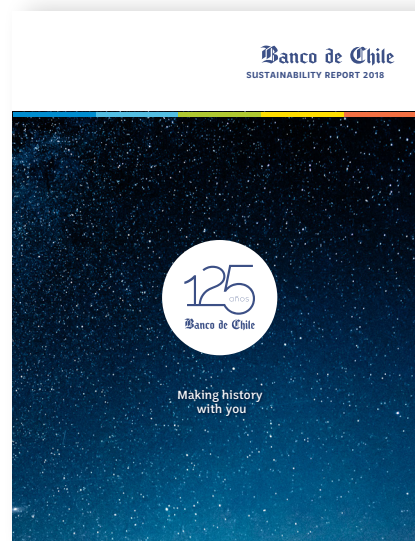


Banco de Chile

SUSTAINABILITY REPORT 2018



Making history
with you



On October 28, 2018, Banco de Chile celebrated 125 years contributing to Chile's development and the advancement of all persons.

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A Message from our CEO



I am proud to present Banco de Chile's 2018 Sustainability Report. This publication is a reflection of our commitment to Chile and our vocation as a universal bank, which has motivated us over the past 125 years to work for the country's development and the advancement of all people.

From the outset, Banco de Chile has developed spaces that go beyond the daily business of a financial institution, aiming to make a contribution in order to build a much more informed, responsible and inclusive society.

Accordingly, the main strategic priorities of our sustainability management efforts have been planned, implemented and evaluated based on demanding international standards from the Global Reporting Initiative (GRI), ensuring we meet our long-term objectives. This report is a reflection of our sustainable and transparent business practices towards our employees, shareholders, the industry and society as a whole, with the purpose of contributing to the country's development and reiterating that we are and will continue to be Chile's bank, "El Banco de Chile."

This publication is also our second Communication of Progress (CoP) and highlights our achievements in complying with the Ten Principles of the UN Global Compact, an initiative we joined in 2017.

In 2018 we enhanced our sustainability strategy with measures and actions that inspire us and contribute to the wellbeing of individuals. These initiatives are based on three major pillars: customers at the center of our decisions, improving operating efficiency and productivity and strengthening our commitment to Chile.

Our industry is changing by leaps and bounds; Banco de Chile has not been indifferent to this change. We are undergoing transformation at multiple levels, with new digital tools and advances in automation, coupled with an increasingly concentrated and competitive banking sector. This creates for us both the challenge and the need to continue to offer our customers an attractive value proposition.

That same challenge exists outside the financial world as well. Sustainability initiatives cannot be conceived as actions that are unrelated to our business. Modern, forward-looking companies must integrate sustainability in order to generate value for customers and boost development by making real social, educational and environmental contributions.

I would like to share some of our most important milestones in 2018.

In terms of results, Banco de Chile posted net income after taxes of Ch\$594 billion in 2018, up 3.2% from 2017, and return on capital of 19.3%.

It also reported strong loan figures, improved efficiency and controlled credit risk expenses. These achievements were made possible thanks to a solid commercial strategy, which allowed us to take advantage of improved macroeconomic conditions in 2018.

One of the challenges we faced was a cyber-attack on May 24th, the first of its kind in Chile. It was a sophisticated operation orchestrated from outside Chile and was designed to damage the Bank's assets, not our customers.

I would like to underscore our team's great professionalism and efficacy in reacting to the threat, which affected not only the local and international financial industry but also reached most public and private institutions.

In 2018 we implemented a series of measures to reinforce our structure in light of these challenges. In addition to creating a new Cybersecurity Division, we made changes to our technology infrastructure and reinforced perimeter monitoring, both of which leave us better

"One of the challenges we faced was a cyber-attack on May 24th, the first of its kind in Chile. It was a sophisticated operation conducted from outside Chile and was designed to damage the Bank's assets, not our customers."

prepared to handle this type of threat. We have also conducted diverse internal and external awareness campaigns to improve the digital security culture in our country.

In response to our aspiration to always be the best bank for our customers, we have fortified our alliances to provide an attractive offering of products and services. We recently signed a long-term agreement that will give our customers access to exclusive benefits to internationally-ranked shows such as Lollapalooza, Cirque Du Soleil and other events, thus making us known as the music and entertainment bank.

On a corporate level, we consolidated our position on the Dow Jones Sustainability Index Chile after first being listed in 2017. This index, which measures companies' progress toward becoming sustainable organizations, shows that Banco de Chile improved across all measurement dimensions in 2018.

Another important recognition was received from Global Compact, awarding us first place among 56 companies for our Ethics Game in the framework of the UN's 10 Sustainable Development Goals.

In October, we commemorated our 125th anniversary alongside the community at the "Festival of light." This celebration, which attracted over

350 thousand spectators in Santiago and other cities in Chile, highlighted the enormous value of pieces of urban heritage such as our headquarters.

This year we also opened the doors of our headquarters on Ahumada—declared a National Monument in 2016—for the first time ever, welcoming more than 2,500 people to our corporate building as part of Chile's Cultural Heritage Day.

In matters of inclusion of persons with disabilities, we surpassed the 1% level required of our corporation by the Inclusion Law. We have made 100% of our branches throughout Chile accessible and established a special customer service protocol for Persons with Disabilities (PwD).

Coupled with this, in 2018 we marked a major milestone that fills us with pride: we celebrated the 40th anniversary of both the Teletón and Banco de Chile's uninterrupted commitment to this institution. This relationship has motivated and mobilized us as a corporation from the outset, assisted by more than 10 thousand volunteers, to reach the goal and help rehabilitate and integrate thousands of children and youth with disabilities.

During the year, more than 10 thousand people benefited from classroom-based and e-learning financial education workshops we organized for companies, institutions and micro-entrepreneurs.

We have also broadened our value offering and benefits for entrepreneurs in Chile that see our bank as a strategic partner for their ventures. The third version of the Desafío Emprendedor Competition attracted over 31 thousand participants. Of these, 300 selected applicants received not only funding, advising and financial education but also the opportunity to build valuable contact networks to develop their projects.

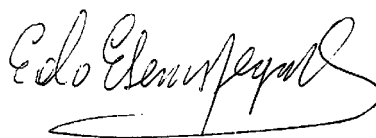
In addition, we took part in 155 corporate volunteering activities (involving over 11 thousand employees), including programs like the Teletón, grant funding competitions and environmental initiatives, among others.

We optimized coordination with our suppliers and contractors, which has enabled us to manage our business with increasing efficiency.

These major milestones would not have been possible without the commitment and affection we have for Chile and its people, exhibited on a daily basis by our more than 14 thousand employees through their work, dedication and effort. I believe that any organization's success and future prospects are based on its concern for its surroundings and the wellbeing of the community where it does business, which we have demonstrated for 125 years. That approach has been our passionate focus since the beginning and gives us the peace of mind and satisfaction that we are on the right path.

Today, our biggest challenge is to embrace Banco de Chile's history while decisively moving forward toward the future, hand in hand with greater productivity and efficiency, with customers at the center of our decisions and a strong commitment to Chile, in order to continue forging bonds and responding firmly and transparently to the trust, affection and support we have consistently received from millions of Chileans.

I invite you to review the 2018 Sustainability Report, which chronicles the path we have taken and sets for us the future challenge of continuing to improve and contribute to the development of Chile and its people.



Eduardo Ebensperger Orrego
Chief Executive Officer
Banco de Chile



"Festival of light"
Celebrating Banco de Chile's 125 years in business
Concepción, october 2018

About this report

As we have done since 2014, Banco de Chile presents its Sustainability Report, which details its economic, social and environmental performance in accordance with the criteria and requirements set forth in the GRI1 Sustainability Reporting Standards 2016.

In accordance with these parameters, this document reports on the material aspects of operations in Chile, i.e., relevant aspects of its value chain that significantly impact the Bank's environment as well as aspects or issues that carry substantial weight in its main stakeholders' assessments and decisions.

This report presents Corporación Banco de Chile's performance between January 1 and December 31, 2018. The Bank serves different customer segments through its brands Banco de Chile, Banco Edwards and Banco CrediChile. Subsidiaries are excluded unless otherwise indicated. The information on economic performance included herein is consolidated data for

the entire Corporación Banco de Chile and thus includes subsidiaries. Figures and data from the past three years are included to help readers understand, compare and identify trends.

With regards to the information reported last year, there have not been any significant changes in size, structure or ownership at Banco de Chile, nor have there been modifications to the bylaws, criteria for drafting the report or calculation methods applied. If any indicators have been modified in such a way, it will be expressly noted.

This is also the Bank's Communication of Progress on the ten principles of the UN Global Compact on human rights, labor relations, environment and anti-corruption, to which Banco de Chile subscribed in 2017.

1. www.globalreporting.org

Compliance with principles for defining report content

The content of this report was defined using the "core" option of the GRI standards on relevance or materiality, the sustainability context, completeness and stakeholder inclusiveness.

The following methodology was used to identify material (relevant) aspects:



1 Identification of material aspects

Studies: The environmental, social and governance (ESG) risk assessment on Banco de Chile conducted by the extra-financial risk rating agency RobecoSam for the Dow Jones Sustainability Index Chile (DJSI) was analyzed to identify the primary sustainability challenges from an investor perspective.

Stakeholder consultations: A representative sample of the Bank's employees was given an online survey to identify their expectations regarding information on the organization's economic, social and environmental performance.

Value chain analysis: The Bank's value chain was reviewed. The structure and identification of positive and negative economic, social and environmental impact was validated in the process of preparing the 2018 report.

Benchmarks: Six sustainability reports by Chilean banks and international leaders on sustainability issues were benchmarked to identify the industry's material economic, social and environmental aspects.



2 Prioritization

A score of 1 to 4 (where 4 is "very relevant" and 1 is "irrelevant") was used to rank the economic, social and environmental impacts in terms of priority. The relevance allocated by the Company was crossed with the national and international industry as well as stakeholder perspectives to create the materiality matrix (see Materiality Matrix).



3 Validation

The Corporate Affairs and Sustainable Development Department validated the materiality process as it relates to the scope of each aspect, structure and depth of the aspects addressed herein. (See Table of Aspects Relevant to the Bank's Operations).

Materiality matrix

● Very high and high relevance ● Average relevance

- 1. Diversity and equal opportunity
- 2. Training and development
- 3. Labor relations
- 4. Waste
- 5. Energy
- 6. Inputs
- 7. Cybersecurity
- 8. Occupational health and safety
- 9. Anti-corruption
- 10. Climate change / emissions

- 11. Managing the environmental impact of transport
- 12. Customer privacy
- 13. Employment and quality of employment
- 14. Promoting economic and social development
- 15. Financial education and inclusion
- 16. Green products and services
- 17. Freedom of association
- 18. Economic performance
- 19. Unfair competitive practices
- 20. Social and economic regulatory compliance

- 21. Providing information to customers about products
- 22. Non-discrimination
- 23. Customer satisfaction
- 24. Procurement practices
- 25. Marketing and advertising practices
- 26. Market presence
- 27. Social impact of products and services
- 28. Indirect economic impact



- Customer/service aspects
- Economic aspects
- Social aspects
- Labor aspects
- Environmental aspects
- Human rights aspects

Aspects relevant to the Bank's operations

The material aspects reported herein are those elements for which the process of identifying, prioritizing and validating the economic, social and environmental elements of the Bank's operations resulted in ratings of very high, high and medium importance. The scope—whether the potential impact (positive and/or negative) of each material aspect would be limited to the organization or also affect surroundings—was also measured.

Those aspects and their respective scopes are listed below:

Material issues	Impact within the organization	Impact outside the organization
Diversity and equal opportunity	✓	
Training and education	✓	
Labor relations + freedom of association and collective bargaining	✓	✓
Occupational health and safety	✓	✓
Employment + non-discrimination	✓	
Customer privacy (customer information/cybersecurity)	✓	✓
Product and service labeling	✓	✓
Regulatory compliance (socioeconomic)	✓	✓
Emissions (climate change)	✓	✓
Energy	✓	
Waste	✓	✓
Materials (supplies)	✓	
Products and services		✓
Local communities		✓
Procurement practices		✓
Supplier environmental assessment	✓	✓
Supplier social assessment	✓	✓
Economic performance	✓	✓
Indirect economic impact		✓
Anti-corruption	✓	✓
Unfair competitive practices	✓	✓

Compliance with principles on information quality

This report was drafted under the supervision of the Corporate Affairs and Sustainable Development Division. An external consultant specializing in GRI standards was hired to ensure the clarity, precision, frequency, balance, comparability and verifiability of the report contents, which were provided by the organization's different areas with special attention given to traceability.

Each of the organization's economic, social and environmental performance indicators was elaborated based on data and technical calculations using procedures recognized by national standards and aligned with internationally accepted standards. This year, the Company decided not to submit the report for external assurance.

Corporate contact information

This document reports on the organization's most relevant aspects in terms of governance, performance and perspectives in 2018. It aims to promote interaction and dialog with the Bank's main stakeholders. Interested individuals and organizations may directly contact:

Corporate affairs and sustainable development department

Ximena Lewis Castro
Head of Sustainability
Phone: 562 24683598
E-mail: sostenibilidad@bancochile.cl





Banco de Chile Headquarters
"Festival of Light"
Celebrating Banco de Chile's 125 years in business
Santiago, october 2018



BANK PROFILE

Highlights

**Global
Finance**

Best Bank
in Chile

Return on

19.3%

average capital
and reserves

Ch \$595

billion in net income



Bank profile

Banco de Chile

Banco de Chile banking corporation was formed in 1893 from the merger of the banks Valparaíso, Agrícola and Nacional de Chile. For the past 125 years, Banco de Chile has offered comprehensive solutions to meet the lending, savings, investment, advising and cash management needs of individuals and companies of all sizes, making it a model for both the financial industry and the business community in Chile.





