	16.54%	13.51%	13.61%	11.44%	10.62%	-7%
Capitalized earnings from previous year	68.31%	66.51%	63.68%	64.68%	65.67%	2%
Return on assets	1.15%	1.10%	1.10%	0.96%	0.80%	-17%
Efficiency (Overhead expenses / Operating income)	46.16%	50.72%	50.67%	51.55%	47.78%	-7%
Assets per employee (millions of pesos)	2.583	2.778	3.193	3.422	4.122	20%
MARKET SHARE						
Loans in Chile ³	12.88%	13.28%	13.62%	13.87%	14.03%	1%
Loans including foreign subsidiaries ⁴	14.18%	14.93%	15.68%	17.00%	17.38%	2%
Risk						
Provisions rate 1 (Loan loss provisions ⁵ / Total loans ⁶)	1.10%	1.10%	1.06%	1.06%	1.55%	46%
Provisions ratio (provisions / Total loans) ⁷	1.80%	1.64%	1.62%	1.83%	1.95%	7%
CAPITAL						
Tier 1 ⁸	8.47%	10.05%	10.21%	10.14%	9.78%	-4%
Capital adequacy ratio I ⁹	11.98%	13.41%	13.19%	12.76%	12.00%	-6%

Notes

2. 2 Price not adjusted for dividends or capital changes.
3. Total loans to customers, excluding City National Bank of Florida (CNB) and ItauCorp in Colombia.
4. Total loans to customers, including City National Bank of Florida (CNB) and ItauCorp in Colombia.
5. Loan loss provisions include provisioning for loans and contingent loans, plus the minimum provisions adjustment for a normal portfolio.
6. Total loans to customers, including City National Bank of Florida (CNB).
7. Total loans to customers plus interbank loans, including City National Bank of Florida (CNB).
8. The Tier 1 capital ratio is the ratio of core capital less goodwill to risk-weighted assets (RWA).
9. The capital adequacy ratio (CAR) is the ratio of regulatory capital (calculated as core capital plus voluntary provisions, subordinated bonds, and minority interest, less goodwill) to risk-weighted assets (RWA).

>

Credit Rating

31 December 2019

Local Rating

Feller Rate		Fitch Ratings	
Solvency	AAA	Short term	N1+
Outlook	Stable	Long term	AAA
Time deposits over one year	AAA	Bonds	AAA
Bonds	AAA	Subordinated bonds	AA
Subordinated bonds	AA+	Shares	1st class level 1
Shares	1st class level 1	Outlook	Stable

International Rating

Moody's		Standard & Poor's		Fitch Ratings	
Long term	A2	Foreign currency LT	A	Long-term debt in foreign currency	A
Deposits	A2	Local currency LT	A	Long-term debt in local currency	A
Bonds	A2	Foreign currency ST	A-1	Short-term debt in foreign currency	F1
		Local currency ST	A1	Short-term debt in local currency	F1
Outlook	Stable	Outlook	Stable	Viability Outlook	a Stable

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

In the local market, Feller Rate maintained its credit rating of Bci's long-term deposits, mortgage bonds, bank bonds, and bond series at AAA, with a stable outlook. The confirmation of the rating is based on the Bank's very strong business profile and income generation capacity; a strong risk profile and solid funding and liquidity; and adequate capital backing. The stable outlook reflects the Bank's strong presence in diverse business segments, with well-diversified operations and healthy portfolio quality ratios. These

factors have contributed to the Bank's performance in the face of lower economic growth. Finally, the agency indicated that Bci's capital adequacy ratios and high income generation capacity will support the Bank's adaptation to the soon-to-be-implemented Basel III requirements.

Fitch Ratings, in turn, held Bci's international and national solvency ratings at A and AAA, respectively, with a stable outlook, and also confirmed its rating on time deposits and bonds. This decision was based on the Bank's solid profile, attenuated by the relatively higher risk appetite of the Bank vis-à-vis its market peers. Fitch noted that the Bci brand has gradually strengthened over the years, currently positioning Bci as the largest bank in Chile at the consolidated level. The viability rating takes into account a more benign operating climate relative to the rest of the region. Fitch considers that Bci's higher risk appetite is due to its objective of achieving faster organic and inorganic growth in recent years.

The agency further emphasized that the asset quality measures remain solid and exceed some of the Bank's regional and local peers. It warned, however, that the upward trend will shift due to the negative impact that the recent protests in Chile and the low economic growth outlook will have on the economy and the banking system.

Internationally, Moody's maintained Bci's rating at A2. Nevertheless, the agency highlighted Bci's commitment to maintaining stable capital ratios after the acquisitions carried out in the year and signaled that the asset risk associated with the rapid growth of the South Florida real estate market will be limited by proactive management and monitoring.

Standard & Poor's (S&P) held the Bank's long-term rating at A, with a stable outlook. This confirmation is founded on moderate loan growth in the Chilean financial system together with a weakening of real estate prices, leaving Chile in a better position to face external shocks. At the same time, the maintenance of the A rating reflects the Bank's solid competitive position, given its strong position in the financial industry and its business diversification by sector, segment, and geography. The agency noted the Bank's healthy asset quality measures, due to Bci's strategic focus on loan growth with limited risk.

Finally, Fitch Ratings held its international long-term rating at A, with a stable outlook, based on the same arguments used for the local rating.

Corporate Governance Practices

Members of the Board



Luis Enrique Yarur Rey
Presidente

Mr. Yarur holds a degree in law from the University of Navarra, Spain, as well as a master's degree in economics and business administration from the IESE Graduate Business School, University of Navarra, Spain.

He joined the Bci Board of Directors on 21 October 1991.

Other Current Positions

- CEO, Empresas Juan Yarur SpA., Empresas JY S.A., Empresas Jordan S.A., and Empresas SB S.A.
- Vice-president, Chilean Association of Banks and Financial Institutions (ABIF), Inversiones Belén S.A., and Empresas Lourdes S.A.
- Member, Business Advisory Board of the ESE Graduate Business School of the University of Los Andes.
- Board Member, Center for Public Studies (Centro de Estudios Públicos, CEP).

Past Positions

- CEO of Bci for eleven years
- Board Member, Bci Seguros de Vida S.A. and Bci Seguros Generales S.A.
- Board Member, Banco de Crédito del Peru (BCP).



Lionel Olavarría Leyton
Vice-Chairman

Mr. Olavarría holds a bachelor's degree in civil industrial engineering from the University of Chile and a master's degree in economics and business management from the IESE Graduate Business School, University of Navarra, Spain.

He joined the Bci Board of Directors on 17 March 2015.

Other Current Positions

- Board Member, City National Bank of Florida
- Board Member, Sinacofi Buró S.A.
- Board Member, Sistema Nacional de Comunicaciones Financieras S.A. (Sinacofi).
- Chair, Business Directors Network, ESE Business School.

Past Positions

- Deputy General Manager, Banco de Gredos, Spain
- Controller, Chemical Bank, Spain
- Commercial Director, Banco de Santiago, Chile
- Advisor to the CEO and Chairman, Bci, 1981
- Chief Operations and Technology Officer, Bci
- CEO of Bci from 1993 to 2015

- Chairman, Global Compact Executive Committee in Chile
- Founding Chairman, Redbanc S.A.
- Chairman, Transbank S.A., Servipag S.A., Artikos Chile S.A., Banco Conosur, and Bci Factoring S.A.
- Board Member, Financiera Solución in Peru, Visa Internacional Latinoamérica, Bancrédito Leasing, AXA-BCI S.A., Bci Corredor de Bolsa S.A., Bci Seguros de Vida S.A., Bci Seguros Generales S.A., Bci Asesoría Financiera S.A., and Empresas Juan Yarur SpA.
- Chairman, CEO Committee of the Chilean Association of Banks and Financial Institutions (ABIF).



José Pablo Arellano Marín
Board member

Mr. Arellano has a bachelor's degree in economics from the Catholic University of Chile and a master's and Ph.D. in economics from Harvard University.

He joined the Bci Board of Directors on 16 March 2011.

Other Current Positions

- Senior Economist, Latin American Studies Corporation (CIEPLAN).
- Professor, University of Chile and the Catholic University of Chile.
- Board Member, several businesses and social and educational foundations.

Past Positions

- National Budget Director
- Minister of Education
- CEO, Codelco
- Chairman, Fundación Chile.



Juan Edgardo Goldenberg Peñafiel
Board member

Mr. Goldenberg holds a degree in law from the University of Chile.

He joined the Board of Directors of Bci on 31 January 2018.

Other Current Positions

- Partner, Goldenberg & Lagos Abogados Ltda.
- Member, Chilean Bar Association and its Tax Committee
- Founding Member, Chilean Institute of Tax Law and the.
- Member, International Section of the American Bar Association
- Member, Chilean-North American Chamber of Commerce (AmCham).
- Board Member, Empresas Copec S.A. and AntarChile S.A.

Past Positions

- Professor of civil law, Catholic University of Chile.
- Professor of tax law, Catholic University of Chile and University of Los Andes-



Mario Gómez Dubravcic
Board member

Mr. Gómez holds a bachelor's degree in business administration from the Catholic University of Chile and conducted graduate studies at the University of Los Andes.

He joined the Bci Board of Directors on 24 May 2011.

Other Current Positions

- Chairman, Administrador Financiero del Transantiago S.A. (AFT)
- Chairman, Artikos Chile S.A.
- Board Member, Empresas JY S.A.
- Board Member, Inmobiliaria JY
- Board Member, Central Securities Depository (DCV).

Past Positions

- Chief Financial Officer, Bci
- Commercial Director, Bci Commercial Banking Division.
- Chairman of the Board, Bci Asset Management Administradora General de Fondos S.A, Bci Asesoría Financiera S.A, and Sociedad de Recaudación y Pago de Servicios Limitada (Servipag).
- Board Member, Bci Corredor de Bolsa, Bci Factoring, Bci Securitizadora, Bci Seguros Generales, Bci Seguros de Vida S.A, Bci Corredora de Seguros S.A., and Financiera Solución Perú.



Miguel Ángel Nacrur Gazali
Outside Board member

Mr. Nacrur holds a degree in law from the Catholic University of Chile.

He joined the Bci Board of Directors on 3 April 2019.

Other Current Positions

- Professor of Law, Catholic University of Chile Law School, where he teaches classes on commercial law and financial professional ethics.
- Civil Service Professional Expert and Representative on the Senior Public Management Council (Consejo de Alta Dirección Pública) on hiring processes for second-tier management positions.
- Board Member, Colegio Árabe Educational Corporation.
- Director of Legal Research, Nacrur Abogados Asociados law firm.
- Speaker on the banking industry and commercial and business law.

Past Positions

- General Counsel and Authentication Officer, Central Bank of Chile
- General Counsel, Banco Santander-Chile
- Chief Counsel, Superintendence of Banks and Financial Institutions
- Advisor, Catholic University of Chile Law School
- Professor of Corporate Law, Catholic University of Chile Law School
- Member, Investigatory Committee for the New Codification of Commercial Law.



Hernán Orellana Hurtado
Board member

Mr. Orellana has a degree in electrical civil engineering from the Federico Santa María Technical University.

He joined the Bci Board of Directors on 24 January 2017.

Other Current Positions

- Board Member, Highservice S.A., IZIT SpA, and Diseño de Servicios UNIT SpA
- Business innovation and digitalization transformation consultant
- Advisory Board, PROhumana.

Past Positions

- Executive Director, Telefónica R&D Center in Chile
- Dean, Engineering Department, Andrés Bello University
- CEO, Microsoft Chile
- CEO, Compaq Chile
- Board Member, CAP S.A., Fashion's Park S.A., Belltech S.A., IConstruye, and others.



Claudia Manuela Sánchez Muñoz
Board member

Ms. Sánchez has a bachelor's degree in business administration from Adolfo Ibáñez University and an MBA from Harvard University.

She joined the Bci Board of Directors on 22 March 2016.

Other Current Positions

- Board Member, Mall Plaza S.A.
- Board Member, Make a Wish Foundation and Los Anhelos Foundation
- Strategic Consultant; participates on Spencer Stuart Chile's Advisory Board and on the Finance Ministry's Capital Market Advisory Council.
- Member, Icare Finance and Business Circle and the International Women's Forum.