According to Standard & Poor's and Moody's international risk ratings, the corporation is among Latin America's soundest private banks. In 2018, it boasted 2.1 million active customers, 384¹ branches in Chile and one of the best digital and mobile banking platforms in the country. The Bank has been recognized by specialized international publications for its diverse applications that guarantee safe, fast financial transactions.

Banco de Chile's business model² is based on contributing to the development of Chile and its people by leveraging its solid competitive advantages and opportunities in the environment. These resources are the basis for value creation, which is carried out through processes that are framed within its strategic priorities.

Thus, Banco de Chile is known as an omni-channel, multi-product, bank with broad segmentation, a specialized proposal, an exceptional team, a comprehensive outlook on risk and a growing focus on sustainability. It serves customers through four business segments: Retail, Wholesale, Treasury and Subsidiaries³.

Banco de Chile boasts a team of 13,831 people, a strategic alliance with Citigroup and a broad network of correspondent banks. In 2018, the Bank reported after-tax net income of Ch\$ 595 billion, representing a 3.3% increase over 2017 and positioning it first in the industry in earnings, and a return on average capital and reserves (ROAC) of 19.3%.

Similarly, the Bank's work with its customers has earned it considerable growth in the installment loan market, expanding its base of current account holders and boosting internet and mobile banking sales by 144%.

Branches		2018
	Banco de Chile	250
	Banco Edwards/Citi	41
	BancoCrediChile	93
	Caja Chile	683

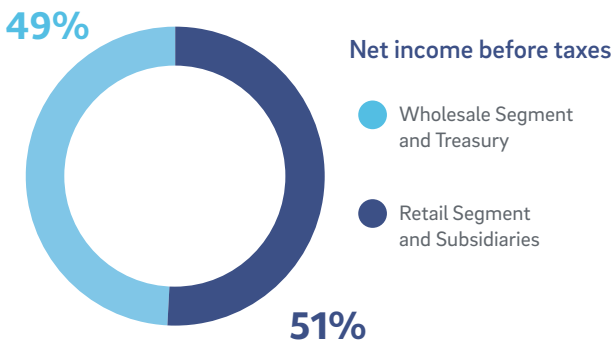
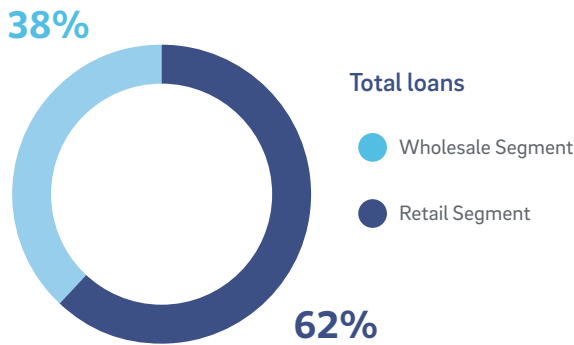
Remote channels	
ATMs	1,490
Internet banking	24-hour service
Telephone banking	24-hour service
Mobile banking	24-hour service

1. As of December 31, 2018, Banco de Chile had 384 branches according to the IO6/ SBIF report.
2. See 2018 Annual Report, Strategy chapter (pages 12 and 13).
3. For more information, see the 2018 Annual Report, Strategy chapter (page 15).

2018 at a glance

MANAGEMENT AND LEADERSHIP

SHARE OF RESULTS BY BUSINESS SEGMENT (LOANS AND NET INCOME BEFORE TAXES)



Ch \$27,914
billion in total loans

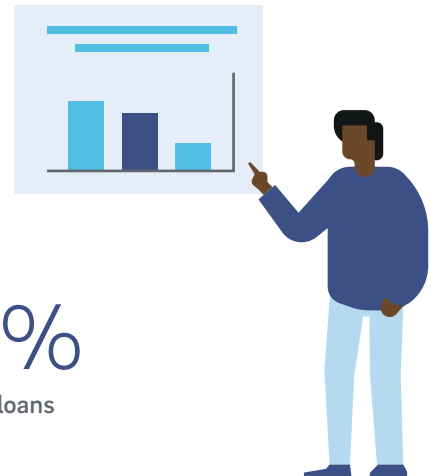
Ch \$595
billion in net income

Economic value generated
Ch \$2,423,927
million

Return on
19.3%
average capital
and reserves

45.3%
Efficiency ratio

+9.7%
Growth in total loans



EMPLOYEES



11,350

Banco de Chile employees

2,481

Subsidiary employees



5,919

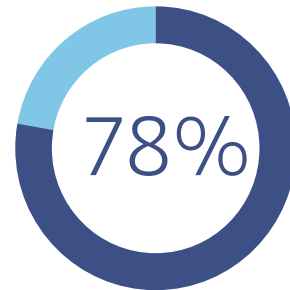
Women



5,431

Men

UNIONIZATION RATE



Ethics Game

Best organizational anti-corruption practice awarded by Global Compact

12.6%

Annual average turnover

Merco Talent Ranking

1st

place in the Banks and Financial Institutions category

2nd

place in Merco Companies overall ranking



CUSTOMERS

2.1

million active
customers

+ 140%

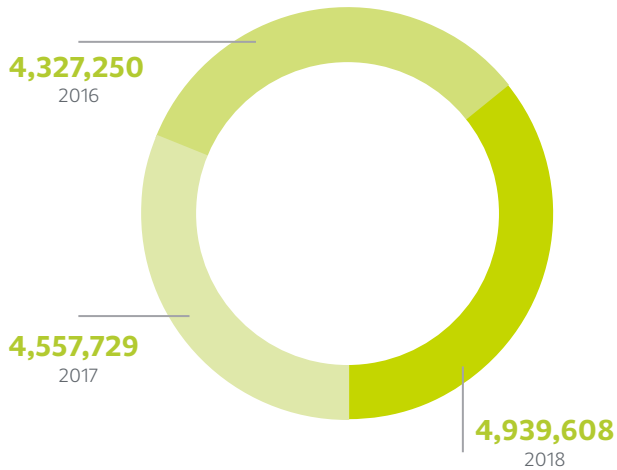
consumer loans

91%

satisfaction levels -
Telephone Banking



CALLS TO TELEPHONE BANKING



Mobile application users

2016

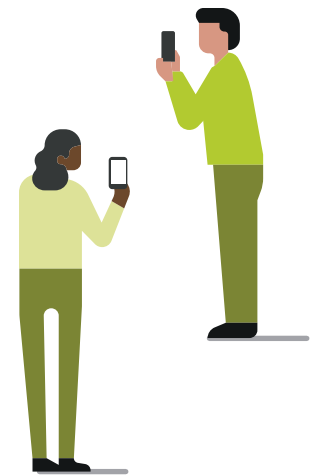
750,007

2017

444,628

2018

541,518



New partnership

LOTUS PRODUCCIONES

The music and entertainment Bank

Website sessions

132,650,066

2016

163,775,892

2017

171,493,210

2018

Social media

 327,472
followers

 176,428
followers

 15,966
followers

 131,300
followers

 25,997
followers

MARKET SHARE - COMMERCIAL LEASING



7.1%
increase in SME
customer base

161,029,737
transactions using
applications

COMMUNITY

Social investment (in millions of Chilean pesos)

Ch \$2,312

2016

Ch\$4,334

2017

Ch \$9,703*

2018

Creation of Sustainable Seal

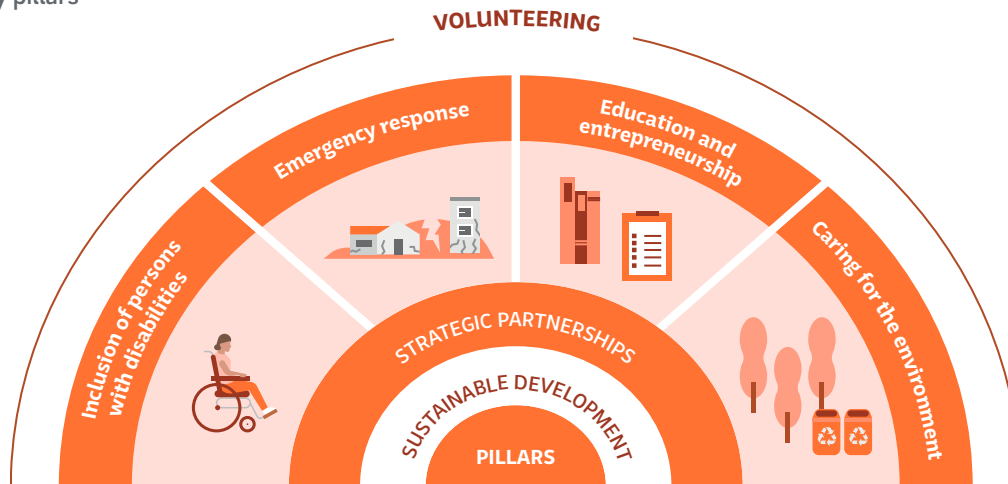
in partnership with the undergraduate program at the Universidad de Chile School of Economics and Business.



DISTRIBUTION OF SOCIAL INVESTMENT (%) IN 2018

COMMUNITY SUPPORT PROJECTS	INCLUSION OF PERSONS WITH DISABILITIES	EDUCATION AND ENTREPRENEURSHIP	CARING FOR THE ENVIRONMENT	EMERGENCY RESPONSE	VOLUNTEERING
32.5	47.0	17.3	0.7	0.1	2.4

Sustainability pillars



CORPORATE VOLUNTEERING

VOLUNTEERS	HOURS	DIRECT BENEFICIARIES	NO. OF ACTIVITIES	MATERIAL COLLECTED**	TREES PLANTED
11,940	141,752	21,123	155	756.85	525

*Social investment includes deductible and non-deductible donations, sponsorships, SENCE training tax credits and other activities included in the budget for the Corporate Affairs and Sustainable Development Department, such as festivities to celebrate the Bank's 125th anniversary and the Teletón's 40th anniversary.

** More information is available on page 119.

ENVIRONMENT

587 tons

Paper sent for recycling

119 tons

Paper saved in 2018

Total energy consumption (GWh)

36.8

2016

36.2

2017

36.7

2018



Carbon footprint measurement 2018

Direct GHG emissions
(scope 1 and 2) 16,676
tCO₂e⁴

13.7 tons CO₂ emissions avoided

thanks to BiciChile program



SUPPLIERS

120

contractors with
active contracts

529

suppliers with
active contracts

29

critical suppliers and/or contractors
with active contracts



9,058

SME supplier base

97%

of the purchasing budget
spent with local suppliers

4. Preliminary information on external assurance process.

Awards and recognition

**Best Digital Bank for
People and Companies
in Chile**

Given by Global Finance.

**Recognized as one of the 50th
most innovative companies
in Chile in the Best Place to
Innovate ranking**

Given by Universidad Adolfo Ibáñez, GFK
Adimark, Microsoft and América Retail.

**Consumer Loyalty
Award 2018**

Given by ALCO.

**Best Consumer Digital Bank
in Chile 2018**

Given by Global Finance Best Digital Banks
in Latin America.

**Brand of the Year
2018 – 2019**

Given by World Branding Forum.



**Best Digital and
Mobile Banking
in Chile**

Given by Global Banking
and Finance.



Orgullo 2018 Award

Given by the Teletón, to celebrate forty years of commitment and support as strategic partners.

1st place in the Merco Talent ranking, in the category of banks and financial institutions

Given to Banco de Chile for the third year in a row.

Recognition for the Lowest Lost-Time Injury Rate in 2017

Given for the third straight year by the National Safety Council in the category of banks and similar institutions.

1st place Best Organizational Anti-Corruption Practice for Banco de Chile's Ethics Game

Given by Global Compact.

Global Business and Finance Awards 2018 in the category of Innovative Digital Bank 2018

Given for the first time by European Magazine.



Global Business and Finance Awards 2018 in the category of Commercial Bank 2018

Given by European Magazine.

Sustainability strategy and stakeholder engagement

Sustainable management of value chain impact

Primary operations

1. Inbound logistics

Everything that comes into the bank and enables it to provide its different products and services.

IMPACTS:



2. Operations

Serves different customers with a range of products and services.

IMPACTS:



3. Outbound logistics

Everything that needs to be done in order for the product or service to reach the customer

IMPACTS:



Support activities



People and Organization Management



Infrastructure



4. Marketing and sales



Use of publicity and sharing clear, transparent information with customers

IMPACTS:



5. Post-sale service



Reception of complaints, queries, suggestions and general assistance

IMPACTS:



Technology and Innovation (R&D)



Procurement



Economic Impact

- Economic performance
- Indirect economic impacts
- Market presence

Environmental Impact

- Energy
- Products and services
- Managing the environmental impact of transport
- Climate change / emissions
- Waste
- Inputs

Social Impact (Community)

- Promoting economic and social development
- Financial education and inclusion
- Anti-corruption
- Unfair competitive practices
- Regulatory compliance

Social Impact (Labor Practices)

- Employment and quality of employment
- Occupational health and safety
- Labor relations
- Training and development
- Diversity and equal opportunity

Social Impact (Customer/Service)

- Customer satisfaction
- Providing information to customers about products and services
- Marketing and advertising practices
- Customer privacy
- Social impact of products / services
- Regulatory compliance
- Cybersecurity

Human Rights Impact

- Non-discrimination
- Freedom of association

Sustainability strategy

Banco de Chile's corporate strategy has four strategic priorities to guide all initiatives, with the objective of leading the industry in reputation, efficiency and recommendation indexes. One of these priorities, Commitment to Chile, houses all initiatives related to the sustainability strategy, which are subdivided into four pillars: inclusion of persons with disabilities, financial education to strengthen entrepreneurship; emergency assistance and caring for the environment. Distributed across all pillars is the corporate volunteer work that supports the programs and projects led by the Bank.

The Bank has defined these sustainability pillars to boost the value generated through its sustainability programs and allot a single meaning to the Bank's commitment to society as part of its corporate social responsibility efforts. In addition, in order to monitor progress and maintain close ties to stakeholders, the Bank regularly performs diagnostics and assessments of its initiatives, ranging from in-house studies to participating in the Dow Jones Sustainability Index.

In this spirit, the Bank conducted an internal assessment of its Commitment to Chile program in 2018. This analysis helped identify its employees' understanding of the programs, the most valued initiatives and ways to optimize sustainability initiatives and methods for publicizing them within the organization. The Bank also confirmed that its employees had a permanent interest in participating in corporate volunteer activities.

One of the most relevant initiatives in 2018 was the online publication of the Commitment to Chile Framework of Action in order to explicitly declare its adherence to Global Compact and the United Nations Guiding Principles. The objective of this document is to openly express the Corporation's interest in "protecting, respecting and remedying" human rights, progressively aligning its practices while creating its own tools, such as policies, regulations and declarations, to facilitate implementation. It also expressly states the principles and guidelines followed and applied by the Bank.

In matters of inclusion, the Bank surpassed the goal of having 1% of its workforce made up by persons with disabilities and it organized the II Teletón Inclusive Art Biennial. Outside the organization, the Bank developed customer service protocols for attending customers with disabilities and adapted its entire branch network to make facilities accessible.

In the area of entrepreneurship and financial education, the Bank held an awards ceremony for the 2nd Desafío Emprendedor Competition, which has attracted 69,127 micro and small entrepreneurs since 2016. In terms of disaster response, in 2018 the Bank enlarged its emergency volunteer team to 60 volunteers from the Metropolitan and Antofagasta regions. In environmental matters, the Bank organized the first working group to analyze the importance of caring for the environment and set guidelines for monitoring and implementing its environmental policy.

In addition to these initiatives and internal communication campaigns, 33 sustainability training activities were held, reaching 2,663 employees throughout the country.

Pillars of the sustainability strategy

PILLARS	OBJECTIVES	ACTIONS
<p>Inclusion of persons with disabilities</p> 	<p>The Bank strives to be a model of inclusion through its corporate volunteer program, strategic partnership with the Teletón as well as internal and external initiatives to provide equal opportunity to people excluded from the workforce.</p>	<ul style="list-style-type: none"> • Teletón volunteer program. • Corporate volunteer program. • Hiring people with disabilities and maintaining a ratio of people with disabilities to total workforce of 1%. • Transforming our branches into accessible units with internal mobility. Installing inclusive ATMs. • Developing digital banking to increase accessibility. • Developing and implementing Inclusive Communication Handbook. • Sponsoring paralympic tennis players.
<p>Education and entrepreneurship</p>	<p>The aim is to develop basic tools for accessing financial products that enable people who are otherwise excluded from the financial system to successfully launch a business.</p>	<ul style="list-style-type: none"> • On-site training in conjunction with SME-related areas and several foundations, particularly the Bank's Consumer Finance Division and the Desafío Levantemos Chile Foundation. • Third Desafío Emprendedor Competition • Developing and implementing the Count on Chile ("Cuentas con el Chile") program.
<p>Emergency response</p>	<p>As a nation-wide bank, Banco de Chile strives to create opportunities to collaborate with local organizations in the face of natural disaster and to provide support for the impacted area.</p>	<ul style="list-style-type: none"> • Launching donation campaigns. • Volunteer activities. • Third call for volunteers for Banco de Chile's emergency response team.
<p>Caring for the environment</p>	<p>The Bank addresses this issue from the perspective of working toward a better, sustainable world for future generations. Consequently, it measures and neutralizes its impacts and supports sustainable projects.</p>	<ul style="list-style-type: none"> • Energy-saving program. • Paper recycling program. • Measuring and offsetting its carbon footprint. • Supporting environmental foundations. • Environmental volunteer program.



Stakeholder engagement

Banco de Chile's strategy identifies stakeholders and makes an explicit commitment to each of them. The matrix is constantly reviewed in order to make any necessary adjustments.

STAKEHOLDERS	ENGAGEMENT OBJECTIVES	MECHANISMS AND/OR CHANNELS OF COMMUNICATION	FREQUENCY OF ENGAGEMENT
Customers	<ul style="list-style-type: none"> Continuously offer excellent service characterized by integrity, personalization, agility and proactivity in order to build long-term, trust-based relationships. Use permanently available service channels to keep customers informed in a timely, appropriate manner. Provide differentiated financial solutions featuring quality, innovative products and services for each customer segment. 	<ul style="list-style-type: none"> Website www.bancochile.cl E-mails Traditional physical channels (branches and ATMs) Remote online assistance Mobile applications Facebook, Twitter, Instagram and YouTube Satisfaction surveys Correspondent banks 	Ongoing
Shareholders	<ul style="list-style-type: none"> Be the best investment option, maintaining a leading position in value of shares traded. 	<ul style="list-style-type: none"> Annual shareholders' meeting Report 	Annual
	<ul style="list-style-type: none"> Promote operational efficiency and productivity in order to encourage prudent risk management based on integrity and transparency. 	<ul style="list-style-type: none"> Investor Relations Conference calls with investors Website www.bancochile.cl 	Ongoing Quarterly Ongoing
Employees	<ul style="list-style-type: none"> Offer merit-based development opportunities while offering competitive compensation and economic benefits. To promote a respectful, polite work environment in a location equipped with the appropriate technology and infrastructure. 	<ul style="list-style-type: none"> Competency assessment Counseling program ("Programa Orienta") Health program ("Mi Salud") Paternity program ("Ser Padres") Team meetings Workplace climate survey Conventions 	Annual Ongoing
Community	<ul style="list-style-type: none"> Promote financial education to optimize entrepreneurship Facilitate a more equitable society that offers greater opportunities through inclusion of persons with disabilities Manage the business in an environmentally respectful manner Build collaborative supplier relationships, based on transparency, competition, efficiency, respect and objectivity 	<ul style="list-style-type: none"> E-mails Letters Website www.bancochile.cl Remote online assistance 	Ongoing

Regulatory and supervisory authorities

In terms of regulatory relations, Banco de Chile adopts required measures to comply with current legal provisions and regulatory standards. This ongoing relationship is verified through the channels and mechanisms set forth by law and the regulations issued by each entity within the scope of its authority.

Partnerships and memberships

Chambers of commerce and financial associations:

- German-Chilean Chamber of Commerce and Industry (Camchal)
- Argentine-Chilean Chamber of Commerce
- Belgian-Chilean Chamber of Commerce
- Brazilian-Chilean Chamber of Commerce
- Colombian-Chilean Chamber of Commerce
- Chinese-Chilean Chamber of Commerce, Industry and Tourism
- Chilean Chamber of Construction
- Indian-Chilean Chamber of Commerce
- American-Chilean Chamber of Commerce
- Santiago Chamber of Commerce XX
- Circle of Banking Executives

Regional organizations

- Industrial Association of the Fifth Region
- Regional Chamber of Commerce and Production
- Fifth Region Circle of Banking Managers
- Corporation for Regionalization of the Biobío

Institutional and community organizations

- Chilean Association of Banks and Financial Institutions
- Center for Public Research
- Acción Empresa Foundation
- Chilena del Pacífico Foundation
- Chile-Spain Foundation
- Paz Ciudadana Foundation
- The Institute of International Finance, INC.

Contributions to foundations

- Mater Kidney Foundation
- Foundation for the Conservation and Dissemination of Historical and Military Heritage
- Astoreca Foundation
- Chilenter Foundation
- Desafío Levantemos Chile Foundation
- Hogar de Cristo Foundation
- Las Rosas Foundation
- Teletón Foundation
- Trabajo en la Calle Foundation
- Pontificia Universidad Católica de Chile / Sotero del Río Hospital Cancer Project

International initiatives



Global Compact:

United Nations initiative that promotes respect for human rights, labor rights, caring for the environment and ethical business practices among companies, governments and organizations. Banco de Chile joined the initiative in 2017.



Corporate statement

Our mission

We are a leading, globally-connected financial corporation with a prestigious business tradition. We provide financial services of excellence to each customer segment, offering creative and effective solutions and thus ensuring value creation for our shareholders, our employees and the community at large.

Our vision

In everything we do, we constantly strive to be the best bank for our customers, the best place to work, and the best investment for our shareholders. We do so in a way that demonstrates our commitment to the people in our organization and the community in general.

Our purpose

Our corporation contributes to the development of the country. Our purpose is to create conditions where both people and companies can develop and provide them with solutions tailored to their different stages in that development process.

Our values

Integrity, commitment, respect, loyalty, sound judgment, responsibility and fairness.

Our commitment

To our shareholders, our customers, our associates and our community.





Banco de Chile Headquarters



Banco de Chile Headquarters

Corporate governance

LQ Inversiones Financieras S.A. and Inversiones LQ SM Ltda. (LQIF Group), subsidiaries of Quiñenco S.A., and Citigroup Inc., directly control 27.5% of the shares of Banco de Chile and indirectly control 23.7% through Sociedad Matriz Banco de Chile S.A., or SM-Chile S.A. (hereinafter “SM-Chile”). In all, the LQIF Group controls 51.2% of the bank’s shares and its voting rights. Pursuant the strategic partnership agreement between Quiñenco and Citigroup Inc. for the merger by incorporation of Citibank Chile into Banco de Chile, Citigroup Inc. took a shareholding in LQIF, with an initial holding of 32.96%, which it later increased to 50% of that company. This agreement also establishes that Quiñenco must remain the controller of LQIF and the companies that LQIF directly or indirectly controls.

As a public securities issuer, Banco de Chile trades shares on local stock exchanges as well as the New York Stock Exchange through the American Depository Receipts (ADR) program⁵.

5. For additional information regarding the ownership structure and main highlights during the year, see the 2018 Annual Report at www.bancochile.cl.

Board of Directors

Banco de Chile's board of directors consists of eleven directors and two alternate directors. The complete board is elected every three years. The most recent change was made in March 2017. In 2018 the directors Jane Fraser and Juan Enrique Pino Visenteiner resigned from their positions and were replaced by Álvaro Jaramillo Escallón and Julio Figueroa, respectively.

The board holds ordinary meetings twice a month, except in February, when it holds only one meeting. Extraordinary meetings may be called by the chairman of the board or at the request of one or more directors. In order to decentralize decision-making and learn about realities in different parts of

the country, the board meets outside Santiago at least twice annually. In 2018, the board met in the cities of La Serena and Linares.

The board's responsibilities include: establishing strategic guidelines; approving policies, procedures and mechanisms designed to meet the objectives of the corporate governance system; and appointing a Chief Executive Officer. The board uses an established scope and rating method to assess its annual performance and guarantee the quality of its decisions and operations.

Board of Directors ⁶

DIRECTOR	POSITION	NUMBER OF COMMITTEES	AGE
Pablo Granifo L.	Chairman	8	60
Andrónico Luksic C.	Vice Chairman	1	64
Álvaro Jaramillo E.	Vice Chairman	3	54
Alfredo Ergas S.	Independent Director	4	52
Andrés Ergas H.	Director	2	51
Jean Paul Luksic F.	Director	1	54
Samuel Libnic	Director	1	52
Gonzalo Menéndez D.	Director	5	69
Julio Santiago Figueroa	Director	1	47
Francisco Pérez M.	Director	3	60
Jaime Estévez V.	Independent Director	4	72
Rodrigo Manubens M.	Alternate Director	1	60
Thomas Fürst F.	Alternate Director	1	87

Compensation

Board compensation is approved annually at the ordinary shareholders' meeting and may include one or more of the following items: a fixed monthly honorarium, allowances for attending board or committee meetings, or an annual incentive set by shareholders that is subject to the Bank meeting earnings targets during the year.

Compensation for the members of the Directors' and Audit Committee, which is also set annually at the ordinary

shareholders' meeting, must be at least one third more than the compensation provided to ordinary board members. For the year ended December 31, 2018, the total amount paid in board fees was MCh\$2,511. No provision has been established for pensions, retirement or other similar benefits for board members or other senior executives.

6. The directors' curriculum vitae are available in the 2018 Annual Report.



Banco de Chile

Board committees

Board members are responsible for in-depth analysis of specific aspects to ensure that the Bank's board has the information it needs to discuss and approve policies and strategies. They are comprised of one or more directors and meet periodically. Descriptions and responsibilities of the board committees of the Bank and its subsidiaries are available in the 2018 Annual Report and on the corporate website.