Past Positions

- Analyst, McKinsey & Co., Buenos Aires
- Partner, Amadeus Capital Partners
- Senior Partner, Deloitte London
- Dean, Business School, Adolfo Ibáñez University.



Klaus Schmidt-Hebbel Dunker
Outside Board member

Mr. Schmidt-Hebbel has a Ph.D. in economics from MIT. He earned his bachelor's and master's degrees in business administration at the Catholic University of Chile (PUC).

He joined the Bci Board of Directors on 22 November 2016.

Other Current Positions

- Full Professor, University of Development
- Consultant, advisor, and board member for numerous national and international corporations, associations, and foundations.
- Columnist and speaker.

Past Positions

- Chairman, Fiscal Advisory Council of Chile
- Full Professor, Catholic University of Chile
- Chief Economist, OECD, Paris
- Economic Research Director, Central Bank of Chile
- Senior Economist, World Bank, Washington
- Chairman, Financial Committee of the Chilean Sovereign Wealth Funds
- General Director, Grupo Res Publica Chile
- President, Economics Society of Chile
- President, Monetary Club de Chile

Board Compensation Structure

Remuneración mensual fija

150 UTM (unidades tributarias mensuales, an inflation-indexed unit of account) for each member of the Board of Directors, with the exception of the Chairman, who receives a monthly retainer of 850 UTM, in accordance with his more extensive duties and in compliance with the special mandate conferred by the Board of Directors.

Remuneración por asistencia

5 UTM for each meeting of the Board of Directors, the Executive Committee, the Sustainability Committee, the Finance and Corporate Risk Committee, the People and Culture Committee, and the Innovation and Technology Committee.

Remuneración variable

0.3% of net profits, based on average profits in 2016, 2017, and 2018. This amount is divided by 10, with two-tenths allocated to the Chairman of the Board as Chairman of the institution, in compliance with the Board’s mandate, and one-tenth to each of the other Board Members.

The Board Members may also receive additional compensation for permanent or temporary special services rendered.

Main Activities of the Board Committees in 2019

Executive
Committee

Finance and Corporate
Risk Committee

The Executive Committee held 76 meetings in the year. • Examined large loans and financial operations. • Reviewed the necessary actions for the implementation of legal and administrative regulatory changes. • Analyzed the current situation and evolution of economic sectors in the country; set credit and financial exposure limits for each sector. • Approved the annual branch plan and the opening, relocation, and closure of offices. • Examined and gave preliminary approval of the monthly balance sheet results. • Granted general and special powers. • Determined and approved the resources allocated to loan loss provisions and write-offs. • Authorized specific donations.	• Examined and approved the international financing plan. • Received and analyzed reports from the Special Accounts Unit on the financial and payment situation of personal and corporate clients. • Approved general policies and modifications related to credit, market, and operational risk and set respective limits. • Approved risk models. • Approved asset disposal programs for foreclosed assets and other assets received in lieu of payment. • Established limits on country risk exposure, based on credit rating analysis and other variables that affect external financing. • Examined the situation of economic sectors and corporate clients of the Bank. • Reviewed reports on portfolio diversification.	The Finance and Corporate Risk Committee held 11 meetings in the year. In the area of finance: • Reviewed commercial and market risk exposures of the money desk; • Studied and controlled the strategies of the Asset-Liability Committee (ALCO) based on market variables; • Reviewed the asset and liability structure of the balance sheet; • Monitored the short- and long-term funding strategy and the currency and term mismatches.	• Received market information and forecasts (inflation, rates, and currencies); • Reviewed the interest rate, inflation, and currency strategies and the current trading positions; • Reviewed the local and foreign investment portfolio strategy and current positions, the capital budget, and the capital adequacy forecast; and • Monitored the Basel indicators, based on the respective models to be implemented.	In the area of corporate risk, with respect to the Bank and its national and foreign subsidiaries, including the consolidated analysis by country: • Examined the evolution of the risk tolerance indicators defined for the Bank and its subsidiaries; • Examined the evolution of the main credit, financial, operational, and regulatory risk management indicators; • Reviewed the situation at the sub-portfolio level by economic sector, geographic sector, concentrations, or other relevant breakdowns, as well as the situation of some specific client groups or segments, such as main debtors and main deteriorations; • Studied the results of regulatory risk models; • Reviewed the behavior of loan loss provisions and write-offs, in terms of profit and risk, by product, by bank, and in comparison with the competition;	• Verified compliance with internal policies and limits and analyzed the main variations in financial, credit, regulatory, and operational risk and their alignment with policies established by the parent company; • Analyzed the results of capital and liquidity stress tests, among others, and compliance with regulatory capital ratios, as well as any necessary actions deriving from the results; • Verified and reviewed compliance with liquidity policies and levels; and • Verified and reviewed regulatory compliance, including AML/BSA and financial compliance.
---	--	---	--	---	---



Directors
Committee



People and Culture
Committee



Sustainability
Committee



Innovation and
Technology Committee



Ethics
Committee

The Directors Committee held 25 meetings in the year.

In 2019, the activities undertaken by the Directors Committee included the following:

- Examined the audit plan for the Bank and its subsidiaries, the annual report, making recommendations to improve administrative-accounting procedures, and the individual and consolidated financial statements;
- Examined and approved the Audit and Compliance plans;
- Examined the external auditing firms and credit rating agencies that were put for consideration by the shareholders and made recommendations to the Board;
- Analyzed progress on compliance with observations made by the Financial Market Commission (FMC), the external auditors, the Audit and Compliance Office, and, for the Miami Branch, the Federal Reserve Bank of Atlanta;
- Analyzed and approved the Audit and Compliance Office's activities in the prevention of money laundering and other financial crimes;

• In the area of operational risk, studied the policies, plans, and procedures associated with technology risk, information security, business continuity, fraud prevention, and regulatory risk;

- Examined related-party transactions;
- Reviewed the Financial Market Commission's observations, following their annual visit, and discussed actions to take to achieve compliance.
- Analyzed and approved the results of the 2019 self-assessment process;
- Studied the risks associated with judicial and administrative proceedings that could affect the Bank;
- Examined the results of the tender process for the procurement of insurance by the Bank; and
- Examined compensation policies, especially for senior executives.

The People and Culture Committee held 3 meetings in the year.

- Examined and approved the 2019 Compensation Strategy.
- Analyzed the implementation of the compensation strategy and the achievement of specific objectives in 2019.

The Sustainability Committee held 4 meetings in the year.

- Analyzed and reviewed the 2019 strategy, sustainability model, and associated plans, including the stakeholder strategy on sustainability.
- Examined the status of various sustainability programs in the areas of customers, employees, suppliers, environment, and community commitment.
- Analyzed the results of the Dow Jones Sustainability Index (DJSI).

The Innovation and Technology Committee held 6 meetings in the year.

- Reviewed the Bank's technological strategy and architecture and its technology master plan.
- Reviewed the IT security strategy and plan.
- Reviewed the innovation and digital transformation plan and ecosystem.
- Studied issues related to information security, technological risks, the Bank's technological infrastructure and capacity, etc.

The Ethics Committee held 3 meetings in the year.

- Analyzed and resolved issues raised by employees and suppliers in relation to practical situations, especially with regard to conflicts of interest, in accordance with the stipulations of the Code of Ethics and their adequate interpretation.
- Received and resolved information and complaints associated with possible violations of Bci principles and values and the provisions of the Code of Ethics.
- Managed the communication and diffusion of ethical content for all members of the Corporation, with recommendations from the Corporate Compliance Committee.

> **_Risk Factors**

Credit Risk

Definition

Credit risk is the potential loss assumed by the Bank when it lends money, due to the possibility that the borrower could default on the loan.

Management

Credit risk management entails a series of policies and procedures developed in a risk tolerance framework, through which Bci evaluates, assumes, classifies, controls, and covers credit risk. These include not only loan loss provisions, but also lending requirements and the monitoring of borrowers' performance.

Our credit approval and monitoring processes are based on international best practices and the use of statistical models in the different portfolio segments.

At Bci, credit risk is managed at three levels, including both interdepartmental and corporate level responsibilities: (1) the Origination Division provides support to sales teams, in terms of business structure and resolution within the established policies and strategies; (2) the Corporate Risk Strategy Division is responsible for designing—based on data and models—the credit risk strategies for retail and wholesale banking customers, in terms of risk policies, portfolio performance, and loan collection; and (3) Normaliza S.A., a Bci subsidiary that handles loan collections and normalization, is responsible for early management of past-due customers so as to maximize the recovery of bad debt through direct negotiation or court action.

2019 Achievements

- >

Use of models and data as key components of credit risk management, which has supported an increase in automated loan resolution, shortening recovery periods, and an improvement in the risk-return ratio. This capacity has been developed extensively, expanding its application to support not only the different areas of risk management, but also business processes. In 2019, 32 business models were implemented; examples include monitoring money laundering alerts for MACH, the bad business practices model (which detects the failure to close accounts), and an analysis of email content (to detect default risk).
- >

Support for automation: in the Wholesale Division, 62% of loans were processed friction-free on the pilot platforms, generating over 200 operations equivalent to more than Ch\$40 billion. Additionally, SLAs have been reduced from 10 days to 5.5 days.
- >

In the SMEs segment, 55% of sales, totaling Ch\$35 million, were generated with automated or mass processes.
- >

In risk management, a new capacity was developed for nontraditional retrospective and prospective analysis of the concentration, profitability, and risk of the different portfolios, which revealed important findings in the mortgage, consumer, and commercial portfolios that were reported for consideration in business management.

Financial Risk

Definition

Financial risk is the probability of loss due to an adverse shift in market variables or the Bank’s inability to meet its contractual obligations.

Management

Financial risk management is defined in terms of risk tolerance and is closely supervised by the Board and senior management of Bci, through a policy framework that establishes the criteria, measures, and procedures that must be observed by the institution in meeting its business objectives.

The Board, through the Executive Committee, is responsible for approving the policy framework and limit structure that govern financial risk management. The Finance and Risk Committee reviews the financial strategies that are being executed, supervises compliance with the Bank’s internal policies, and sets the financial risk tolerance level.

The CEO chairs the Asset-Liability Committee (ALCO), the highest executive body within the Bank responsible for financial risk management. The ALCO supervises compliance with the guidelines established by the Board and provides strategic direction on market and liquidity risk management, taking into account current financial market conditions.

The direct management of these risks is carried out by the Finance Division, which is tasked with implementing investment and financing strategies that generate value for the institution. The Financial Risk unit supervises compliance with the established policies and limits, using indicators and measures to identify and control the risks assumed by the Bank and its business partners.

The Bank manages the following financial risks:

Liquidity Risk: the risk that the Bank could be unable to meet its financial obligations in full and on time, at reasonable cost, due to an inability to raise funds or the maintenance of an insufficient level of liquid assets.

Market Risk: the possibility of loss due to undesirable changes in interest rates, exchange rates, inflation, or the variables that directly affect the Bank’s capital.

Counterparty Risk: the probability of default by one or more counterparties that have credit exposures with Bci, mainly through derivative contracts.

2019 Achievements

- > Improvements in the financial risk information and control system, which supports and increases productivity in this area. This system is used extensively throughout the Bank. It includes access control, is a key input in management reports, controls limits and alerts, and provides widely used analytical reports.
- > Adoption of controls and automation processes defined as international best practices, thereby strengthening the management of financial compliance, with new standards (International Organization of Securities Commissions, IOSCO) in the management de rates and benchmarks. This contributes to mitigating operational risk, since it encompasses contingency protocols, security and backup processes, database records, and a record maintenance system. Bci is the first bank to implement a system-to-system web service connection in this rate management system.

Operational Risk

Definition

Operational risk is the risk of losses deriving from human error, inadequate or defective internal processes, or system failures resulting from external events.

Operational risk is inherent in all the Bank’s activities, products, systems, and processes. The origins vary widely and include cybersecurity events, internal and external fraud, internal and supplier processing errors, inadequate business practices, labor conflicts, technological failures, human error, and natural disasters.

Management

At Bci, operational risk management is the responsibility of the Corporate Operational Risk Committee and specific committees in the different business lines: namely, the Information Security and Technology Risk Committee, the Business Continuity Committee, the Outsourced Services Risk Management Committee, and the Operational Risk Committees for each Business Line. These governance committees meet periodically and are responsible for ensuring that risks are managed and maintained within acceptable levels for Bci, overseeing the execution of the risk management program, and managing the root causes of potential incidents.