Committees

1. Credit Committee (comprised of all directors)
2. Portfolio Risk Committee
3. Finance Committee (ALCO)
4. Superior Operational Risk Committee
5. Directors' and Audit Committee (comprised of two independent directors and one director)
6. Executive Insurance Committee
7. Asset Laundering Prevention Committee
8. Consumer Banking Committee
9. Factoring Committee
10. Leasing Committee

Senior Management

Members of Senior Management⁷

NAME	POSITION OR DIVISION
Eduardo Ebensperger Orrego	Chief Executive Officer
Rolando Arias Sánchez	Chief Financial Officer
Nelson Rojas Preter	General Counsel and Secretary to the Board
Joaquín Contardo Silva	Commercial Banking Division Manager
José Miguel Quintana Malfanti	Corporate Banking Division Manager
Juan Carlos Álvarez Mateos	Marketing and Customers Division Manager
Juan Palacios Gómez	Global Risk Control Division Manager
Felipe Echaiz Bornemann	Compliance Division Manager
Cristián Lagos Contardo	People and Organization Division Manager
Oscar Mehech Castellón	Controller
Paola Alam Auad	Wholesale Credit Risk Division Manager
Julio Cubillo Navarro	Retail Credit Risk Division Manager
Esteban Kemp de La Hoz	Operations and Technology Division Manager
Salvador Danel	Cybersecurity Division Manager

STRUCTURE OF BANCO DE CHILE AND SUBSIDIARIES

CORPORATE DIVISIONS AND SUBSIDIARIES



7. The division managers' curriculum vitae are available in the 2018 Annual Report at www.bancochile.cl

Management committees

Division managers collaborate on bank operations through the following management committees:

Management committees

- Managers' Committee
- Disclosure Committee
- Ethics Committee
- Executive Operational Risk Committee
- Quality Committee
- Subsidiary Risk Committee

The Board's guiding principles

The board ensures compliance with ethical principles, internal standards and guidelines and external regulations in accordance with Banco de Chile's General Corporate Governance Principles. These principles cover conflicts of interest, the directors' rights and responsibilities regarding information, as well as the role of the chairman and the board committees.

The General Corporate Governance Principles establish the directors' obligation to keep confidential information about the Corporation's business and privileged information to which they have access that has not been officially disclosed. Furthermore, it prohibits directors from acting upon opportunities for commercial gain that they learn about, to benefit themselves or related third parties, when such action would be detrimental to the Company. Similar restrictions apply to the members of the board committees and persons attending these meetings as guests or advisors. The General Corporate Governance Principles also establish guidelines regarding related-party transactions and how directors, members of board committees and board advisors must deal with potential conflicts of interest; credit operations with directors, senior executives and their spouses; dishonest practices; and use of insider information by executives, among other issues.

Banco de Chile policies approved by the Board

1. Regulatory Policy on Information Technology and Communications
2. Information Security Policy
3. Business Continuity Policy
4. Liquidity Policy
5. Anti-Money Laundering and Anti-Terrorism Finance Prevention Policy
6. Retail Segment Risk Policy
7. Wholesale Segment Credit Risk Policy
8. Complex Products and Services Policy
9. Website Standards Policy
10. Operational Risk Policy
11. Policy on Physical Transportation of Electronic Media
12. Policy on Handling Documents, Logs and Files
13. Accounting Close Policy
14. Accounting Policy
15. Policy on Prevention of Dishonest Practices
16. Policy on Credit operations with Directors and Senior Executives
17. Policy on Handling Insider Information and Personal Investments
18. Mandatory Absence Policy
19. Policy on Prohibitions for Conditional Credit Products
20. Investment Limits Policy
21. Policy on Non-Discriminatory Access to Credit Products for Individuals
22. Policy on Assets Received in Lieu of Payment
23. Policy on Inter-company Transactions Subject to Sections 23-A, 23-B and Regulation W
24. Mergers and Acquisitions Policy
25. Policy on Managing Foreign Investment
26. Code of Ethics
27. Supplier Management and Selection Policy
28. Policy on General Ledger Management
29. Volcker Policy
30. Banchile Independent Research Policy
31. Fiduciary Policy
32. Spending and Investment Policy
33. Tax Policy
34. Corporate Market Risk Management Policy
35. Policy on Politically Exposed Persons

Risk management

Risk management is crucial for Banco de Chile and is an essential component of its proposal for creating value. The board is the body that sets acceptable risk policies, guidelines and thresholds within the organization, which it does through several board committees. Directors are assigned to these committees based on the particular matters addressed by each committee. In this way, the Corporation looks to respond to the needs of the market, to changes in the industry and to new regulations. The Directors' Credit Committee and the Portfolio Risk Committee oversee credit risk; the Finance, International and Market Risk Committee addresses market risk; and the Superior Operational Risk Committee manages operating risks.

Senior management is responsible for controlling and enforcing board-approved policies, guidelines and definitions. In order to respond to the needs of both the industry and its customers, and to effectively control and manage risk, the divisions responsible for these areas were restructured in 2018. As a result of this restructuring, four divisions are now responsible for risk management: Wholesale Credit Risk, Retail Credit Risk, Global Risk Control and Cybersecurity.

The first two divisions— Wholesale Credit Risk and Retail Credit Risk—resulted from the splitting of the former Corporate Risk Division to create a more highly focused and specialized loan approval process. Another component of this restructuring was the creation of the Cybersecurity Division in 2018 to reinforce the Bank's security policies and standards related to cyber threats to which it may be exposed. Finally, the Global Risk Control Division was charged with promoting the necessary control environment to ensure proper application of policies and procedures on credit, financial, operational and technological risk.

Socio-environmental risk assessment

Banco de Chile integrates socio-environmental criteria into its evaluation process for granting financing for projects, both domestic and regional, that might generate an impact of this type, wherever executed.

The project financing section of the internal regulations for the Companies Loan Approval Process states that customers must comply with environmental standards and laws and their initiatives must have the respective permits, authorizations, licenses and studies required based on the impact they generate.

For large customers, the Bank also has specialized customer service units involved in the process of financing large-scale projects such as public works concessions that include building infrastructure and mining or power developments, all of which may have an environmental impact. Also, based on the complexity of the financing, it has a team of external advisors that review background information on the project and provide a qualified opinion on socio-environmental impact.

Corporate ethics

Ethics management system

Banco de Chile's Ethics and Transparency System consists of a Code of Ethics and an Ethics Committee. This committee is responsible for implementing guidelines on this matter and strengthening and regulating the professional and personal conduct of all employees. It meets on a quarterly basis. The system also includes ongoing, organization-wide training on ethical conduct and a formal, confidential complaint reporting mechanism. In 2018, the Bank's training activity "Ethics Game" was recognized by Global Compact as an anti-corruption best practice (see page 63). During the period, the Bank also reinforced the Ethics Alert hotline for filing complaints directly with the Ethics Committee and promoted its use on the intranet.

An ethics training program based on workshops led by each supervisor was first implemented by the Bank in 2014. In 2016, it was baptized the "Ethics Game", a name it maintained until 2018, when it was transformed into an online platform called Ethics Challenge. While it conserves the objective of generating conversation about ethical behavior in each work group and creating opportunities for participatory reflection on ethics case studies, this new system segments teams by area and works collaboratively among the Bank's different divisions. It also encourages competition between areas since it generates rankings of the best work teams and facilitates connectivity, giving participants the option to log on from any device with an internet connection.

Workshop evaluations showed an across-the-board increase in indicators, particularly participation, which reached 77% in 2018, up from 74% in 2017. Meanwhile, the team's knowledge of ethics rose from 61% to 80% (see more information in the People chapter, page 64). By year-end, 7,900 employees had participated in the initiative.

In addition to the Ethics Challenge workshops, another type of mechanism was used to reinforce knowledge in this area: Two-hour e-learning training sessions on ethics, which were successfully completed by 934 individuals in 2018. Similarly, 741 people took part in classroom-based orientation sessions. Each orientation session lasts 12 hours, one of which is dedicated to addressing the Code of Ethics in depth. The Bank also conducted internal communication campaigns known as "Let's Talk About Ethics", in order to go in depth with messages on this topic (see page 63). These campaigns use audio-visual methods and e-mails to offer reflections and advice on the use of the Code of Ethics, internal regulations and complaint reporting hotlines.

In addition to the Ethics Committee's e-mail address, complaints and inquiries can be filed through direct supervisors, the Head of People and Organization in the Labor Relations Area or the People and Organization ambassadors in the branch network. In 2018 the Bank encouraged these channels to be used to support employees and supervisors with questions and doubts about workplace or sexual harassment. A special e-mail account was set up to contact the person in charge of resolving these matters confidentially. The Bank also promoted the idea of informing the Ethics Committee of any irregularities detected.

In 2018, the 59 complaints or inquiries received via e-mail were channeled to the Ethics Committee for analysis and assessment. These e-mails are private and exclude anonymous complaints. Of all complaints and inquiries made, seven cases of ethical violations were substantiated.

Regulatory compliance and anti-corruption: internal control and audit systems

In order to ensure prudent management and effective auditing, the board establishes and permanently assesses internal control systems. To ensure audit independence, Banco de Chile has a framework of action, a hierarchical structure and validation mechanisms for audit observations and the actions designed to address the issues identified. Furthermore, the board reviews all corporate policies and approves the auditing plan on an annual basis. It receives periodic information on the degree of completion. The Directors' and Audit Committee has been appointed by the board to regularly assess the quality of internal control systems and the internal audit function and engage and coordinate with external auditors. Corporate policies are designed collectively by different areas and divisions depending on the subject of the policy. This design process is coordinated by the Global Compliance Division, which is responsible for disseminating and enforcing Citibank's global control policies applicable to the Bank's operations, in addition to some local regulations arising from international agreements.

The Bank has control policies and procedures for customers, suppliers or competitors that complement laws and regulations and, specifically, amendments to the Penal Code for preventing, detecting and prosecuting corruption (Law 21,121). This amendment incorporates, among other things, corruption between private parties as a new type of crime. Similarly, as a result of the new law, the Bank will update and/or complement all internal policies and procedures necessary to guarantee compliance with legal obligations.

The Bank has a complementary crime prevention model in accordance with Law No. 20,393, which describes the methodology, corporate bodies and main elements established to prevent the crimes regulated by that law. It also considers

a series of obligations and behavioral criteria that must be followed in order to comply with the provisions of the law, and a reporting hotline for employees and suppliers. The crime prevention matrix was used to assess the Bank's different processes; seven major risk focuses have been identified in association with their respective control processes.

Similarly, the Bank has a Policy on Prevention of Dishonest Practices, which sets guidelines to ensure compliance with current regulations on contributions or benefits given to public officials, foreign officials, candidates or political party leaders, in order to prevent any of these conducts, which may be contrary to honest practices or be considered an attempt to commit bribery.

All directors and division managers have been made aware of the organization's anti-corruption policies and procedures. All other employees also receive communication on these matters through internal channels.



"Festival of light"
Celebrating Banco de Chile's 125 years in business
Punta Arenas, october 2018

02

EMPLOYEES

Highlights

11,350

Banco de Chile employees
(excludes subsidiaries)

1st place

Organizational practice Ethics Game
anti-corruption (given by Global Compact)

52%

of employees are women
(excludes subsidiaries)

1,416

New hires



Employees

One of the People and Organization Division's goals is to have healthy, committed and challenged employees who put forth their best effort. Banco de Chile's employees have access to initiatives to expand their professional capabilities in a work environment that strives to remain free of accidents, professional illnesses, work harassment and discrimination. For their work, they receive competitive compensation and benefits to balance their work and personal lives. This is all addressed in the internal regulations and the division's policies.

The People and Organization Division also supports all the Bank's units as they strive to accomplish its strategic objectives. Thus, it offers specialized solutions for managing human capital, aiming to create value for customers and wellbeing for the people that work at Banco de Chile and its subsidiaries. Each program has evaluation metrics and mechanisms to respond promptly and effectively to employee needs and current national regulations.

Milestones in 2018 included celebrating the Bank's 125 years in business and the 40th anniversary of the Corporation's partnership with the Teletón. In this context, it organized activities to deepen its employees' commitment to both organizations throughout the year. For the Bank's anniversary celebration, the division devised a communication campaign that featured a range of initiatives, including an institutional anthem and the Festival of light, a cultural event of international caliber enjoyed by associates from four cities in Chile. To commemorate the Teletón, the largest corporate volunteer activity in Chile, the division designed innovative campaigns to encourage employee participation (for more information, see Community chapter).

Likewise, in order to respond dynamically to customer needs and technological trends, the Bank carried out an organizational restructuring process in two primary areas: Risk and Cybersecurity.

First, it chose to segment the risk areas in order to better control and manage the Bank's loan processes, splitting the Corporate Risk Division into two new divisions: the Retail

Credit Risk Division, which defines conduct and models for rating customers in the Individual, SME and Micro-enterprise segments; and the Wholesale Credit Risk Division, which works to optimize risk and return for the commercial areas of Large Companies, Private Banking, Factoring and Wholesale. These divisions, together with the Global Risk Control division, make up the corporate governance structure for risk.

In terms of new technologies and business security requirements, this year the Bank created the Cybersecurity Division, another step towards its goal of being the most secure financial institution in the country. This division is responsible for reinforcing execution of an IT security plan for cyber threats to which the Bank may be exposed, which helps safeguard critical customer and corporate information. This new division enables the Bank to fortify the structure and team specialized in leading efforts to prevent threats and protect critical digital infrastructure and the information it contains.

Among its challenges for 2019, the People and Organization Division aims to strengthen internal processes that will translate into improved efficiency by simplifying and controlling processes that positively impact the quality of service provided to management and employees. Another focus will be on managing high-potential individuals, placing emphasis on generating growth spaces for talented employees through a succession and development plan for replacements for executive positions. Through these efforts, the Bank hopes to channel the potential and sustained contribution of key individuals within the Corporation. Likewise, it will implement actions to support employees with performance gaps through plans to drive improvement that positively impacts the Bank's productivity and business sustainability.

Recognition

In 2018, for the fifth consecutive year Banco de Chile ranked first among banks and financial institutions in the Merco Talent Ranking¹. It placed second on the overall version of the same ranking for the fourth year in a row.