Work in this area is performed by specialists in cybersecurity and information security management, internal and external fraud prevention, business continuity and crisis management, outsourced services risk management, process and project risk management, policy development, and compliance review.

Over the past year, the Bank has strengthened this team of specialists, with a particular emphasis on cybersecurity, digital fraud prevention (cybercrime), and business continuity and crisis management. These professionals are duly trained, and their job is to identify emerging threats and risks as early as possible, to implement effective risk management strategies, and to avoid losses, incidents, and complaints.

2019 Achievements

- >

Development and implementation of data models and technological tools for identifying and preventing emerging risks and new threats in digital fraud, so as to protect Bci and its customers against theft and scams.
- >

Expansion of the scope of information security system certification under ISO 27001 standards, incorporating the mobile Bci platforms.
- >

Strengthening of cybersecurity processes and investment in cybersecurity monitoring systems.
- >

Strengthening of the risk culture for crisis management and business continuity, outsourced risk management, and fraud prevention.
- >

Implementation of a new training program in information security and cybersecurity to generate employee awareness, improve their ability to protect the information of Bci and its customers, and reduce the probability of being damaged by cyberattacks.

>

Material Events

Summary of material events communicated
to the Chilean Financial Market Commission
(FMC) in 2019.

26 February 2019	We report as a material event the notification of ordinary and extraordinary shareholders meetings on 3 April 2019, with the objective of proposing, among other issues, the distribution of a dividend of Ch\$1,000 per share, paid with a charge to net earnings in the period ending on 31 December 2018; and a capital increase through the capitalization of retained earnings.
03 April 2019	We report as a material event that at the Ordinary Shareholders’ Meeting held on 3 April 2019, the following members were elected to the Bci Board of Directors for a period of three years: Luis Enrique Yarur Rey, Lionel Olavarría Leyton, José Pablo Arellano Marín, Juan Edgardo Goldenberg Peñafiel, Mario Gómez Dubravcic, Miguel Ángel Nacrur Gazali (Outside Board Member), Klaus Schmidt-Hebbel Dunker (Outside Board Member), Hernán Orellana Hurtado, and Claudia Manuela Sánchez Muñoz.
10 June 2019	We report as a material event Resolution 1569-2019, through which the Financial Market Commission resolved to levy a fine of 870 UF against the Bank, in response to events that, in the judgement of the FMC, would constitute alleged violations of the provisions of Articles 6 and 6 ter of Law N° 18,010.
25 September 2019	We report that, in continuation of our internationalization strategy and with the objective of strengthening our presence in Latin America, the Bank’s Board of Directors has authorized the management of Bci to establish and register, in the city of Lima, Peru, a subsidiary of Bci, henceforth “Banco Bci Perú.” Of the total shares of Banco Bci Perú, 99.9% will be owned by Bci, and the remaining 0.1% will be owned by Bci Asesoría Financiera S.A., a Bci subsidiary. Banco Bci Perú will be subject to supervision by the corresponding Chilean and Peruvian regulatory entities.
25 September 2019	We report that an “Agreement and Plan of Merger” has been signed between, on the one hand, Bci Financial Group, Inc. (“Bci Financial”) and City National Bank of Florida (“CNB”) and, on the other, Executive Banking Corporation (“Executive Corporation”) and Executive National Bank (“Executive Bank”). On 30 June 2019, Executive Corporation has total assets of US\$456 million. This transaction implies an investment of US\$75 million, which represents 0.84% of Bci’s market capitalization and will be financed with own resources of Bci Financial and Bci.



Nonfinancial Indicators



Contents

Topic	Page
ECONOMIC INDICATORS	
Customers	106
Infrastructure	
Products	
Activity	
Digital experience	
Suppliers	106
Supply chain	
Supplier payment period	
Supplier relationship	
Associations and universities	106
Monetary and other contributions	
SOCIAL INDICATORS	
EMPLOYEES	107
Information on employees in Chile	
Employee relationship	
Talent attraction and retention	
Occupational health and safety	
Training	
Leadership	
Diversity	
Work flexibility	

Topic	Page
SOCIAL INDICATORS	
Community	111
Community investment	
Financial inclusion	
Financial education	
Corporate citizenship	
ENVIRONMENTAL INDICATORS	
Energy	112
Water	
Emissions	
Waste	
CORPORATE GOERNANCE	
Composition of the Board	13
Board meeting attendance	
Board committees	
Directors Committee	
Diversity in management	
Mechanisms for advice and concerns about ethics	

Economic Indicators

GRI	Indicator	Unit	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
CUSTOMERS												
102-7	Infrastructure											
	Branches	No.	236	315	356	365	361	361	384	388	378	365
	Accessible branches (service model for people with a disability, created in 2015)	No.	67	67	67	38	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Automated teller machines (ATMs)	No.	1,084	1,131	1,255	1,062	1,057	1,037	1,080	1,294	1,333	1,111
	Accessible ATMs	No.	57	60	13	3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Products											
	Checking accounts	No.	703,737	677,797	616,464	584,622	557,236	528,598	514,803	489,816	449,700	425,233
	Prime accounts	No.	1,291,510	1,251,295	1,174,301	1,103,556	1,036,395	939,381	1,222,033	1,208,989	1,215,527	1,115,633
	Credit cards (primary and additional cardholders) ¹	No.	2,875,641	2,731,338	952,520	917,192	893,699	872,733	861,864	836,437	733,180	599,079
	Activity											
	ATM transactions ² (year-end)	No.	5,863,321	5,840,698	5,943,945	4,403,674	4,338,540	4,675,418	4,173,362	4,572,650	5,672,989	5,455,584
	Internet transactions ³ (year-end)	No.	29,635,985	21,702,370	19,240,835	16,540,828	16,019,215	15,814,481	16,083,389	15,369,000	14,434,020	12,925,182
	Digital experience											
	Customers with Internet password	No.	975,221	629,680	530,397	469,969	469,014	464,048	429,913	428,310	408,987	404,956
SUPPLIERS												
102-9	Supply chain											
	Total suppliers	n.º	1,292	1,432	1,287	1,369	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Permanent suppliers	n.º	629	501	491	552	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Local suppliers	n.º	1,251	1,377	1,249	1,335	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Supplier payment period											
	Invoices paid in less than seven days	%	99	99	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Invoices paid in less than 30 days	%	100	100	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Average payment period	Workdays	2	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Supplier satisfaction	%	100	93	93	90	89	n.a.	n.a.	n.a.	n.a.	n.a.
	Supplier assessment (environmental and social)											
308 y 414	Suppliers assessed in the B Corp Measure What Matters program (started in 2019)	No.	90	0	0	0	0	0	0	0	0	0
Associations and Universities												
102-13	Monetary and other contributions											
	Total monetary contributions	\$	341.974.511	397.349.922	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Share allocated to memberships in business associations and chambers of commerce	%	44.82	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Share allocated to research and academic institutions	%	55.18	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTES:
Customers: 1. As of December 2018, includes credit cards issued by the Servicios Financieros subsidiary. 2. ATM withdrawals. 3. Only transactions requiring password authentication.
Public policy influence: 1. Bci does not make contributions to lobbies, campaigns, or political organizations or candidates. 2. Contributions to research and academic institutions are covered under the laws on University and Municipality Donations. For details, see page 118.

Social Indicators

GRI	Indicator	Unit	2019	2018	2017	2016	External assurance
102-8	COLABORADORES						
	Employee commitment and satisfaction (meta 2019: 85%)	%	88.0	83.5	85.5	n.a.	✓
	Employee commitment and satisfaction: Men	%	88.5	n.a.	n.a.	n.a.	✓
	Employee commitment and satisfaction: Women	%	87.6	n.a.	n.a.	n.a.	✓
	Total employees in Chile and overseas	No.	12,172	12,083	10,613	11,088	
	Employees in Chile (excluding the Bci Servicios Financieros subsidiaries, acquired in 2018)						
	Total number of employees	No.	9,524	9,451	9,929	10,473	
	Women with a permanent contract	No.	4,813	4,876	5,246	5,659	
	Men with a permanent contract	No.	4,326	4,286	4,428	4,601	
	Total employees with a permanent contract	No.	9,139	9,162	9,674	10,260	
	Women with a temporary (fixed-term) contract	No.	194	172	156	136	
	Men with a temporary (fixed-term) contract	No.	191	117	99	77	
	Total employees with a temporary (fixed-term) contract	No.	385	289	255	213	
	Total employees with a permanent contract by region						
	Arica y Parinacota	No.	47	50	50	50	
	Tarapacá	No.	147	148	164	185	
	Antofagasta	No.	285	292	307	330	
	Atacama	No.	92	102	106	123	
	Coquimbo	No.	144	162	176	206	
	Valparaíso	No.	439	464	483	522	
	Metropolitana	No.	6,855	6,786	7,117	7,512	
	O'Higgins	No.	151	154	163	171	
	Maule	No.	169	171	185	197	
	Biobío	No.	248	298	345	365	
	Araucanía	No.	136	142	153	151	
	Los Ríos	No.	52	57	62	68	
	Los Lagos	No.	224	221	239	250	
	Aysén	No.	38	39	41	45	
	Magallanes	No.	73	76	83	85	
	Ñuble	No.	39	n.a.	n.a.	n.a.	

NOTE:
The Ñuble Region was created in September 2018, comprising three provinces (Diguillín, Punilla, and Itata) and 21 towns that were previously part of the Bío Bío Region. The new regional capital is Chillán.

Social Indicators (continued)

GRI	Indicator	Unit	2019	2018	2017	2016
EMPLOYEES						
	Total employees with a temporary contract by region					
	Arica y Parinacota	No.	4	1	2	-
	Tarapacá	No.	1	5	4	1
	Antofagasta	No.	6	14	9	13
	Atacama	No.	3	5	6	2
	Coquimbo	No.	5	5	2	4
	Valparaíso	No.	21	20	13	6
	Metropolitana	No.	311	187	181	153
	O'Higgins	No.	3	5	3	2
	Maule	No.	3	8	7	1
	Biobío	No.	10	12	11	16
	Araucanía	No.	0	9	4	8
	Los Ríos	No.	3	3	2	1
	Los Lagos	No.	9	11	6	5
	Aysén	No.	2	1	3	-
	Magallanes	No.	1	3	2	1
	Ñuble	No.	3	n.a.	n.a.	n.a.
	Total number of employees, by type of employment and gender					
	Full-time: Women	No.	4,990	5,024	5,367	5,732
	Full-time: Men	No.	4,501	4,394	4,522	4,664
	Full-time: Total	No.	9,491	9,418	9,889	10,396
	Part-time: Women	No.	17	24	35	63
	Part-time: Men	No.	16	9	5	14
	Part-time: Total	No.	33	33	40	77
102-41	Unionized employees (% of total)	%	5,37	4,75	5,67	7,53
	Employee turnover					
	Turnover rate: Employees under the age of 30	%	4.3	5.0	4.8	5.1
	Turnover rate: Employees aged 30 to 50	%	8.5	8.0	8.8	7.7
401-1	Turnover rate: Employees over the age of 50	%	1.3	0.6	1.7	1.1
	Turnover rate: Women	%	6.8	7.3	8.1	7.6
	Turnover rate: Men	%	7.4	6.4	7.2	6.2
	Turnover rate: Total	%	14.1	13.7	15.3	13.8

Social Indicators (continued)