1. The Merco study measures and recognizes the country's leading companies in terms of attracting and managing talent.

Banco de Chile and its subsidiaries have 13,831 employees throughout Chile. Of them, women account for 53.4%, or 7,387 associates. In 2018, the Bank engaged in early collective bargaining with nine unions, which successfully culminated with the signing of new collective bargaining agreements.

TOTAL EMPLOYEES BY CONTRACT TYPE AND GENDER (NO. OF PEOPLE)

Contract	2016			2017			2018		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Open-term	11,027	5,566	5,461	11,180	5,769	5,411	11,012	5,715	5,297
Fixed-term	172	102	70	188	104	84	338	204	134
Total bank	11,199 / Promarket 692 / 11,891			11,368			11,350		
Subsidiaries	2,730			2,655			2,481		
Total	14,621			14,023			13,831		

EMPLOYEES BY GEOGRAPHIC AREA (%)

	2016	2017	2018
Arica y Parinacota	0.4	0.4	0.5
Tarapacá	0.9	0.9	0.8
Antofagasta	1.9	1.8	1.9
Atacama	0.8	0.7	0.7
Coquimbo	1.7	1.7	1.7
Valparaíso	6.8	6.5	6.5
Metropolitan Region of Santiago	71.7	72.2	72.1
Libertador Bernardo O'Higgins	2.2	2.1	2.0
Maule	2.6	2.5	2.4
Biobío	4.9	4.9	5.0
La Araucanía	2.1	2.1	2.2
Los Ríos	0.7	0.8	0.9
Los Lagos	2.3	2.3	2.2
Aysén	0.3	0.3	0.3
Magallanes	0.8	0.8	0.7

DIVERSITY IN GOVERNANCE BODIES AND EMPLOYEES (NO. OF PEOPLE)

Category	2017					2018				
	Men	Women	Under 30	30 - 50	Over 50	Men	Women	Under 30	30 - 50	Over 50
Managers	119	21	0	80	60	316	144	0	105	69
Supervisors	918	629	28	1,067	452	641	498	24	969	432
Professionals	1,331	1,187	389	1,811	318	1,398	1,232	375	1,882	373
Technicians	1,214	1,945	651	2,016	492	1,277	2,023	752	2,035	513
Administrative staff	1,913	2,091	877	2,511	616	1,799	2,022	804	2,387	630
Total	5,495	5,873	1,945	7,485	1,938	5,431	5,919	1,955	7,378	2,017

DIVERSITY IN GOVERNANCE BODIES (NO. OF PEOPLE)

2017					2018				
Men	Women	Under 30	30 - 50	Over 50	Men	Women	Under 30	30 - 50	Over 50
12	1	0	0	13	14	0	0	1	13

TURNOVER BY GENDER (%)

2017				2018			
Age Group	Percentage	Men	Women	Age group	Percentage	Men	Women
Under 20	50.0%	50.0%	50.0%	Under 20	125%	200%	50.0%
20 - 29 years	23.1%	25.8%	20.4%	20 - 29 years	28.7%	30.4%	27.2%
30 - 39 years	10.7%	11.7%	9.8%	30 - 39 years	12.7%	12.9%	12.5%
40 - 49 years	6.6%	6.5%	6.7%	40 - 49 years	7.4%	6.2%	8.3%
50 - 59 years	6.0%	4.9%	7.6%	50 - 59 years	5.0%	4.8%	5.4%
60 - 69 years	6.1%	6.5%	4.9%	60 - 69 years	6.6%	5.4%	9.4%
Total	10.8%	11.4%	10.2%	Total	12.6%	12.3%	12.8%

* Beginning this year turnover tables will present data by gender. Since tables from previous years did not include this information, only tables from 2017 have been included.

2018 TURNOVER BY REGION (%)

	2018
Total turnover	12.6
Arica y Parinacota	14.8
Tarapacá	18.8
Antofagasta	22.3
Atacama	13.2
Coquimbo	11.3
Valparaíso	10.4
Metropolitan Region of Santiago	12.8
Libertador Bernardo O'Higgins	11.0
Maule	8.6
Biobío	6.6
La Araucanía	12.3
Los Ríos	17.5
Los Lagos	14.6
Aysén	25.7
Magallanes	16.9



Banco de Chile Headquarters

NEW HIRES BY AGE GROUP, GENDER AND REGION (NO. OF PEOPLE)

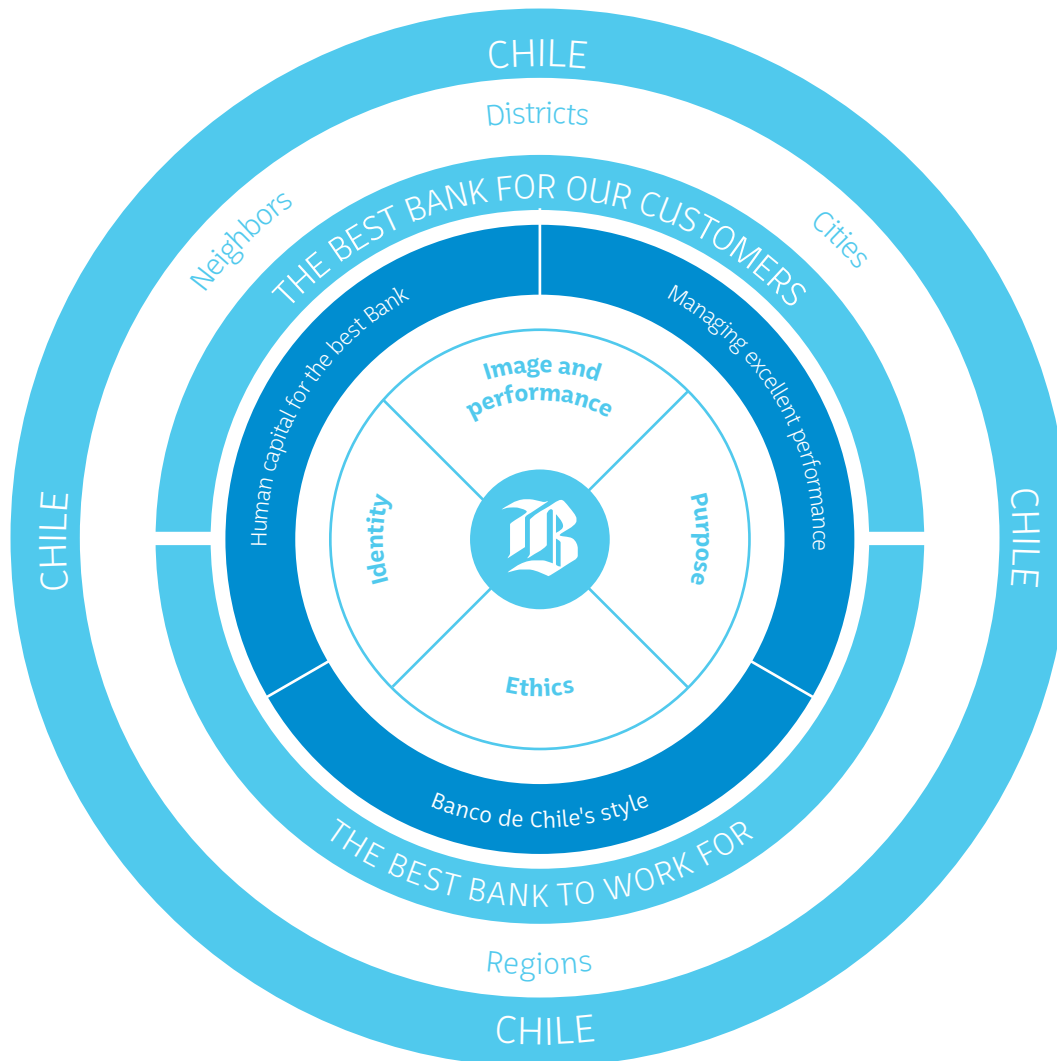
	2017			
	Total	%	Men	Women
Under 20	5	0.4	2	3
20 - 29 years	560	47.3	304	256
30 - 39 years	411	34.7	192	219
40 - 49 years	159	13.4	59	100
50 - 59 years	44	3.7	16	28
60 - 69 years	4	0.3	3	1
Total	1,183		576	607

	2018			
	Total	%	Men	Women
Under 20	5	0.4	4	1
20 - 29 years	757	53.5	348	409
30 - 39 years	468	33.1	210	258
40 - 49 years	150	10.6	51	99
50 - 59 years	32	2.3	19	13
60 - 69 years	4	0.3	2	2
Total	1,416		634	782

People management strategy

Banco de Chile has focused on positioning its People, Culture and Strategy Alignment Program for the last six years as it strives to be the best place to work for our employees and the best bank for our customers. This initiative is meant to be an ongoing positive influence that provides the tools required to help employees face organizational challenges in a more positive manner.

Strategy for aligning people and culture



Human capital for the best Bank

One cornerstone of People, Culture and Strategy Alignment is related to personnel management (orientation and maintenance) and the search for tools to recognize a job well done that are aligned with the Bank's culture. This pillar is known as "Human capital for the best Bank" and is primarily focused on attracting talent and designing the benefits program. In 2018 the program also focused on workers leaving the organization. In this spirit, the division created an outplacement program to give them tools that boost their employability and workforce reinsertion potential .

A. Outplacement program

The objective of the Outplacement Program is to collaborate with workers that have been laid off from the Bank to conduct a guided process designed to help with their workplace reinsertion. It uses a training platform that provides support in aspects such as looking for work, writing a resume and properly leveraging work-related networks. In 2018, 223 former employees voluntarily registered on the platform. In 2019 the Bank will continue to improve the program and support employees even after it has terminated its contractual relationship with them.

B. Attracting talent

In order to attract high-performing students and talented professionals, the Bank has several training programs and other initiatives to position its employer brand. Similarly, once employees join the organization, it offers new hires opportunities for participation and recognition to make them feel like part of an attractive organization. To accomplish this, it seeks different ways to internally convey its strategic priorities, values and ways of doing business that set the organization apart. To these ends, it uses digital media, work and leisure activities with professionals in key business areas as well as initiatives to build loyalty among interns.

In 2018 it created trainee positions in the Retail, Micro-enterprise and Banco Edwards divisions. Over 5 thousand people applied for these positions. Of these applicants, 80 university graduates with less than two years' experience ultimately joined the Bank's trainee program.





Banco de Chile employees

One major focus is on professional internships. More than one thousand students apply each year for these positions. Selection includes a recruitment process with group interviews using a gamification methodology. Around 700 students are selected to fill vacancies around the country. In 2018, an event was held in Santiago for almost 300 young interns in order to welcome them and help them build networks. Interns in areas outside Santiago received a welcome kit with several items to personalize their workstations.

Similarly, in January 2018 the Bank redefined its recruitment and selection methodology, which involved carrying out a psychological evaluation in-house with a team of psychologists specialized in skill interviews and business advising. The Bank designed, built and began operating the Center for Workplace Evaluation ("Centro de Evaluación Laboral or CEL"), which brought together a team of recruiters exclusively for the Bank who conduct searches and phone screenings to identify approximately 300 candidates each month for the selection process. In 2018, 21% of external hires came from recruiting efforts by the CEL. The division also uses the gamification methodology and a test entitled "Measure Yourself at Banco de Chile", specially designed to evaluate overall mental ability, responsible workplace conduct and pro-social and collaborative behavior in order to select the best profiles for different positions. Each month an average of 290 tests are administered. The CEL offices have high standards of efficiency and quality, providing a distinctive experience that is highly appreciated by job applicants, who gave the center a score of 6.9 out of 7.0 on a satisfaction survey. This change has enabled the Bank to reduce average times to fill vacancies, achieving a 15% boost in efficiency.

Positioning as the best employer brand

The Work at Banco de Chile digital platform, implemented in 2017, was consolidated as a tool for positioning and promoting the Bank as an approachable, innovative organization that encourages employee professional development and can even be used by individuals with visual or hearing impairments. It is one of the most visited networks among employer brand positioning platforms. In 2018, it boasted an average duration of 90 seconds of navigation.

Through the site trabajaenelchile.cl one can directly access the portal quieroserdelchile.cl, where applicants can enter their information in an exclusive database and apply for current vacancies. This site was implemented in 2017 and enhanced in 2018 as a single platform for both internal and external candidates applying to work at the Bank.

In addition, the Bank consolidated its presence on social networks during 2018, boosting followers of its Facebook site "En el Chile", launched in 2017, by 114% to reach 10,885. The Bank's LinkedIn page reported a 34% increase in followers, rising from 99,141 to 132,943 people, while Trabajaenelchile.cl had over 355 thousand visits from 275 thousand unique users.

The challenge in 2019 will be to continue providing a differentiated hiring experience for new employees, creating innovative ways to introduce them to the Bank, redefining some selection methodologies for critical positions such as trainees and exploring hiring options using new digital platforms.

C. Benefits program

Banco de Chile strives to help its employees properly balance work and their personal lives. For this reason, it has designed and implemented a series of benefits running the gamut from physical activity to professional assistance (psychological, social, legal, medical and nutritional counseling).

In order to increase its employees' knowledge of benefits available to them, in 2017 it made enhancements to the www.esparami.cl site, which has become one of the main tools for informing them of benefits. In 2018 this site had 426,414 visits. Currently, 84% of employees use this platform. It was also transformed from a merely informational platform by introducing a series of functionalities to access benefits such as forms and an online calendar for making appoints for assistance and to use some benefits.