GRI	Indicator	Unit	2019	2018	2017	2016	External assurance
EMPLOYEES							
403	Occupational health and safety						
	Accident rate (number of work-related accidents, with time lost, per 100 employees)	%	0.74	0.79	1.12	0.75	
	Lost-day rate (number of days lost due to work-related accidents and illnesses, per 100 employees)	No.	20.0	18.4	21.3	9.6	
	Frequency rate (accidents in the workplace as a share of hours worked, excluding vacations, leave, sick days, etc.)	%	5.21	5.24	6.10	3.90	
	Absentee rate (number of days absent in the year / total scheduled workdays in the year)	%	6.68	7.40	7.92	n.a.	✓
	Number of work-related illnesses (illnesses directly caused by the employee's work)	No.	3	5	5	7	
	Number of fatal accidents (work-related accidents resulting in death)	No.	0	0	0	0	
	Average days lost due to accidents (days lost / number accidents)	No.	17.17	14.34	10.33	10.18	
	Days lost due to commuting accidents	No.	2,322	1,581	1,951	1,765	
	Days lost due to work-related accidents	No.	1,219	1,321	1,378	848	
	Days lost due to work-related illnesses	No.	890	487	860	185	
403-4	Percent of employees with representation on formal joint occupational health and safety committees	%	76	75	86	80	
404-1	Average training hours per employee	h	34,63	35,23	40,1	47,09	
	Investment in training	\$	2,524,887,701	2,745,244,590	2,651,202,312,	n.a.	
405-1	Diversity in the organization						
	Women under the age of 30	No.	813	891	1,009	1,183	
	Men under the age of 30	No.	701	674	713	771	
	Women aged 30 to 40	No.	2,163	2,297	2,472	2,626	
	Men aged 30 to 40	No.	1,697	1,750	1,794	1,795	
	Women aged 41 to 50	No.	1,460	1,412	1,488	1,513	
	Men aged 41 to 50	No.	1,187	1,140	1,173	1,227	
	Women aged 51 to 60	No.	536	425	408	456	
	Men aged 51 to 60	No.	697	671	679	725	
	Women aged 61 to 70	No.	34	23	25	17	
	Men aged 61 to 70	No.	232	165	165	157	
	Women over the age of 70	No.	1	3	3	3	
	Men over the age of 70	No.	3				
	By nationality and gender						
	Chilean women	No.	4,842	4,913	5,295	5,714	
	Chilean men	No.	4,359	4,292	4,445	4,612	
	Foreign women	No.	165	135	107	81	
	Foreign men	No.	158	111	82	66	

Social Indicators (continued)

GRI	Indicator	Unit	2019	2018	2017	2016	External assurance
EMPLOYEES							
405-1	By tenure at Bci and gender						
	Less than 3 years: Women	No.	1,272	1,657	1,888	2,182	
	Less than 3 years: Men	No.	1,432	1,602	1,665	1,721	
	3–6 years: Women	No.	1,023	674	859	1,098	
	3–6 years: Men	No.	791	504	549	648	
	6–9 years: Women	No.	987	1,049	969	837	
	6–9 years: Men	No.	685	664	595	510	
	9–12 years: Women	No.	565	524	605	596	
	9–12 years: Men	No.	363	341	421	418	
	Over 12 years: Women	No.	1,160	1,144	1,081	1,082	
	Over 12 years: Men	No.	1,246	1,292	1,297	1,381	
	Share of women in the total workforce	%	52,57	53,00	n.d.	n.d.	
	Leadership						
	Employees trained at the Bci Leadership Academy	No.	242	374	455	479	
	Participants in the Women’s Leadership Challenges Program	No.	70	n.a.	n.a.	n.a.	
	Work flexibility						
	Employees with a flex plan (total)	No.	1,101	712	400	351	
	Remote work		698	347	145	66	
	Flexible schedule		403	365	255	285	

Social Indicators (continued)

GRI	Indicator	Unit	2019	2018	2017	2016	External assurance
COMUNIDAD							
	Social investment	\$	6,822,313,496	n.a.	n.a.	n.a.	
	Cash donations	%	97.80	n.a.	n.a.	n.a.	
	Corporate volunteer work 1	%	0.20	n.a.	n.a.	n.a.	
	In-kind donations 2	%	2.00	n.a.	n.a.	n.a.	
	Administrative costs 3	%	0.35	4,413,753	1,724,532	n.a.	
	Financial inclusion						
	Users of the free MACH app (created in 2017)	No.	1,833,523	938,390	15,353	n.a.	
	MACH users who previously had no financial products	No.	151,790	75,179	579	n.a.	✓
	MACH users who are foreigners (2020 goal: 5.45% of total users)	%	4.50	3.70	n.d.	n.a.	✓
	Share of microbusiness loans to women, by number	%	54.31	53.11	53.71	52.33	✓
	Share of microbusiness loans to women, by amount	%	51.49	49.35	49.17	47.13	✓
	Share of immigrants in the Bci microbusiness loan portfolio	%	12.16	11.89	10.40	n.a.	✓
	Total value of loans to immigrants	\$	4,229,632,841	5,391,989,699	4,792,968,217	n.a.	✓
	Senior customers trained to use digital platforms	No.	165	n.a.	n.a.	n.a.	
	Financial education						
	Unique users of the Bci blog Con Letra Grande	No.	1,428,687	743,463	224,647	533,068	
	Visits to the Yo Me Educo website (created for employees of businesses under an agreement with Bci)	No.	3,886	n.a.	n.a.	n.a.	
	In-person talks by Bci executives	No.	127	n.a.	n.a.	n.a.	
	Corporate citizenship						
	Cultural events sponsored in the year	No.	45	40	20	n.a.	
	People who visited the Bci art collection on National Heritage Day	No.	78	104	113	n.a.	
	Attendees at events sponsored by the Bank (estimate)	No.	1,600,000	786,000	882,750	n.a.	

Note on employees by region:
The Ñuble Region was created in September 2018, comprising three provinces (Diguillín, Punilla, and Itata) and 21 towns that were previously part of the Bío Bío Region. The new regional capital is Chillán.

Notes on social investment

(1) Volunteer: hourly cost of employees' volunteer work.

(2) In-kind: in-kind donations, valued at cost.

(3) Administrative costs: includes salaries, consulting fees, and administrative expenses.

Environmental Indicators

GRI	Indicator	Unit	2030 Goal	2020 Goal	Baseline	2019	2018	2017	2016	2015	2014	Cobertura	External assurance
302-1	Energy intensity ¹	kWh/m ²	50% reduction from the baseline	-1.5%	2014	137,5	139,1	156,4	168,2	172,8	182,2	100%	√
303-5	Water use intensity	m ³ /m ²	50% reduction from the baseline	-3.3%	2017	1,77	2,23	2,07	n.a.	n.a.	n.a.	28% ²	√
305	Carbon footprint	tCO ₂ e	Reduce or offset 100% of emissions	-6%	2017	17,981	22,815	23,824	n.a.	n.a.	n.a.		√
	Total Scope 1	tCO2e				871	862	941	n.a.	n.a.	n.a.		
	Fixed-source emissions	tCO2e				390	482	490	n.a.	n.a.	n.a.		
	Fugitive emissions ³	tCO2e				481	380	451	n.a.	n.a.	n.a.		
	Total Scope 2: Market-based method	tCO2e				5,647	9,925	9,987	n.a.	n.a.	n.a.		
	Total Scope 2: location-based method	tCO2e				9,180	10,252	9,987	n.a.	n.a.	n.a.		
	Total Scope 3	tCO2e				11,463	12,028	12,896	n.a.	n.a.	n.a.	100%	
	Purchased inputs and services	tCO2e				1,484	1,448	1,480	n.a.	n.a.	n.a.		
	Fuel manufacturing	tCO2e				57	76	80	n.a.	n.a.	n.a.		
	Waste and recycling ⁴	tCO2e				140	1	2	n.a.	n.a.	n.a.		
	Business travel	tCO2e				1,647	2,418	2,816	n.a.	n.a.	n.a.		
	Employee transportation	tCO2e				6,893	6,657	7,005	n.a.	n.a.	n.a.		
	Downstream transportation and distribution	tCO2e				24	41	59	n.a.	n.a.	n.a.		
	Use of products sold	tCO2e				1,218	1,387	1,455	n.a.	n.a.	n.a.		
	Waste											5	
306-2	Total non-recovered non-hazardous waste	kg				228,935	n.a.	n.a.	n.a.	n.a.	n.a.		
	Total recovered non-hazardous waste	kg		+7.5%		48,699	45,057	69,942	n.a.	n.a.	n.a.		

(1) Incluye solo consumo de electricidad.
(2) Consumo de edificios corporativos
(3) 2017 no incluye R-141 ni R-134. Estos gases se incorporaron en la medición de 2018 y 2019.
(4) 2019 es mayor porque se consideraron residuos de casinos de edificios. En los años anteriores no se contaba con esta información.
(5) Actividades en edificios corporativos.

Corporate Governance

GRI	Indicator	Unit	2019	2018	2017	2016	External assurance
102-22	Composition of the Board						
	Number of board members	No.	9	9	9	9	
	Number of non-executive board members	No.	9	9	9	9	
	Number of outside board members, pursuant to Article 50 bis of the Corporations Law (1)	No.	2	2	2	2	
	Number of board members who have been employed by the Bank at the executive level in the last five years	No.	8	n.a.	n.a.	n.a.	
	Number of board members who do not have family members who were employed by the Bank or one of its subsidiaries at the executive level in the last three years	No.	6	n.a.	n.a.	n.a.	
	Number of board members who have not been a partner or employee of the company's independent auditor in the last three years	No.	9	n.a.	n.a.	n.a.	
	Number of board members who do not have any other sort of conflict of interest that the Board deems would compromise their independence	No.	9	n.a.	n.a.	n.a.	
	Number of women on the board	No.	1	1	1	1	
	Board meeting attendance						
	Number of ordinary board meetings	No.	12	12	12	12	
	Number of extraordinary board meetings	No.	4	5	10	2	
	Average attendance at ordinary board meetings	%	98	97	98	n.a.	
	Average attendance at extraordinary board meetings	%	94	93	92	n.a.	
	Board committees						
	Number of board committees (including the Directors Committee)	No.	7	7	7	7	
	Total board committee meetings	No.	128	132	135	133	
	Director Committee (constituted pursuant to Art. 50 Bis of the Chilean Corporations Law)						
	Number of board members on the Directors Committee	No.	3	3	3	3	
	Number of outside board members on the Directors Committee	No.	2	2	2	2	
	Number of Directors Committee Meetings	No.	25	25	28	28	
	Average attendance at Directors Committee Meetings	%	99	99	n.a.	n.a.	
102-17	Diversity in management						
	Women in management positions (% of total management positions)	%	12,5	14,4	15,7	n.a.	✓
	Mechanisms for advice and concerns about ethics						
	Confidential channels						
	Bci Te Escucha (work-related complaints; managed by the Human Resources Division)	No.	48	38	56	33	
	¿Qué Hago? (employee questions and complaints to the Ethics Committee)	No.	100	49	82	46	
	Fraud prevention (reports of bad practices and potential fraud; managed by the Operational Risk Division)	No.	123	245	126	72	
	Criminal Risk Prevention and Free Competition (questions and complaints on possible cases of money laundering, terrorist financing, and other crimes under Law 23,393; managed by the Corporate Compliance and Prevention Division).	No.	27	47	47	107	



GRI Content Index 2019



_Contents

General disclosures

General disclosures

General disclosures	114
Organizational Profile	117
Strategy	117
Ethics and Integrity	118
Corporate Governance	120
Stakeholder Engagement	120
Reporting Practices	

Specific disclosures

Economic Topics

Fight against Corruption	123
Transparency	123
Customer Satisfaction	124
Cybersecurity	124
Digital Transformation	125
Product Innovation	125

Environmental Topics

Climate Strategy	126
Responsible Investment	126
Sustainable Products and Services	126
Operational Eco-efficiency	127

Social Topics

Attraction and Retention of Talent	128
Diversity and Equal Opportunity	129
Financial Inclusion	129
Corporate Citizenship	129
Human Rights	130

External Assurance	131
---------------------------	------------

General Disclosures

>

General Disclosures

Organizational Profile

102-1

Name of the organization

Banco de Crédito e Inversiones, Bci

102-2

Activities, brands, products, and services

Bci is a private financial corporation that offers a wide range of products and services to individuals, microbusinesses, small and medium-sized enterprises, corporations, and institutions, through specialized business units and subsidiaries that are connected to a global network..

+

FOR MORE INFORMATION, SEE PP. 17 AND 54.

102-3

Location of headquarters

Santiago, Chile.
Headquarters address: El Golf 125, Las Condes.

102-4

Location of operations

Bci has subsidiaries in Chile and the United States (in the state of Florida) and representative offices in Mexico, Brazil, Colombia, Peru, and China.

+

FOR MORE INFORMATION, SEE P. 18.

102-5

Ownership and legal form

Bci is an open corporation. The Yarur family has been involved in its ownership since the Bank was founded in 1937.