Lactation room

To prolong breastfeeding and accompany mothers as they return to work, the Bank designed, built and inaugurated its first lactation room, exclusively for employees that work in downtown Santiago. This space gives them a safe, comfortable and hygienic space for pumping and storing breast milk.

Telecommuting and flexibility

In 2018, the Bank implemented a pilot plan to incorporate telecommuting and flexible scheduling as benefits. As of December 2018, five people were telecommuting and 23 were on a flexible schedule. In August 2018, it launched a new benefit, making flexible leave options available to all employees through a novel system known as the Point Bank (see box).

As a goal for 2019, the Bank plans to work collaboratively with all areas to make these initiatives possible in order to increase the number of employees that can take advantage of telecommuting and flexible scheduling options. It also intends to create a new benefits site with more categories and options.

Point Bank

In 2018 Banco de Chile created the Point Bank, a platform offering employees a grid of flexible benefits aimed at satisfying their particular likes and interests. The Bank hopes to use this platform to broaden the offering of existing benefits and help employees improve work-life balance.

In creating the Point Bank, it conducted several internal focus groups for employees from different age groups to express their areas of interest. It then analyzed and segmented their responses to co-build the Point Bank. Accordingly, benefits are grouped into five categories: Time Off, Savings, Sports, Recreational Centers and Experiences. Employees can access a series of alternatives, based on his or her own interests and those of his or her family group, and exchange points for the benefit.

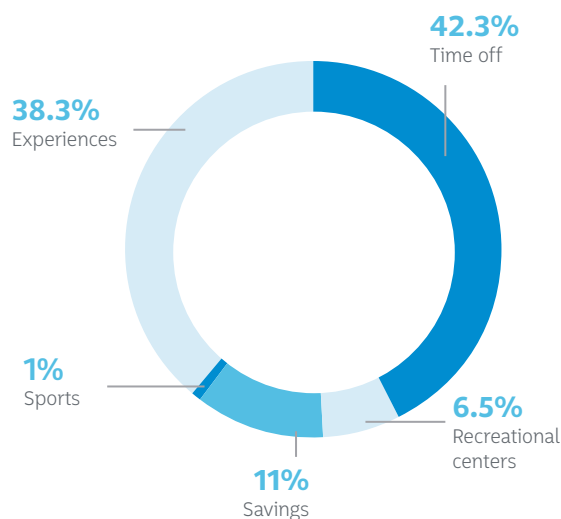
Each employee is allocated a certain number of points every six months and can earn more points during the year through different collaboration, recognition and innovation initiatives. In 2018, points were also awarded to employees based on their years of service in recognition of the Bank's 125th anniversary. In addition, as part of the Recognition Program, points were assigned to those individuals earning the "Collaboration" and "Chile's Team" awards, which highlight people who make an exceptional contribution to the Bank's strategic priorities and help improve organizational coexistence.

In the six months since this platform was launched, 81.2% of employees entered the Point Bank to learn more about the grid of benefits, exchanging points for 2,160 benefits in the different categories offered:

- **Time off:** from an afternoon off work to a super-sized weekend.
- **Savings:** alternatives for discounts.
- **Sports:** sports classes for children and/or adults such as soccer, tennis or taekwondo.
- **Recreational centers:** weekend stays free of charge at diverse recreational centers owned by Banco de Chile.
- **Experiences:** includes tickets to movies or concerts and other events at recreational centers.

Several challenges lie ahead for 2019: to promote platform use and encourage employees to exchange points for benefits; to segment exchanges by gender and age group in order to ensure that benefits are valued by all employees; to enrich the different categories available today; and to improve coverage to provide an attractive benefit package in areas outside Santiago.

NUMBER OF EXCHANGES PER CATEGORY



Comprehensive insurance

Banco de Chile offers its employees supplementary health insurance, catastrophic insurance, dental insurance and life insurance. This is one of the benefits that attracts the most inquiries and use. In 2018, 381,279 reimbursement claims were filed on a total of 698,523 appointments and procedures, with 99% of employees using insurance benefits. A Comprehensive Insurance WhatsApp account was set up in late 2016 to address the large number of questions received. In 2018, 4,076 questions were answered through this platform.

Quality of life programs

The Bank's Quality of Life Programs support employees and their families in different areas.

- **Counseling program ("Programa Orienta"):** The counseling program offers guidance and support through professional appointments for social, psychological, legal and retirement services. A total of 6,150 appointments were provided in 2018. The Bank hopes to add professional advising on improving retirement and health plans in 2019.
- **Health program ("Mi Salud"):** The health program strives to maintain or improve employee health, promoting self-care and a healthy lifestyle. It provided 2,710 professional appointments (medical and nutritional) in 2018. Furthermore, 1,498 employees underwent women's health screenings and 42 talks and health fairs on specific topics were organized, attracting 4 thousand people. Additionally, the program continued its anti-smoking and flu shot campaigns, benefiting 4,232 people.
- **Employees with Disabilities program:** This program seeks to support employees with a health issue that causes some degree of disability. Some examples include: assistance with the process of registering with the National Disability Registry, days off to complete the process and financial help to pay for documentation, as well as economic support for expenses related to their disability that are not reimbursed by the employee's insurance. In 2018, 120 individuals joined the program and over 260 benefits were provided.



Banco de Chile employees

Sports, culture and recreation

The Sports, Culture and Recreation Department, through the ActiveChile Program ("ChileActivo"), organizes activities related to sports, culture and recreation that help integrate employees and their families throughout Chile. All members of the program can take part in an array of activities such as

sports cultural workshops and lessons for adults and children in Santiago at the Bank's Stadium and other recreational facilities throughout the city. Outside Santiago, the program organizes recreational, sports and culture activities for employees and their families including: movie outings, sports tournaments, holiday celebrations and contests. Employees outside Santiago actively

participated in contests organized for special celebrations to commemorate the Bank's anniversary ("Pinta los 125 años del Chile") and Christmas ("La Navidad del Chile").

The program currently has:

- **13 sports programs for adults:** Golf, soccer, half-court soccer, taekwondo, physical conditioning, running, table tennis, tennis, judo, Zumba, fishing, yoga and swimming.
- **6 sports academies for kids:** Tennis, taekwondo, soccer, gymnastics, judo and swimming.
- **10 cultural workshops for adults and kids:** Oil painting, mixed techniques, photography and a variety of dance classes such as salsa, cueca (Chilean national dance), flamenco, tango and full dance.

In addition, the Bank organizes recreational camps for children of employees during summer and winter breaks. In 2018, ChileActivo organized the Collaboration Cup as part of the Bank's 125th anniversary celebration. This activity consisted of a half-court soccer tournament for over 800 employees, men and women, from branches throughout the country. The finals were held in Santiago and streamed for the entire Bank to watch their 160 coworkers compete.

Other benefits

This group includes educational benefits such as school bonuses for both children of employees and employees, awards for children of employees with good grades and the best college entrance exam scores (PSU), which provides a full scholarship for the entire degree program for the student obtaining the highest score on the language and math sections. In 2018, 52% of employees received at least one of these benefits.

Financial assistance is also provided to offset the cost of day care and preschool for infants and toddlers. In 2018 this benefit helped 85% of employees with children between the ages of zero and four years.

Recreation and sports centers

The Bank has facilities available for employees and their families to engage in sports and recreational activities throughout the year:

- Las Brisas de Algarrobo vacation and recreation center (52 cabins).
- Los Castaños de Graneros vacation and recreation center (34 cabins).

Both centers are full equipped with dining halls, game rooms, landscaped grounds, green areas and playground equipment, among other facilities.

- Banco de Chile Stadium sports and event center in Santiago. The stadium has tennis courts, soccer fields, a swimming pool, a large indoor gymnasium and other sports facilities as well as food service.
- Physical conditioning center in Santiago. The center is equipped with everything our employees need to stay physically fit.
- BiciChile, in downtown Santiago, is a world-class, state-of-the-art bicycle rack exclusively for Bank employees. Facilities include men's and women's changing rooms equipped with bathrooms, showers and daily use lockers, a bike repair station (self-service workshop) and laundry services.

In 2019, the Bank hopes to launch new sports programs and organize activities to continue to integrate associates outside Santiago. It will also inaugurate a physical therapy room at Banco de Chile Stadium. The Bank will continue work begun in 2017 to remodel both recreational centers, including improvements to 26 cabins in 2018.

Managing excellent performance

Managing Excellent Performance, the second pillar of our People, Culture and Strategy Alignment Program, includes instruments for assessing and measuring employee competence, compensation, training processes and organizational climate.

A. Compensation

Banco de Chile has a Compensation Policy that ensures compliance with current regulations and internal wage scales. This policy helps it maintain a competitive position in its reference market that creates value for the business while promoting consistently outstanding performance over time and practices that differentiate the Bank from other employers. To accomplish this, Banco de Chile updates its wage scales annually and classifies employees and conducts segmented wage analyses that ensure compliance with its policy. It also monitors the impact of each action on the whole and anticipates the effect implementation may have on people, teams, workplace climate and results in general.

In terms of compensation, each wage-related action is based on an analysis of the person's performance, track record, position and how he or she ranks among peers, in order to guarantee equity on the team. For this, it has a team of People Managers in charge of analysis and proposals and another team of Compensation Specialists that ensures that each criterion described above is applied. In addition, the Fixed Compensation and Structure Area regularly reviews trends in order to guarantee that Banco de Chile's Compensation Policy is met in order to attract and retain talent and maintain a competitive position in the market.

The Bank has also designed several models to integrate and strengthen mechanisms of objectivity in order to act not only based on the relative impact of each position within the organization but also the comprehensive, sustained contribution of the Bank's employees. To do this, it devised a comprehensive evaluation model that brings together the various performance

dimensions measured by contribution to corporate objectives, customer focus, team leadership and individual skill levels. This model has contributed extensively to the evaluation of different development, internal mobility and pay increase processes, among others.

During the reporting period, it reinforced the total compensation model by redefining incentive models for positions with variable compensation and adopting a more competitive position for positions with fixed salaries. Variable compensation efforts focused on improving current commission models to reward both individual effort and achievement of the commercial strategy. These changes benefited 20% of positions with variable compensation. For fixed salary positions, the emphasis was on supporting, through the total compensation model, the executive segment and key positions in the structure in order to take special care of positions that generate value by defining the Corporation's development and growth strategies.

In 2018, of the total internal mobility actions triggered by the normal evolution of the business, 1,743 were related to pay increases resulting from changes in the duties of positions, mobility or promotions due to organizational changes. The internal mobility process resulted in 813 pay increases due to promotions (7.1% of average workforce received vertical promotions) and 930 due to development (8.1% of total workforce received horizontal promotions). The challenge for 2019 lies in maintaining these internal mobility percentages to develop candidates within the organization.

In terms of support processes, in compliance with current legislation and Banco de Chile's compensation policy, the average minimum wage at Banco de Chile was 2.08 times the legal minimum wage in 2018. Thus, the Bank has managed to maintain its leadership in terms of minimum wages. In addition, all Banco de Chile employees with indefinite contracts received cost of living adjustments in January, May and November.

	2016	2017	2018
Legal minimum wage	Ch \$257,500	Ch \$270,000	Ch \$288,000
Minimum wage at Banco de Chile	Ch \$560,000	Ch \$560,000	Ch \$600,000
	1: 2.17	1: 2.07	1: 2.08

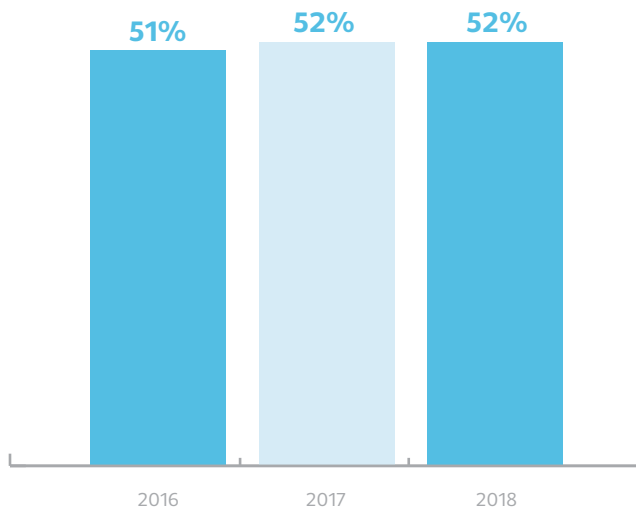
* Note: minimum wage at Banco de Chile is expressed gross and considers the monthly base salary, legally required profit distributions, transportation and meal allowances.

In an effort to give all associates fair access to recruiting and selection processes, internal mobility and compensation independent of their gender, Banco de Chile has clear job application policies and procedures to maintain this balance. Thanks to this, today the Bank boasts similar gender equality indexes in its workforce distribution, which supports its participation in the Gender Parity Initiative (GPI), a public-private partnership backed by the Inter-American Development Bank and World Economic Forum. The purpose of the initiative

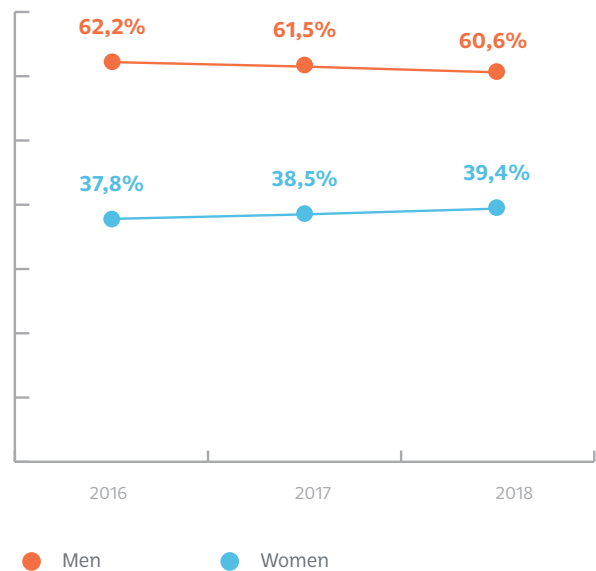
is to narrow the gender gap while boosting the economic participation and progress of women in the Chilean labor market.

Indicators of women in the Bank's organizational structure have evolved positively from one year to the next. In 2018 the Bank created the rank of deputy manager within the executive level, which enabled a large number of supervisors to be promoted to a higher level.

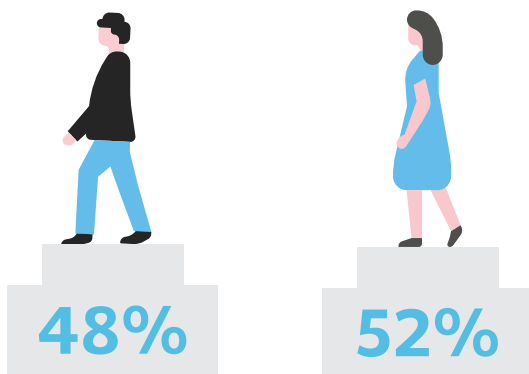
EVOLUTION OF FEMALE WORKFORCE IN RECENT YEARS



EVOLUTION OF FEMALE EXECUTIVES IN RECENT YEARS.



WORKFORCE BY GENDER



B. Training and development

The Training and Development Unit is responsible for contributing to associate improvement through programs, tools and evaluations focused on shaping and expanding skills and competencies required for their job in order to positively impact their performance and help create work spaces in line with the Bank's strategic guidelines.

In addition to designing and implementing high-impact programs, the Bank has established the strategy of developing a team of teachers and trainers with the skills necessary to train employees and accelerate their learning curve, transmitting a sense of pride in belonging to Banco de Chile and the principle of being committed to Chile. This year 139 trainers were trained and recognized for their service.

In 2018, 10,209 people participated in a total of 29,206 spots, totaling 258,379 training hours distributed over 1,197 activities. Of these, 1,053 were classroom-based courses, or 59.6% of total enrollment. Furthermore, 87% of people outside of Santiago participated in training sessions in 2018, which is equivalent to 7,865 individuals.

Managing training program effectiveness

The Training and Development unit has advanced methodically in developing programs that help improve the performance of employees throughout Chile, which positively impacts employee skills and conduct, as well as business indicators. In order to measure the effect of these programs, the Corporation evaluates the learning processes in order to identify advancements from training sessions and promote the benefits of participating in them.

As a strategy to optimize the training process, a new evaluation system was implemented in 2018 that revolutionized the training paradigm. In the middle of the year, it began administering the Skill Assessment Test to measure the knowledge and skills of account executives in areas relevant to their job performance, in order to direct training and development programs for the commercial team. As a result, knowledge was assessed before the trainings for 25% of account executives throughout Chile (250 from the Retail segment and 84 from the SME segment), which generated a map of strengths and gaps to focus on the fundamental needs of associates identified in the assessment.

Strategic focuses of training sessions

Training is divided into six strategic focuses that encompass the development issues and challenges identified by Banco de Chile:

- Orientation
- Efficiency and productivity
- Regulatory courses
- Leadership
- Training
- Commitment to Chile

Accordingly, training activities could be redirected based on specific needs, reflecting better performance. Given the effectiveness demonstrated by this initiative, in 2019 the Bank plans to perform the assessment for all account executives.

Another aspect of training are practicums for support area supervisors, which include supervisors of all non-commercial divisions. Practicums are intended to raise awareness among new leaders of customer needs, teach them on-site about several processes and areas that are key to business operations and build their contact networks within the organization. The program consists of visits to branches, telephone banking facilities and some departments within the Operations Division. In 2018 more than 100 people participated in these practicums.

In 2019, the Bank is committed to maintaining the quality and efficiency of its training programs. To accomplish this, it has one team dedicated exclusively to conducting courses and another responsible for ensuring activities meet a given level of excellence, while strengthening the role of advisor on training and development matters.

Ensuring quality training

The Bank uses a three-level evaluation methodology to control and manage training program effectiveness.

- **Reactive evaluation**

Assesses the participant's general impression of the training activity, its contents and methodology. Provides an opportunity to make recommendations. This survey was applied to 88% of activities implemented this year, with an average score of 6.7 out of 7.0.

- **Learning evaluation**

Assesses the knowledge the participant acquired at the training activity. These tests were applied to 74% of activities implemented this year.

- **Job transfer and training impact evaluation**

These two levels assess how much of the newly acquired knowledge people apply in their jobs and the impact this new knowledge has on business indicators. To do this, the Bank created a methodology that crosses information on participants with business and performance indicators. This provides an overall evaluation of the programs, contrasting this information with focus groups where participants identify opportunities to transfer what they have learned to their positions.

Total training hours

258,379

87%

of employees outside Santiago participated in training sessions



AVERAGE ANNUAL TRAINING BY GENDER AND EMPLOYEE CATEGORY (HOURS WORKED)

Employee category	2017			2018		
	Men	Women	Total	Men	Women	Total
Managers	4,518	671	5,189	2,646	815	3,461
Supervisors	23,394	17,748	41,142	17,810	16,413	34,223
Professionals	50,264	49,389	99,653	42,894	40,103	82,997
Technicians	37,214	56,224	93,438	37,561	48,718	86,279
Administrative staff	44,087	36,175	80,262	42,894	26,693	69,587
Total	159,477	160,207	319,684	125,637	132,742	258,379

External financial inclusion programs**1. Pacific Alliance and Co-op Project**

In 2017 Banco de Chile committed to implementing programs to provide opportunities to young people in Chile as part of the initiative proposed by the Pacific Alliance to promote economic and social development among its member countries. In this framework, in 2018 the Bank welcomed more than 1,300 students to professional internships and trainee programs.

In addition, the BCH Co-op Project was created to offer early job experience to young people from technical high schools in order to positively impact domestic youth unemployment and dropout rates. Five eleventh graders from Liceo polivalente Santa Juliana in Recoleta participated in this initiative. Throughout the year, they worked at the Bank two days a week in activities related to their technical studies. They were mentored by an employee that guided their learning and development within the organization. The Bank detected knowledge gaps in the use of Excel and offered all eleventh and twelfth grade students from the school a training course on the software. The co-op program will continue in 2019, doubling coverage in order to continue to promote experiential learning and the Bank's social commitment.

2. Banking skills development programs

In 2018 the Bank implemented a program targeted at young people with little access to jobs. With this focus, it sought to strengthen skills needed in the banking industry, thus fostering their inclusion into the job market. Twelve program participants took part in 40 hours of training on topics such as "Managing the Banking Business," "Customer Service Techniques," "Communication and Conflict Resolution Skills" and "Self-Management Tools for Job Performance." In 2019, it will continue to strengthen this initiative, which aims to facilitate workplace inclusion.

1,300
young people completed
professional internships and
trainee programs at the Bank

Career development and performance evaluations

In 2018, the Bank carried out a comprehensive performance evaluation process that included downward (supervisor evaluates team) and upward (team evaluates supervisor) feedback. A future performance matrix was also added, which helps supervisors assess the potential of each member of their teams.

This review positions each employee into one of nine quadrants of potential, which helps provide recommendations to support their individual development and offers tools to the supervisor for approaching the feedback process. The calibration stage was maintained and the entire process was migrated onto the Masconectados platform, which consolidates all training and development processes at the Bank.

In 2018, 10,732 employees were evaluated, representing 99.9% of the people that should have been evaluated during the period. The final score obtained on the skills evaluation this year was 4.17, reflecting an increase of 0.07 points over the prior year.

99.9%
of Bank employees received a
performance evaluation during
the period.

PERFORMANCE EVALUATION

	2017			2018		
	Men	Women	Total	Men	Women	Total
Managers	100.0	100.0	100.0	99.7	100.0	98.8
Supervisors	99.9	99.6	99.8	100.0	100.0	100.0
Professionals	99.8	99.6	99.7	100.0	99.9	99.9
Technicians	99.9	99.4	99.6	100.0	99.9	99.9
Administrative staff	99.9	99.9	99.9	100.0	99.9	99.8
Total	99.6	99.6	99.6	99.9	99.9	99.9

Internal mobility

The Bank promotes internal mobility in all units to ensure equal access to development plans. Annual statistics show that, since 2015, more than 60% of non-entry-level positions have been filled from within the Bank. As a result of development and internal promotions, the percentage reached 66% in 2018.

In 2017, the new internal mobility platform “I want to be a part of Banco de Chile” was launched to facilitate and centralize internal hiring processes for all parties involved. In 2018 this platform was consolidated and complemented by communications campaigns to promote its use.

C. Organizational climate

The Bank did not conduct an organizational climate evaluation in 2018, but it did hold 57 dialogue sessions that included a diagnostic activity to identify the strengths, challenges and commonalities of each team, as well as their perception of their leaders. This information enables the Bank to make the needed improvements to have appropriate work spaces.

The Bank also organized a weekly conflict resolution working group with different individuals from the People and Organization Division. This group's objective is to promptly respond to work conflicts that impact workplace climate.

In order to give all Banco de Chile employees a direct line to advice in the event of potential incidents of harassment, the Bank created a space on its intranet to file complaints, ask questions or seek advice in such situations, which also involves holding confidential, in-person interviews with informants. Through this mechanism, the Bank hopes to take preventative action to ensure respectful work spaces for all employees in accordance with its values and attributes. In parallel, it held 11 talks for 1,192 employees to motivate them to work collaboratively and held build a positive workplace climate.

INTERNAL MOBILITY

	2016	2017	2018
Development	509	616	1,059
Promotions	876	782	895



Banco de Chile employees

Banco de Chile's style

Banco de Chile's style is reflected in the Ethics Program, which aims to encourage and ensure that conduct is aligned with current regulations and the highest ethical standards. It can also be seen in the Leadership Program, which trains the Bank's leaders on the skills and attitudes they are expected to have in order to face the challenges of the future; and, lastly, in internal communications that help strengthen the corporate culture.

A. Ethics

In 2018, the annual ethics game was consolidated and transformed into an online platform called Ethics Challenge. The game thus left behind its physical format, allowing employees to log on from any device with an internet connection. One of the benefits of this new format is that teams can be segmented by area and, therefore, can work in collaboration with the Bank's different divisions to discuss specific ethical cases. It also makes teams compete, since the platform provides information regarding the each member's ethical knowledge and the option of visualizing their level within the organization. This automatically generates a ranking of the top 10 per level. Although the program ended in January 2019, as of December 2018 more than 7,900 workers had been involved.

The Bank also reinforced the Ethics Alert channel for directly filing complaints with the Corporation's Ethics Committee, when necessary. It also encouraged the use of the intranet to support employees and supervisors with questions and doubts about workplace or sexual harassment. The campaign obtained 73% recall and 78% overall satisfaction, with the main attribute recalled being "we act with integrity and high ethical standards," at 78%.

Before that, in order to reinforce ethical conduct and topics related to workplace and sexual harassment and banking secrecy, the Bank organized e-mail and video-based internal communication campaigns that illustrate violations, how to avoid them and recommendations from Banco de Chile on how to prevent them from occurring.

The Bank also continued offering two-hour e-learning training sessions on ethics, which were successfully completed by 835 individuals in 2018. Similarly, 741 people took part in orientation sessions. Each orientation session lasts 12 hours, one of which is dedicated specifically to addressing the Code of Ethics in depth.

Global Compact recognition

In 2018 the Bank's "Ethics Game" was recognized by Global Compact as the best anti-corruption practice in the 8th version of the study "Integration System for Global Compact Principles."



ETHICS GAME

Year of participation	Supervisors	% Supervisors	Total workforce
2018	1,122 (of 1,451)	77.0	10,199
2017	1,123 (of 1,525)	74.0	8,891
2016	1,009 (of 1,474)	68.5	8,457

TEAM'S ETHICS SCORE

% of workers who correctly identified the ethical dimensions in the game.		
2016	2017	2018
51.5%	61%	80%

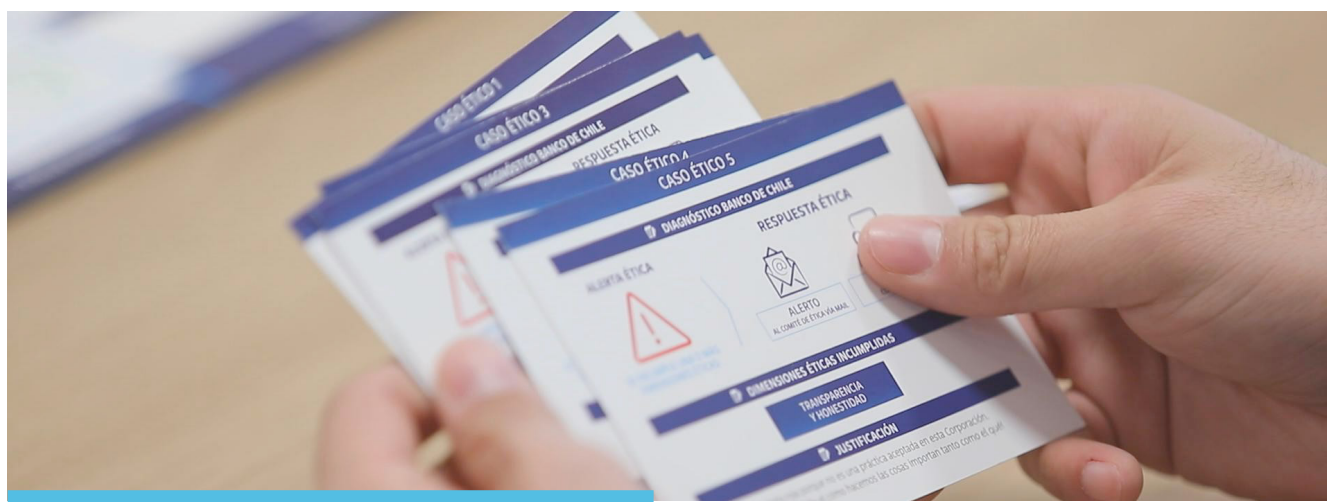
B. Leadership programs

Leadership programs seek to promote Banco de Chile's style by honing the skills of future and current supervisors. These programs are used to teach supervisors how the Bank expects them to lead their teams and to reinforce corporate values. As in years past, the Bank continued to work to deepen knowledge on effective leadership, adding fundamental human rights and the impact they have on a team's daily interactions as one of the main topics. In 2018, a larger number of programs was implemented, broadening coverage in terms of topics and participants. Thus, 119 activities were organized as part of this leadership program, in which 1,259 employees participated. In 2019 it plans to launch a prevention program to broaden knowledge of workplace and sexual harassment.