Ownership distribution

(December 2019)

Controlling group: 63.56%
Free float: 27.06% Pension funds: 9.38%

The Bank’s subscribed and paid-up capital is divided into 141,616,409 registered shares, in a single series with no face value.

+

FOR A LIST OF MAJOR SHAREHOLDERS ON 31 DECEMBER 2019, SEE P. 28.

102-6

Markets served

Bci participates in all the business areas and financial operations allowed under the Chilean General Banking Law, through its Retail Banking, Wholesale Banking, and Finance Divisions and its subsidiaries in Chile and the United States. It also has foreign representative offices and a network of correspondent banks, to be able to offer financial solutions with a global reach.

+

FOR MORE INFORMATION, SEE PP. 54–70.

102-7

Size of the organization

With total consolidated assets of Ch\$50.3 billion, including overseas operations, Bci is the largest Chilean bank as of year-end 2019. At the local level, excluding foreign assets, it is the second-largest bank in the country, measured by assets, and the largest measured by loan volume.
Bci has 12,172 employees in Chile and overseas.

The Bank’s service network in Chile includes 236 branches, 41 commercial platforms, and one auxiliary branch (located in Antarctica), as well as 1,084 automated teller machines (ATMs).

+

FOR MORE INFORMATION, SEE P. 92.

102-8

Information on employees and other workers

+

SEE P. 107

102-9

Supply chain

Bci suppliers in 2019
Total suppliers: 1.292
Permanent suppliers: 629
Other suppliers: 663

Permanent suppliers	Number	Other suppliers	Number
Critical	25	Rentals	298
Major	13	Indirect	50
Important	146	Occasional	168
Non-critical	253	No purchases	147
Other	192	Subtotal	663
Subtotal	629		

(1) Classification criteria

- 1. Critical suppliers: Suppliers of critical services, as defined by the Criticality Assessment established in Chapter 20-7 of the banking regulations, on outsourcing activities.
- 2. Major suppliers: Suppliers of significant but somewhat less critical services, as defined by the Criticality Assessment established in Chapter 20-7 of the banking regulations, on outsourcing activities.
- 3. Important suppliers: Suppliers with a current contract who provide and invoice a significant level of products or services on a regular basis.
- 4. Non-critical suppliers: Suppliers with a current contract who provide products or services on a regular basis.

Breakdown of suppliers

By area	Number	Por origin	Number
General	306	National	1.251
Real estate	508	Foreign	41
Marketing	131		
Operations	127		
Technology	220		

102-10

Significant changes in the organization and its supply chain

In December 2018, Bci bought 100% of the financial business subsidiaries of Walmart in Chile. The total personnel of these companies, mostly related to the Lider-Bci credit card business, was 1,685 people in 2019, which is similar to the level before the acquisition.

Company	2019	2018
Servicios Financieros S.A	134	113
Serco SSFF Ltda	1,235	1,311
SEYCO Ltda	239	257
Administradora SSFF Ltda.	56	56
Corredores Seguros Lider Bci	21	21
Total Servicios Financieros	1,685	1,758

+ FOR INFORMATION ON SERVICIOS FINANCIEROS, SEE P. 65.

102-11

Precautionary principle or approach

In line with the objective of promoting and contributing to the transition toward a low-carbon economy, Bci launched an Operational Eco-efficiency Plan in 2018, with goals through 2030.

+ FOR MORE INFORMATION, SEE PP. 87-88.

102-12

External initiatives

Green Agreement
mfv.hacienda.cl

The Green Agreement is a voluntary commitment between the financial sector, the government, and regulators, which defines general principles on climate change opportunity and risk management, to serve as guidelines for decisionmaking by the signatories, and makes a commitment to achieving concrete actions in this area. This agreement aims to contribute to financial stability and the fulfilment of the country's climate commitments. The commitment, spearheaded by the Finance Ministry, was signed by Bci Asset Management AGF in December 2019.

Global Compact
www.pactoglobal.cl

The Global Compact is an initiative of the United Nations (UN), signed by over 10,000 companies around the world. It was officially launched in 2000, following a call by then-Secretary-General, Kofi Annan, at the World Economic Forum in Davos, Switzerland, in 1999. It thus became the first international organization dedicated to examining critical issues related to sustainability. Bci signed the Global Compact in 2007, formally adhering to its principles.

Chile Transparente
www.chiletransparente.cl

Chile Transparente is the Chilean chapter of Transparency International. Its mission is to provide substantial support to the fight against corruption and bad practices in the country, promoting the creation of a culture of probity and transparency. Bci joined this initiative in 2014.

102-13

Membership of Associations

Memberships in 2019	
Guillermo Subercaseaux Institute of Banking Studies	www.isubercaseaux.cl
Chile Pacific Foundation	www.funpacifico.cl
Chilean-North American Chamber of Commerce (AmCham)	www.amchamchile.cl
Asociación Empresas Familiares (Chilean Family Business Association)	www.aef.cl
Unión Social de Empresarios (USEC)	www.usec.cl
Acción	www.accionempresas.cl
Fundación Generación Empresarial	www.generacionempresarial.cl
Centro de Estudios para el Desarrollo (Center for Development Research)	www.ced.cl
Chilean International Relations Council	www.consejochileno.cl
Chilean Chamber of Construction (CChC)	www.cchc.cl
Valparaíso Regional Chamber of Commerce	www.crcpvalpo.cl
Chile Transparente, Chilean chapter of Transparency International	www.chiletransparente.cl
Global Compact	www.pactoglobal.cl
Atacama Regional Development Corporation	www.corproa.cl
PROhumana	www.prohumana.cl
Chilean-Chinese Chamber of Commerce (Chicit)	www.chicit.cl
Icare (Chilean Institute for Rational Business Management)	www.icare.cl
City of Concepción Chamber of Commerce and Production	www.cpcc.cl
Chilean-Peruvian Chamber of Commerce	www.camarachp.cl

Monetary contributions

Total monetary contributions in 2019		\$483,787,942
Memberships in business associations and chambers of commerce		44.82%
Research and academic institutions		55.18%

Main beneficiaries

Guillermo Subercaseaux Institute of Banking Studies, an educational entity founded in 1929 on the initiative of the Central Bank of Chile. Members have access to training programs, including courses and scholarships for educational continuity.

Chilean-North American Chamber of Commerce (Amcham), an association representing sectors and companies with business and investments in Chile and the United States. Membership provides opportunities for participating in the promotion of trade relations, investments, and bilateral relations between the two countries, based on a comprehensive perspective. As an active member, Bci has been successful in generating and exchanging new business ideas and implementing best practices and spaces for producing information, connections, and representation on key issues, such as cybersecurity

Chilean Family Business Association (AEF). The Family Business Association generates meeting spaces for debating and sharing best practices and experiences on family business issues and discussing the latest trends in this field. Bci has been able to expound its viewpoint on the challenges facing family businesses and their importance in the development of Chile, anchored on the values of trust, respect, and cooperation

Chile Pacific Foundation, a public-private organization that promotes Chile’s trade interests in the Asia-Pacific Economic Cooperation (APEC). The Foundation organizes and coordinates the content of the APEC Business Council meeting, between economic leaders of the member countries. Bci’s participation on the board represents an opportunity to understand and influence the main commercial development issues related to the primary foreign trade corridor for Chile and, therefore, for our customers.

Strategy

102-14 Statement from senior decisionmakers

The 2019 Bci Integrated Annual Report includes a Letter from the Chairman, Luis Enrique Yarur, on pages 4–6.

102-15 Main risks

The main risk factors affecting Bci’s business activities are credit risk, financial risk, and operational risk. The mitigation measures and main achievements in 2019 are described on page 100 of this Annual Report.

Riesgos emergentes

The Bank has identified the following new and growing risks:

Riesgo	Mitigación
Cyberattacks	Cybersecurity strategy and program
Cybersecurity strategy and program	Recognition of customers’ digital identity and the prevention of digital fraud
Pandemic	Business continuity plan
Impact of the digital transformation on the economy	Loan portfolio monitoring by economic sector and deterioration analysis
Personal data protection	Personal data protection program, involving data governance, computer security, technology risk and information security, compliance, and involvement of first-line management; includes certification
Social contingency	Business continuity plan
Terrorism	Security and business continuity plan
Climate change	Sustainability plan
Predicate offences, with criminal implications for the Corporation and its employees	Corporate criminal risk prevention and certification program
Corruption offenses, including overseas, for the application of the FCPA in the United States	Corporate criminal risk prevention and certification program
Consumer rights violations	Corporate consumer rights protection program and SERNAC certification
Risk from use of quantitative models for decisionmaking and risk management	Corporate program for the defense of free competition
Riesgo por la utilización de modelos cuantitativos en la toma de decisiones y en la gestión del riesgo	Policy and governance framework involving management and the Board; separation of duties and cross-control between the model development, monitoring, and validation areas

Ethics and Integrity

102-16 Values, principles, standards, and norms of behavior

The Bci Code of Ethics, available on the corporate website, was revised in 2018 to incorporate emerging issues and new stakeholder needs.

One of the diffusion activities carried out in 2019 was Verdict Dynamics, a program moderated by former managers with a long history at the Bank.

+

FOR INFORMATION ON THIS AND OTHER AREAS OF ETHICAL MANAGEMENT, SEE PAGE. 39

102-17 Mechanisms for advice and concerns about ethics

Bci operates four confidential reporting channels, open 24 hours a day, to receive questions, information, or complaints.

+

FOR A DESCRIPTION AND INFORMATION ON THE LAST FOUR YEARS, SEE PAGE 40.

Corporate governance

102-18

Governance structure

Bci's corporate governance is led by the Board of Directors, whose nine members are elected by the shareholders at the Ordinary Shareholders' Meeting. The Board has seven Board committees to analyze specific issues within its jurisdiction. At the next level, management committees and councils meet regularly to analyze the course of business and assess progress on the strategic plans.

 THE ORGANIZATIONAL CHART IS PRESENTED ON P. 32

102-19

Delegation of authority

The Bci Board of Directors delegates the management of the Bank to the Chief Executive Officer, whose duties and powers include directing and developing the activities, businesses, and operations that are permitted under current banking legislation or that may be authorized in the future.

At the executive level, the CEO meets with the senior management team to discuss the course of business and the status of strategic plans, using a Balanced Scorecard approach so as to ensure the achievement of corporate objectives.

 FURTHER INFORMATION ON THE BCI CORPORATE GOVERNANCE MANUAL IS AVAILABLE ON THE CORPORATE WEBSITE ([HTTPS://WWW.BCI.CL/INVESTOR-RELATIONS/MANUALES-Y-POLITICAS/FILES/MANUAL-DE-GOBIERNO-CORPORATIVO](https://www.bci.cl/investor-relations/manuales-y-politicas/files/manual-de-gobierno-corporativo)).

102-20

Executive-level responsibility for economic, environmental, and social topics

The Board has approved the constitution of the different Board Committees. Of these, the Executive Committee and the Sustainability Committee are directly involved in the analysis of economic, environmental, and social topics. The Bank personnel in charge of these areas regularly report to these Committees. In addition, the Bank has teams dedicated to managing these issues in the International and Corporate Development Division.

102-21

Consulting stakeholders on economic, environmental, and social topics
Bci's 2019–2021 Sustainability Plan was defined taking into account the opinions of internal and external stakeholders, the Bank's business strategy, and industry best practices.

During the year, the Sustainability Committee, which is headed by the Chairman of the Board of Bci and includes four additional Board Members, met four times to review this plan.

 FOR MORE INFORMATION, SEE P. 46

102-22

Composition of the highest governance body and its committees

The Corporate Governance chapter of this Annual Report lists the Board Members and the Board Committees. The Additional Information section summarizes the members' past experience and describes the activities of each committee.

The committees include the Directors Committee, constituted pursuant to Article 50 Bis of the Chilean Corporations Law. The committee must include at least one outside board member who meets the requirements for independence established in the law, namely:

A board member will not be considered independent if he or she has, at any time in the last eighteen months, experienced any of the following:

1) Held any sort of financial, professional, credit, or business association, interest, or dependence of a significant nature or volume with the company, the other companies in the group to which the company pertains, its parent company, or any of the principal officers of any of the above; or has served as a board member, executive, manager, principal officer, or consultant thereof.

2) Had a kinship relationship by blood or marriage up to the second degree, with any of the people indicated above in point (1).

3) Served as a board member, executive, manager, or principal officer of a nonprofit

organization that has received significant support, contributions, or donations from the people indicated above in point (1).

4) Been a partner or shareholder that directly or indirectly owned or controlled 10% or more of capital of—or been a board member, executive, manager, or principal officer of—entities that have provided a material level of legal services, consulting, or external auditing services to the people indicated above in point (1).

5) Been a partner or shareholder that directly or indirectly owned or controlled 10% or more of capital of—or been a board member, executive, manager, or principal officer of—the main competitors, suppliers, or customers of the company.

In order to be elected as an outside board member, the candidates must be nominated by shareholders who control 1% or more of the company's shares, at least ten days before the date of the shareholders meeting scheduled for the election of the board members.

Two members of the Bci Board of Directors meet these requirements and sit on the Directors Committee. Additionally, these and other Board Members meet some of the independence requirements established by RobecoSAM for the construction of the Dow Jones Sustainability Index, which include the following:

(1) Independent board members must meet at least two of the following three requirements:

1. The board member must not have been employed by the company in an executive position in the last five years.
2. The board member must not have accepted, or have a family member that has accepted, a payment in excess of US\$ 60,000 from the company or from a parent or subsidiary company in the current fiscal year or any of the last three fiscal years, unless permitted under Rule 4200 of the SEC.
3. The board member must not be a family member of an individual who is currently employed, or who has been employed in the last three years, in an executive position by the company or by a parent or subsidiary company.

(2) Independent board members must meet at least two of the following six requirements:

1. The board member must not be (and must not be affiliated with a company that is) a consultant or advisor to the company or a member of the company's senior management.

2. The board member must not be affiliated with an important customer or supplier of the company.
3. The board member must not have a personal service contract(s) with the company or a member of the company’s senior management.
4. The board member must not be affiliated with a nonprofit organization that receives significant contributions from the company.
5. The board member must not have been a partner or employer of the company’s external auditor in the last three years.
6. The board member must not have any other conflict of interest that the board itself deems to compromise independence.

102-23

Chair of the highest governance body

The Chairman of the Board of Bci, Luis Enrique Yarur, does not hold any management position within the Bank. The Bci Corporate Governance Manual expressly states that the position of Chief Executive Officer cannot be held by the Chairman of the Board or by anyone who is a Board Member, auditor, or accountant in the organization.

102-24

Nominating and selecting the highest governance body

Board members are elected by the shareholders at the Ordinary Shareholders’ Meeting. They are voted in individually for a period of three years, after which they can be reelected.

102-25

Conflicts of interest

The Bci Code of Ethics defines conflicts of interest as undue influence or actions in which employees, in performing their jobs, put their own individual interests above those of Bci Corporation. The code describes situations, provides guidelines, and suggests consulting the Ethics Committee if there are any doubts in this area.

The Directors Committee is responsible for resolving conflicts of interest, in the event they arise.

For information on other positions held by the Board Members, see page 93; on the ownership share of the controlling shareholder, see page 29.

102-26

Role of the highest governance body in setting purpose, values, and strategy

The Bci Board of Directors has established seven Board committees, made up of Members of the Board, which meet periodically to propose, analyze, and control specific issues within the Board’s jurisdiction, as the Bank’s highest governance body.

+

FOR INFORMATION ON THE ACTIVITIES OF THE BOARD COMMITTEES, IN 2019 SEE P. 98

102-27

Collective knowledge of the highest governance body

In 2019, Bci’s Board Members participated in seminars on topics such as cybersecurity and the revisions to the General Banking Law and to Law 19,496 on consumer rights protection.

102-28

Evaluating the highest governance body’s performance

The Board conducts an annual self-assessment of its functioning and its compliance with corporate governance standards, in order to consolidate best practices and propose actions to generate any changes deemed necessary.

- The Board analyzes the results of the self-assessment and adopts agreements to implement the improvements, proposals, or suggestions that have been put forth and approved by majority vote.
- In the 2019 self-assessment, the Board Members agreed on the following:
- The Finance and Risk Committee will review the planning strategy in relation to the Basel III standards and will report their findings to the Board.
 - Information on emerging risks will be included at meetings of the Finance and Risk Committee.

102-29

Identificación y gestión de impactos económicos, ambientales y sociales

En Bci, siete comités integrados por directores analizan periódicamente temas específicos relacionados con aspectos económicos, ambientales y sociales.

+

FOR INFORMATION, SEE P. 34

102-30

Effectiveness of risk management processes

+

FOR A DESCRIPTION OF THE RISK GOVERNANCE STRUCTURE, PRIORITIES, MECHANIS-MS, AND ACHIEVEMENTS IN 2019, SEE P. 42

102-32

Review of economic, environmental, and social topics

The Sustainability Committee met four times in 2019 to evaluate the status on programs in this area.

102-33

The highest governance body’s role in sustainability reporting

The Bci Integrated Annual Report is reviewed and approved by all the Board Members.

102-35

Remuneration policies

The Board’s People and Culture Committee is responsible for establishing general remuneration and compensation policies for the company’s various groups of stakeholders, without prejudice to the powers vested in the Chairman of the Bank or the Directors Committee, which are responsible for examining the remuneration and compensation of senior management.

102-36

Process for determining remuneration

The compensation structure for the Board Members is approved at the Annual Ordinary Shareholders’ Meeting, based on a mixed scheme that includes both fixed and variable components.

+

FOR MORE INFORMATION, SEE P. 97

Stakeholder Engagement

102-40

Lista de grupos de interés

- Customers
- Employees
- Shareholders and investors
- Suppliers
- Communication media
- Nongovernmental organizations (NGOs)
- Sustainability organizations
- Associations
- Universities

102-41

Collective bargaining agreements

Share of employees covered by collective bargaining agreements	2019	2018	2017	2016
Porcentaje	5.37	4.75	5.67	7.53

102-42

Identifying and selecting stakeholders

Bci periodically carries out stakeholder mapping and analysis, as part of its stakeholder relations strategy.

Reporting Practice

102-45

Entities included in the Consolidated Financial Statements

See Note 1 of the Bci Consolidated Financial Statements for 31 December 2019.

102-46

Defining report content and topic boundaries

The structure and contents of the 2019 Bci Integrated Annual Report reflect the objective of reporting on the Bank’s financial and nonfinancial performance to all its stakeholder groups. The materiality assessment carried out to elaborate the 2019–2021 Sustainability Plan provided the basis for identifying and prioritizing the topics included in this Report.

The main activities of the materiality process included the following:

- In-depth review of Bci’s strategy, to identify important and emerging topics;
- Review of external studies on the banking sector and general business activity;
- Survey of internal stakeholders (senior and middle management) to identify significant issues;
- Survey of external stakeholders to prioritize the identified topics; and
- Review and approval by the Board.

The Materiality Matrix included in this Report reflects the relative importance of the 17 material topics identified, taking into account stakeholders’ perception and the business impact

102-47

Lista de los temas materiales

- Anti-corruption and money laundering
- Transparency and best corporate practices
- Customer satisfaction (CRM)
- Cybersecurity and information protection
- Digital transformation
- Innovation in products and services
- Employee management, retention, and satisfaction
- Talent attraction
- Responsible lending and financing
- Labor relations strategy
- Stakeholder involvement in our business development
- Internationalization of the business
- Diversity and inclusion as a source of innovative talent
- Financial inclusion and accessibility
- Corporate citizenship strategy and programs
- Human rights
- Participation of majority shareholders in first- and second-line management

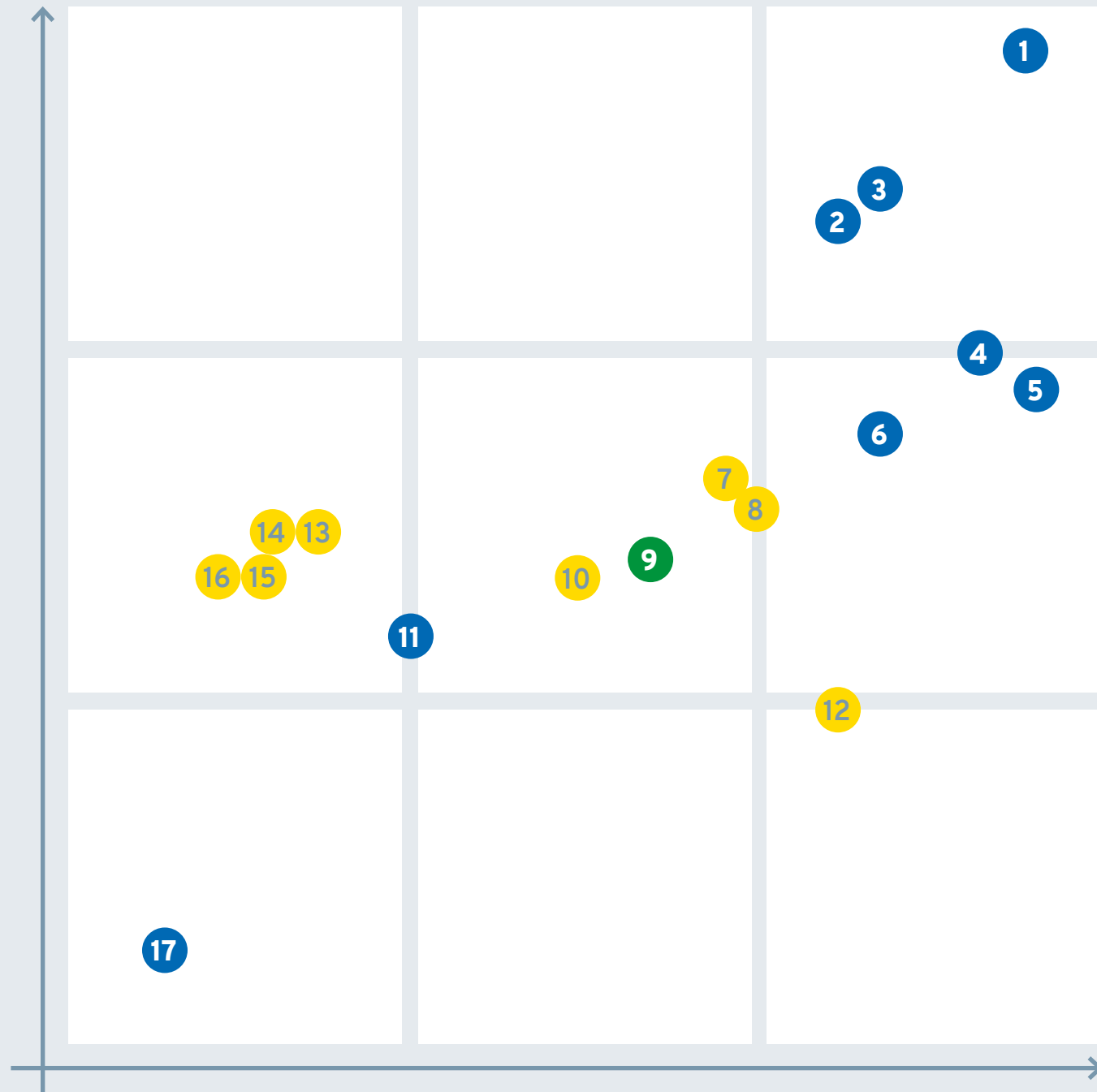
Matriz de Materialidad

- Economic topics
- Social topics
- Environment topics

- 1. Anti-corruption and money laundering
- 2. Transparency and best corporate practices
- 3. Customer satisfaction (CRM)
- 4. Cybersecurity and information protections
- 5. Digital transformation
- 6. Innovation in products and services
- 7. Employee management, retention, and satisfaction
- 8. Talent attraction
- 9. Responsible lending and financing
- 10. Labor relations strategy
- 11. Stakeholder involvement in our business development
- 12. Internationalization of the business
- 13. Diversity and inclusion as a source of innovative talent
- 14. Financial inclusion and accessibility
- 15. Corporate citizenship strategy and programs
- 16. Human rights
- 17. Participation of majority shareholders in first- and second-line management



Stakeholder
interest



Impact
on the
business



102-48

Restatements of information

There have been no material changes in the presentation of the information included in this Annual Report.

102-49

Changes in reporting

Since 2015, Bci has published an integrated annual report, which includes social and environmental content, as well as economic information.

102-50

Reporting period

January to December 2019.

102-51

Date of most recent report

2018

102-52

Reporting cycle

Annual

102-53

Contact point for questions regarding the report

Antonella Sassi
Head of Sustainability
Communications and Sustainability Division
antonella.sassi@bci.cl

102-54

Claims of reporting in accordance with the GRI Standards

Core option.

102-55

GRI content index

This document is structured in accordance with the GRI content index.

102-56

External assurance

The consulting firm Corporate Citizenship audited some of the nonfinancial information in the 2019 Bci Integrated Annual Report in accordance with GRI Principles for Defining Report Quality.

+

DETAILS ARE PROVIDED IN THE INDEPENDENT AUDITOR'S REPORT INCLUDED IN THIS CHAPTER.

Specific Disclosures

>

Economic topics

205
Fight against corruption

103-1
Explanation of the material topic and its scope

At the international level, it is necessary to impede the use of the financial system and other sectors of the economy to legitimize illegally obtained resources, through money and asset laundering.

In Chile, the mechanisms for the prevention, detection, control, investigation, and prosecution of the crime of asset laundering are stipulated in Law 19,913, Law 20,393 on the criminal responsibility of legal persons, and Law 21,121, published in 2018, which—in addition to the crimes of bribery of national or international public employees or officials, asset laundering, terrorist financing, and receiving, covered under Law 20,393—added four new crimes: inappropriate business practices, private corruption, misappropriation, and improper management. In addition to complying with the legal regulations, Bci upholds integrity as one of its core corporate values. This implies prioritizing honesty, ethics, and transparency in all actions.

103-2
The management approach and its components

The unit responsible for overseeing compliance with the regulations governing the Corporation’s activities is the Corporate Compliance and Prevention Division. One of the division’s main responsibilities is to implement measures to detect, monitor, and report unusual or suspicious operations that could be associated with possible cases of money laundering, terrorist financing, or any of the other crimes covered under the laws on the criminal responsibility of legal persons (laws 19,913 and 20,393).

+

FOR MORE INFORMATION, SEE P. 41.

103-3
Evaluation of the management approach

Bci operates four reporting confidential reporting channels, open 24 hours a day, for receiving questions, information, or complaints. These include the Criminal Risk Prevention and Free Competition Hotline, which is available for employees, customers, and suppliers to report or ask about possible instances of money laundering, terrorist financing, bribery, corruption, or issues related to free competition. The hotline is managed by the Corporate Compliance and Prevention Division.

+

FOR MORE INFORMATION, SEE P. 40

205-2
Communication and training about anti-corruption policies and procedures

The 2019 annual training and diffusion plan carried out by the Corporate Compliance and Prevention Division included the following activities:

- In-person classes on compliance, taught throughout the year, with regularly scheduled classes in the different areas as well as special classes to address specific needs;
- Diffusion of compliance and ethics management in all the Bank’s induction courses;
- Training of all managers and supervisors in the corporation, as part of the program for the defense of free competition;
- Regularly published bulletins on compliance issues;
- Working sessions in the branch network to address issues such as money laundering prevention, Know Your Customer (KYC) procedures, and the investigation of alert signals related to predicate offenses associated with money laundering, terrorist financing, and bribery; and
- Development of training courses for the new Risk School initiative, which comprises 12 modules with varying levels of instruction, on topics such as the prevention of money laundering, terrorist financing, bribery and criminal risk, free competition, compliance with FATCA and CRS regulations, and, in the case of Financial Division units, issues related to compliance with international regulations and codes of conduct, including Dodd-Frank and EMIR.

Transparency

103-1
Explanation of the material topic and its scope

Trust, transparency, security, and good faith are the foundation of the activities, businesses, and services that are carried by banks. They are also the cornerstone of customer relationships.

103-2
The management approach and its components

Bci considers transparency to be critical for establishing long-term relationships with our customers. To manage this aspect, we have implemented a wide range of initiatives and programs, along three dimensions: information, education, and counseling. The Bci Sustainability Plan has two objectives in this area: to generate trust and transparency through information and counseling; and to maintain secure platforms, so as to safeguard our customers’ information. To protect customers’ data, the Bank applies the measures stipulated in the Bci Privacy Policy (see <https://www.bci.cl/corporacion/politicas-de-privacidad>)

103-3
Evaluation of the management approach

+

FOR INFORMATION ON THE BCI FINANCIAL EDUCATION PROGRAMS, SEE P. 83

Customer Satisfaction

103-1 Explanation of the material topic and its scope

One of Bci’s strategic objectives is the delivery of personalized customer experience, based on innovation and the development of the ecosystem.

103-2 The management approach and its components

In the Bci strategy, the customer has always been at the center, but in the last few years, the Bank has progressed from having only strategic objectives in relation to the customer, to ensuring that every step we take is oriented toward meeting and satisfying the customer’s needs.

The Bank’s digital transformation has opened up the possibility of providing scalable services tailored to the demands of each customer and allowing the customers, in turn, to be able to access these products and services at any time and by any means: mobile apps, banking, telephone, internet, or physical branches.

Customer experience management seeks to ensure, as well, an agile and timely response to requests or complaints. In this regard, the focus is on resolving as many requests as possible on the first contact, and tools have been incorporated in the branches to allow account executives to resolve online requests as soon as they are received.

103-3 Evaluation of the management approach

In 2019, the Bank built a panel of experience indicators incorporating customer evaluations from all the different channels, which will be monitored monthly in relation to the established goals. In 2020, a new overall customer satisfaction index will be defined. For that reason, the evaluation is not included in this Annual Report.

Cybersecurity

103-1 Explanation of the material topic and its scope

In the 2019 Global Risks Report, published by the World Economic Forum, fraud or data theft and cyberattacks are the fourth and fifth most important risks, respectively, in terms of probability of occurrence.

Chile has a National Cybersecurity Policy, introduced in 2017. Moreover, banking industry has issued regulatory guidelines that incorporate cybersecurity as a key factor in operational risk management and also include the issue in financial education activities.

With the entry into force, in January 2019, of Law 21,130 modernizing bank legislation, the Chilean Financial Market Commission (FMC) opened a public consultation in November on a new regulation on information security and cybersecurity management.

103-2 The management approach and its components

The Bank implements an information and cybersecurity strategy based on industry best practices. It is founded on a comprehensive management program, whose main component is the general information security policy approved by the Executive Committee of the Board. This is complemented by a manual of rules and specific controls; a security culture program aimed at employees, customers, and suppliers; continuous vulnerability analysis programs; and an organizational structure based on specialized areas, including a cybersecurity management division created to support the existing units involved in security controls and the specialized management of these risks. The Bank has an Information Security and Technology Risk Committee, made up of representatives of different areas of the Bank, which is in charge of ensuring that the internal guidelines are updated to incorporate new risks and threats, executing and monitoring the annual security plan, and verifying compliance with the specific policies.

+

ADVANCES IN THIS AREA ARE DESCRIBED UNDER OPERATIONAL RISK MANAGEMENT, ON P.102

103-3 Evaluation of the management approach

Given the nature of the risks, this information is confidential.

Product Innovation

103-1 Explanation of the material topic and its scope

Bci aspires to be a regional leader in innovation, and one of our priorities in this direction is to develop an outstanding customer experience. This implies simplifying the interaction with our customers, looking to establish fast, simple processes, based on innovation.

103-2 The management approach and its components

Bci created its own innovation accelerator, Bci Labs. This unit works as an internal ally that discovers, connects, and integrates solutions from the fintech ecosystem with the needs of the Bank’s customers.

Part of their work is to generate disruptive innovations, like MACH, which gives access to financial products to people who do not otherwise have access to banking services.

103-3 Evaluation of the management approach

+

FOR A SUMMARY OF ACHIEVEMENTS IN INNOVATION, SEE P.53

Digital Transformation

103-1

Explanation of the material topic and its scope

Advances in digital transformation have allowed Bci to evolve from a segment-based service model to one centered on people, using a holistic approach.

103-2

The management approach and its components

The Bci Board of Directors has an Innovation and Technology Committee, which is responsible for reviewing and approving the Bank’s technological strategy and architecture; the innovation ecosystem and plan proposed by the Office of the CEO; and the annual investment plan for short- and medium-term investments in operations and technology. At the same time, the Committee ensures that all of these areas are in line with the Bank’s business strategy.

103-3

Evaluation of the management approach



FOR A SUMMARY OF THE MAIN ACHIEVEMENTS IN THE BCI TRANSFORMATION PROCESS, SEE P. 53

Internacionalización

103-1

Explanation of the material topic and its scope

Internationalization is one of Bci’s main strategic focuses, with the following objectives:

- To support our personal and business banking customers in their regional expansion, through a solid platform of products and services;
- To diversify operations geographically into high-growth markets, exporting the Bci service model; and
- To consolidate and maximize the profitability of the international business platform, with a focus on Florida.

Bci’s internationalization process, which started with the installation of the Bci Miami branch, is 20 years old in 2019. Bci is currently the only Chilean bank with a presence in the U.S. market, through City National Bank, Bci Miami, and Bci Securities. The Bank has subsidiaries, branches, and representative offices in seven countries and agreements with the main correspondent banks in the world, so as to provide comprehensive services to fully meet our customers’ international needs.

103-2

The management approach and its components

Bci’s growth strategy, especially in the United States, the Andean region, and Asia-Pacific, is headed by the Corporate and International Development. The main objectives are as follows:

- To strengthen Bci’s businesses, through its representative offices, the Bci Miami branch, Bci Securities, and City National Bank of Florida, sharing best practices and contributing to the implementation of strategic initiatives;
- To execute acquisitions, partnerships, and new business developments that harmonize with the corporate strategy, both overseas and in the local market, and to support the integration of opportunities that come to fruition;
- To continue developing a regional platform, so as to support our Chilean clients in their international operations and serve local and multi-Latina companies that operate in countries where the Bank is present; and
- To identify disruptive technologies and new business models overseas that could be adopted in Bci so as to contribute to the Bank’s development and strengthen the value proposal.

103-3

Evaluation of the management approach



FOR A SUMMARY OF BCI'S INTERNATIONALIZATION PROCESS, SEE P. 51; ON THE PERFORMANCE OF THE OVERSEAS SUBSIDIARIES AND OFFICES, SEE P. 67

Specific Disclosures

>

Environmental Topics

Climate Strategy

103-1
Explanation of the material topic and its scope

Since the 1980s, the number of extreme climate events has more than tripled in the world, and their effects are clear on multiple dimensions, including social, economic, and financial, as well as environmental.

103-2
The management approach and its components

With regard to the environment, Bci’s Sustainability Plan has the objective of generating sustainable financial solutions for our customers, so as to allow them to incorporate more efficient products, processes, and technologies. This will help reduce social and environmental impacts both locally, within Bci, and at the global level, in the countries where we do business.

This plan is developed around three pillars: responsible investment, sustainable products and services, and operational eco-efficiency.

103-3
Evaluation of the management approach

+

FOR A SUMMARY OF INITIATIVES AND ACHIEVEMENTS, SEE P. 87

Responsible Investment

103-1
Explanation of the material topic and its scope

The financial sector is a critical player in the move toward a carbon-neutral economy. The necessary changes in production systems and energy generation require huge investments. In this context, the inclusion of climate issues in credit and investment decisions plays a role in facilitating the transition toward a sustainable economy, through efficient capital allocation and prudent management of new risks.

103-2
The management approach and its components

Bci’s Sustainability Plan includes two strategic objectives related to responsible investment: to integrate social and environmental criteria in the Bci loan portfolio; and to increase initiatives that mitigate climate change and reduces environmental risks and impacts.

103-3
Evaluation of the management approach

+

FOR MORE INFORMATION, SEE P. 87

Sustainable Products and Services

103-1
Explanation of the material topic and its scope

The transition to a low-carbon economy requires the generation of new financial instruments that incorporate the new risks and opportunities associated with climate change and new forms of insurance.

103-2
The management approach and its components

In Bci’s Sustainability Plan, the strategic objective in this area is to develop financial products that generate positive impacts on the environment.

103-3
Evaluation of the management approach

+

FOR MORE INFORMATION, SEE P. 87

Operational Eco-efficiency

103-1 Explanation of the material topic and its scope

Eco-efficiency implies an efficient use of resources so as to generate less waste and contamination. In addition to the positive effect on the environment, eco-efficiency reduces costs and thus makes firms that adopt these practices more sustainable economically.

103-2 The management approach and its components

In 2018 Bci designed an Operational Eco-efficiency Plan with the objective of reducing the Bank’s carbon footprint through more efficient management and operations.

103-3 Evaluation of the management approach

This plan has specific goals through 2030 in five areas: emissions, energy, water, waste management, and paper use.

+

FOR MORE INFORMATION, SEE P. 88

(1) Includes electricity use only.

(2) In corporate buildings.

(3) Include Scopes 1, 2, and 3

(4) In corporate buildings.

(4) In corporate buildings.

(4) In corporate buildings.

(4) In corporate buildings.

(4) In corporate buildings.

302-1 Energy use within the organization

	Unit	2030 Goal	2019	2018	2017	2016	2017	2016
Energy intensity	kWh/m²	50% reduction from the baseline (2014)	137.5	139.1	156.4	168.2	172.8	182.2

303-5 Water use

	Unit	2030 Goal	2019	2018	2017
Water use intensity	m³/m²	50% reduction from the baseline (2017)	1.77	2.23	2.07

305 Emissions

	unidad	Meta 2030	2019	2018	2017
Huella de carbono³	tCO₂e	Reducir o compensar el 100% de las emisiones	17,981	22,815	23,824

306-2 Waste, by type and disposal method⁴

	unidad	Meta 2030	2019	2018	2017
Total non-recovered non-hazardous waste	kg		228,935	n.a.	n.a.
Total recovered non-hazardous waste	kg		48,699	45,057	69,942
Share of recovered waste	%	Recover 100% of recyclable waste, to keep it out of landfills	18		

Specific Disclosures

>

Social Topics

Attraction and Retention of Talent

103-1

Explanation of the material topic and its scope

At Bci, employee skills, knowledge, and performance are essential assets for mobilizing the company’s results. Bci therefore aspires to be the best place to work and develop, maintaining its business culture while adopting new ways to work and organize.

103-2

The management approach and its components

Bci organizes surveys, meetings, quality-of-life committees, and other forums to understand the main motivations and interests of our employees and identify any new needs that should be addressed in our policies, programs, and benefits. These are related to all the areas of the Employee Experience Model: training and development; work climate and quality of life; leadership; meaningful work and purpose; and total compensation.

103-3

Evaluation of the management approach

+

FOR INFORMATION ON THE EMPLOYEE EXPERIENCE MODEL, SEE P. 73.

401-1

Employee turnover

Employee turnover	Unit	2019	2018	2017	2016
Turnover rate: Employees under the age of 30	%	4.3	5.0	4.8	5.1
Turnover rate: Employees aged 30 to 50	%	8.5	8.0	8.8	7.7
Turnover rate: Employees over the age of 50	%	1.3	0.6	1.7	1.1
Turnover rate: Women	%	6.8	7.3	8.1	7.6
Turnover rate: Men	%	7.4	6.4	7.2	6.2
Turnover rate: Total	%	14.1	13.7	15.3	13.8

401-2

Benefits for full-time employees

+

FOR INFORMATION, SEE P. 73

404-1

Average hours of training per year per employee

	Unit	2019	2018	2017	2016
Average training hours per employee	Hours	34.63	35.23	40.1	47.09

	Unit	2019	2018	2017
Investment in training	\$	2,524,887,701	2,745,244,590	2,651,202,312

Diversity and Equal Opportunity

103-1

Explanation of the material topic and its scope

Diversity and innovation are pillars of the changes proposed by Bci in response to the digital transformation challenge.

103-2

The management approach and its components

The Bank has implemented programs and networks focused on developing diversity and leadership within Bci.

Bci Women’s Network

Comprising 90% of the women in management positions at the Bank, this network aims to promote the leadership, participation, visibility, and internal networking of women in the company and to ensure the attraction, retention, and development of female talent.

Bci Unlimited

The objective of this program is to hire and provide real development opportunities to people with a sensory or motor disability. It operates through the Work at Bci digital platform, which has a section designed for people with disabilities. Internally, managers have a specific guide for conducting effective interviews depending on the applicant’s disability, and teams participate in a sensitivity plan for effectively incorporating new hires.

Bci Recognition Program

This program facilitates timely feedback and reinforces positive behavior that strengthens the organizational culture and contributes to achieving our business objectives.

103-3

Evaluation of the management approach

+

SEE P. 75 OF THIS INTEGRATED ANNUAL REPORT.

405-1

Diversity in the organization

+

SEE P. 75 OF THIS INTEGRATED ANNUAL REPORT.

Financial Inclusion

103-1

Explanation of the material topic and its scope

Improving the quality of life of our community through financial inclusion and the growth of the country’s social, cultural, and educational equity is one of the strategic focuses of Bci’s new Sustainability Plan for the 2019–2021 period.

+

VER PLAN DE SOSTENIBILIDAD DE BCI 2019 – 2021 EN PÁGINA 46

103-2

The management approach and its components

One of the objectives of Bci’s transformation has been to promote access to high-quality banking products and services for all people.

The Sustainability Plan has three key objectives in this area:

- Access to banking services for new segments (seniors and immigrants);
- Development and equal business opportunity for segments that are under-served by the financial system; and
- Delivery of tools that help people make informed decisions about their finances.

103-3

Evaluation of the management approach

+

LÍNEAS DE ACCIÓN Y PRINCIPALES AVANCES DE 2019 EN PG. 81

Corporate Citizenship

103-1 Explanation of the material topic and its scope

As part of its sustainability strategy, Bci has developed a Corporate Citizenship Plan for generating and directing value creation through social acts.

103-2 The management approach and its components

The Corporate Citizenship Plan defines transfer mechanisms (donations, sponsorships, memberships, and corporate volunteering); action areas or focal points for channeling support; and procedures for making it happen.

Bci supports initiatives along three dimensions (social, cultural, and educational) and in four specific areas (children, seniors, quality education, and cultural heritage). On the social dimension, the goal is to address, in conjunction with private and civic institutions, circumstances that inhibit the progress of the less fortunate, including those who suffer discrimination, have scarce resources, other at-risk segments of the population, and minorities. On the educational dimension, the objective is to narrow the gaps and inequality in public education by supporting programs and institutions focused on pedagogical innovation and content quality. On the cultural dimension, the goal is to strengthen the foundation for social growth, cultivating an appreciation for cultural heritage.

103-3 Evaluation of the management approach

+

FOR THE MAIN ACTIVITIES AND STATISTICS, SEE P. 84

Human Rights

103-1 Explanation of the material topic and its scope

The United Nations Global Compact recognizes that the responsibility for protecting human rights belongs not only to governments or sovereign states, but also to the business community, which is responsible for ensuring that human rights are respected both in the workplace and in its broader sphere of influence.

The respect and support of human rights also has a positive impact on a company’s relationship with its stakeholders.

103-2 The management approach and its components

As a signatory to the Global Compact, Bci has made a formal commitment to the two main human rights principles contained therein: (1) Companies must support and respect the protection of internationally recognized basic human rights within its sphere of influence; and (2) companies must ensure that their business associates and employees are not complicit in the violation of human rights.

The Bci Code of Ethics states that “Our Corporation is committed to developing its business and activities in accordance with the General Banking Law, both in the country and overseas, while securing full compliance with ethical principles that ensure the respect of the rights and interests of others, in accordance with the norms and rules established and accepted by the company.”

103-3 Evaluation of the management approach

+

FOR THE MAIN ACTIVITIES AND STATISTICS, SEE P. 40.

Independent Assurance Report

Independent assurance of a selection of sustainability indicators in the 2019 Integrated Annual Report of Banco de Crédito e Inversiones (Bci): ISAE 3000 Report



Nature of the Assurance

This is a report by Corporate Citizenship for the Communications and Sustainability Division of Banco de Crédito e Inversiones (Bci).

Corporate Citizenship has undertaken a limited assurance engagement of a selection of the sustainability indicators included in the 2019 Bci Integrated Annual Report, as follows:

- Absentee rate (%)
- Share of women in management positions (%)
- Employee commitment and satisfaction (%)
- Immigrant businesses in the loan portfolio / the bank's total loans in the microbusiness segment (%)
- Total value of loans to immigrant businesses (\$CLP)
- Total energy use (kWh) and energy intensity (kWh/m2)
- Total water use (m3) and water use intensity (m3/m2)
- Total waste eliminated (kg)
- Total Scope 1 GHG emissions (tCO2e)
- Total Scope 2 GHG emissions (tCO2e)
- Total Scope 3 GHG emissions (tCO2e)

The assurance engagement covers the period from 1 January 2019 to 31 December 2019.

Bci is wholly responsible for the production and publication of the assured data, while Corporate Citizenship is responsible for its assurance.

The data correspond to operations in Chile in which Bci has a majority ownership. It excludes operations of the Bci Servicios Financieros subsidiary in Chile and Bci subsidiaries in other countries.

Our work included a review of environmental data and the respective statements included in the report, in accordance with the GRI Principles for Defining Report Quality. The carbon emissions data were prepared in line with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard and the appropriate GHG conversion factors. GHG quantification is subject to inherent uncertainty due to factors such as incomplete scientific knowledge about the global warming potential of different GHGs and uncertainty around the models and parameters used in estimating GHG emissions.

This engagement was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the relevant subject-matter-specific ISAE for greenhouse gas (GHG) data (ISAE 3410, Assurance Engagements on Greenhouse Gas Statements). Corporate Citizenship has complied with the requirements for independence, professional ethics, and quality control as stipulated by ISAE 3000.

Assurance Work Performed

The assurance work was commissioned in January 2020 and completed on 18 March 2020. Detailed records were kept of meetings, assurance visits, and correspondence relating to the assurance. The assurance process was carried out by a multidisciplinary team of three people, including a Consultant, a Senior Analyst, and a Director, who acted as supervisor. The limited assurance engagement involved the following activities:

1. Detailed questionnaires of employees responsible for Bci's sustainability performance, in order to understand the internal management and data collection, verification, and reporting processes;
2. Review of the systems used to record and analyze the sustainability performance data, in order to assess their soundness;
3. Verification of a sample of consolidated data and the underlying records, in order to verify the consistency and precision of the reports;
4. Review of the year-on-year performance trends, in order to identify any significant changes and investigate the underlying reasons;
5. Review of the GHG calculations for precision and consistency, following the GHG Protocol and the GRI standards, including a review of the conversion factors;
6. Examination of the 2019 Integrated Annual Report, to assess the reporting of selected sustainability indicators and the respective statements, in relation to the GRI Principles for Defining Report Quality.

Our Experience and Independence

Corporate Citizenship is a global consultancy specializing in strategic sustainability, which advises corporations that aspire to improve their economic, social, and environmental performance, and a leader in assurance services for corporate responsibility and sustainability.

This is the third year that Corporate Citizenship has provided independent assurance of the corporate sustainability information in the Bci Integrated Annual Report. During the review period, Corporate Citizenship also advised Bci on the completion and submission of the 2019 CSA questionnaire for the Dow Jones Sustainability Index (DJSI) and held workshops and training seminars on sustainable financing.

Conclusion

Based on the scope of the work and assurance procedures performed, nothing has come to our attention that causes us to believe that the sustainability data described above were not prepared, in all material aspects, in accordance with the GRI Principles for Defining Report Quality and the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (revised edition).

Corporate Citizenship Limited
Santiago, Chile
18 March 2020



Communication on Progress

This Integrated Annual Report presents the advances made by Bci in relation to its commitment to the Ten Principles of the U.N. Global Compact.

The Communication on Progress (COP) is an annual disclosure in which firms report to their stakeholders on their efforts to implement the principles of the United Nations Global Compact. The main objective of the COP, as one of the key integrity measures of the Global Compact, is to serve as a public vehicle for reporting on sustainable actions.

Ten Principles of the U.N. Global Compact	Page
Human rights	39 y 40
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	
Labor Relations	71
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	
Principle 5: Businesses should uphold the effective abolition of child labor.	
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	80
Principle 7: Businesses should support a precautionary approach to environmental challenges.	
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	41
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	



Financial Statements