- **Building personal leadership:** This program is directed towards non-supervisory employees who would like to develop leadership skills from the perspective of personal responsibility. In 2018 the Bank organized eight classroom-based courses lasting 16 hours each, in which 151 people participated. The activity earned a recommendation index of 100% and an overall score of 6.9.
- **Beginning to lead teams program:** This program is for people who are taking on supervisory positions for the first time at Banco de Chile, either through external recruitment or internal promotion. It is designed to convey the leadership style that the Bank wishes to develop in the individuals taking on this challenge. In 2018, 190 people participated

in the course, which was distributed over 16 hours of classroom instruction and was evaluated with the same standards used last year. It earned a recommendation index of 100% and an overall score of 6.8.

- **Leading with meaning program:** This program is focused on individuals with less than one year experience as supervisors within the Bank. Its objective is to provide situation-specific leadership tools and generate spaces for reflection and learning. This year the Bank organized 46 workshops for 769 supervisors.
- **Leadership in action program:** This program was launched in 2017 to help select supervisors strengthen their leadership skills. The methodology was implemented individually based on the employee's specific role and provided strategies that positively impact their work. Given the program's success, in 2018 the Bank also began to offer group classes to broaden coverage. In all, 104 supervisors have participated in these development activities.
- **Today's women leaders program:** The objective of this program, directed towards high-potential female employees, is to accompany them in developing leadership skills and competencies they need to reach positions of greater responsibility. In 2018, 36 women participated in the activity, which earned a recommendation index of 100% and an overall score of 6.8.



Banco de Chile's Ethics Game

- Today's leaders:** Cycle of talks directed towards supervisors that address topics relevant to today's leaders. This year, topics included Millennials in Chile, team work, fundamental human rights and happiness at work. These Santiago-based talks were made available to the entire organization in video format on the Bank's digital platform.
 - Collaboration:** In 2018, work meetings were held with the Bank's diverse divisions to identify how "Collaboration" is defined within the Bank. In a second stage, each division leader worked with their direct reports and a team of advisors from the People and Organization Division to develop these definitions and decide how the division will work together to make it a reality in their respective area. Through instances like this, the Bank hopes to create and build networks and making collaborative work the way to move forward at Banco de Chile.
- In addition, the Bank implemented a program in 2018 to strengthen the role of supervisors and on-the-job limits in order to report situations and/or conduct considered workplace or sexual harassment according to current law, inform them of the impact of complaints and teach them the consequences of protecting labor rights. In this context, the Bank held 12 two-hour training sessions for 294 supervisors.
- Managing others' performance:** The objective of this workshop, directed towards supervisors, is to support the performance management of their teams, providing tools for supporting and monitoring people with skill gaps as well as managing workers they want to strengthen, creating space for development dialogues. Forty eight supervisors signed up for this workshop in 2018 and gave it a score of 6.7.
 - Unique hallmark:** This program is designed to support teams in defining their purpose and identity in order to align work methods and ways in which they relate to one another. At first, only the manager or area head participated in the definition and construction phase. His or her direct reports were then incorporated through individual interviews. This diagnostic process was complemented with information on comprehensive skill assessment, compliance with goals, team round tables that involve managers as well as any other potentially relevant background that gives a broad view of the teams. Armed with this information, the leader, together with their direct reports and support from a consultant, put together a hallmark that is then conveyed to their respective teams. Two divisions went through this process in 2018.
 - Más Conectados site:** This platform, created by the Training and Development department, has diverse functionalities such as online registration for ongoing classroom-based and e-learning training courses. The Bank also uses this site for Comprehensive Skill Assessments and corporate social recognition programs such as "Chile's Team" and "Collaboration," as well as the "Gratitude" section, where any Bank employee can publicly thank another person in the organization. Less than one year after launch, this multi-functional platform has been used by 98% of employees for 24 thousand digital courses, over 2,300 "Chile's Team" and "Collaboration" awards and nearly 2,500 messages of appreciation. Employees can also access the Point Bank (see page 53) through the Más Conectado Site.

C. Internal communications

The objectives of internal communications continue to be to garner employee commitment, integration and alignment with the Bank's challenges and strategic objectives. In 2018, it placed special emphasis on strengthening a culture of collaboration within the organization as well as support for and commitment to strategic initiatives. In this spirit, efforts focused on transformation and change management processes as well as instilling the concept of collaboration as a cornerstone to reach business objectives.

In institutional matters, in order to generate pride in a sense of belonging, the Bank put considerable effort into its 125-year campaign for the Bank's anniversary, organizing both digital and in-person initiatives at branches throughout the country that reached more than 8 thousand employees. It also composed an institutional anthem that was used at all events held throughout the year. This campaign had a satisfaction level of 77%.

Another focus was on cybersecurity and information security, which were addressed during the second half of the year in order to publicize these concepts and instill them in the organizational culture and promote best practices to prevent this type of crime. In evaluations of internal communications, this topic obtained the greatest recall and understanding rates from employees, of 73% and 68%, respectively.

Workers were also encouraged to register as volunteers for the Teletón campaign. In the end, 72.4% of the Bank's workforce participated and the campaign had a satisfaction rate of 94%. This year the Bank communicated with employees in innovative ways at face-to-face activities and initiatives at offices and branches, impacting over 4 thousand associates.

Priority was also placed on publicizing and awareness campaigns for internal sustainability projects in order to give them visibility and encourage participation from employees in initiatives under the Commitment to Chile action area, while also publicizing the activities of each pillar within and outside the organization.

The results of internal communications efforts are measured annually through a survey on employee satisfaction with internal media, as well as their perception and the value they place on it. It also measures the contribution of communication media to knowledge and understanding of the identity and strategy, business and customers and aspects of personal development and wellbeing. In 2018, 71% of respondents agreed that communication media conveyed the Corporation's contribution to the country's development. In terms of identification of Bank attributes, those related to sustainability obtained 87% and overall satisfaction with media used was 79%.

Additionally, the Bank offers communication channels where employees can submit internal queries and complaints. The main channel of communication is the intranet, which is organization-wide and exclusively for employee use. In the communications evaluation, this channel outperformed all other channels with a score of 75%. Corporate e-mail addresses are also used. Finally, a Service Center platform provides face-to-face, telephone and e-mail support exclusively to the Corporation's employees.

Employee health and safety

Banco de Chile believes that preventing accidents and professional illness should be part of every activity and, thus, requires collaboration from all employees. They are invited to share their opinions, ideas and suggestions in order to control and eliminate causes of accidents and professional illness.

The Risk Prevention Department is responsible for overseeing compliance with occupational health and safety guidelines specified in the Internal Order, Hygiene and Safety Regulations. The department strives to minimize the possibility of workplace accidents, professional illness and loss or material damage to the Corporation's assets. Doing so requires risks to be strategically managed for the entire organization.

In keeping with current regulations, internal standards and guidelines from the Bank's workplace insurance provider ("Mutual de Seguridad"), statistics are kept on the following indices to measure management effectiveness on matters of occupational health and safety: accident, claim, frequency and severity rates. In addition, because the Bank's guidelines apply to employees of subcontractors, its risk prevention protocols apply to them as well.

The most common type of workplace accidents at the Bank are falls from ground level or higher. In 2018, there were 21 falls reported (24 in 2017).

A. Safety

In the context of the Subcontracting Law, the Bank launched a pilot program to review and control selected documents for 16 subcontractor companies that provide services in the Bank. The plan was applied to companies that do work at height, a high-risk condition for any one performing such work. Similarly, it conducted risk prevention evaluations of large companies whose contracts require their workers to be permanently on-site at the Bank's headquarters, such as Entel, Accenture, DB Solution and Iron Mountain, among others.

In the framework of the new Workplace Inclusion Law, in effect since 2018, the Risk Prevention Department participated actively in an internal Workplace Inclusion Round Table and also led the process of evaluating job stations for employees with disabilities. Another of this department's important roles was to coordinate accident prevention protocols and stand-by ambulance services for the different corporate volunteer programs.

Regarding emergency plans and protocols for Bank facilities, two main activities were carried out in 2018. The first consisted of evacuation drills in the eight buildings that make up our headquarters complex, mobilizing around 2,500 Bank and subcontractor employees. The initiative included group meetings for individuals in charge of the process, inspections of evacuation routes and recommendations for assisting and rescuing persons with disabilities. The second activity involved filming two videos explaining the evacuation procedure in the event of an emergency and showing them in the auditoriums of the People and Organization Division and the Core Building. Several persons with disabilities played a special role during the presentations in both auditoriums.

The Risk Prevention Department also participated actively in all tests organized by the Business Continuity Area, including validating labor risks for positions used for testing and logistical support in emergency situations, such as ambulance coordinators, paramedics, risk prevention professionals, etc. It also took part in the first drinking water supply cut-off drill in the Metropolitan Region of Santiago, organized by the regional mayor's office, the Chilean national emergency office and the Superintendency of Sanitation Services. This initiative mobilized all players involved in recovering operating continuity in this type of emergency.

Another important milestone was the participation by Oscar Mehech, Controller, in the International Summit 2018 on July 10-12, 2018, organized by Mutual de Seguridad. He represented the Bank on a corporate panel with the country's leading companies to address the topic: "Are the Safety Goals of a Developed Country Attainable? The Leaders' Perspective."

In order to reinforce risk prevention knowledge, in 2018 the Bank organized 17 courses on "Risk Prevention Orientation" for the members of Joint Committees on Hygiene and Safety, in partnership with Mutual de Seguridad. In addition, it organized a prevention talk for employees at the Ventanas and Quinteros branches as part of the contamination incident that occurred in the Fifth Region. As a result of the area's active participation in corporate support activities, a large part of the Risk Prevention team was acknowledged at a recognition ceremony for the Bank's internal trainers.

We have been working toward the 2020 National Safety Policy safety goals since they came into place in 2016. In 2018, the following goals set for the year were achieved:

- Accident rate of **0.50%**
- Mortality rate of **0%**
- The rate of traffic accidents while commuting was **1.00%**.

Safety report

All accidents and professional illnesses are registered by Mutual de Seguridad and the Bank, keeping a detailed record of:

- Workplace accident, traffic accidents and professional illness entries
- Total days lost to work-related accidents and professional illness
- Accident ratings
- Causes of accidents
- Party affected
- Location of accidents
- Branch or office where the injured person works
- Region with the highest number of entries
- Monthly variation in lost days
- Accidents by gender
- Accident rate
- Claims rate
- Severity index
- Frequency index

Safety goals for 2019

The goals set for 2019 consider the Bank's strategic priorities and the guidelines and challenges posed by the National Safety Policy for 2020. These are:

1. Continue reducing the accident rate.
2. Reach the goal of 0.8% proposed by the National Safety Policy for 2020.
3. Certify five joint committees at a corporate level and apply for superior category certification for five teams already certified at bronze level in 2018.

In the event of criminal activity, all branches, including CrediChile, have a security plan, which includes emergency response protocols and calls for the creation of an Internal Safety

Body (ISB). This group meets periodically to address matters related to preventing criminal activity, as well as protocols and procedures in the event of an incident (assault, robbery, unauthorized trespassing, vandalism, etc.) Any criminal incident involving threat, aggression or personal injury activates Mutual de Seguridad's Critical Incident Rescue Team Program, which includes professional psychologists who begin by treating people in a state of shock.

Furthermore, the credentials for Banco de Chile's private security guards were up for renewal in 2019, which necessitated 30 hours of retraining. The guards are instructed on legal matters pertaining to private security, use of firearms, first aid and other elements related to their duties.

OCCUPATIONAL SAFETY AND HEALTH INDICATORS

	2016	2017	2018
Accident rate	0.51	0.59	0.50
Claims rate	8.46	16.9	19.92
Severity index	32.86	48.94	40.87
Frequency index	2.02	2.36	1.8
Total days lost to work-related accidents	945	1,432	2,284
Days lost to illness	21	530	1,103
Fatalities	0	0	0

B. Occupational health

In 2018, reported cases of professional illnesses were related mainly to psychosocial risk factors, particularly workplace stress.

Incidents of professional illnesses did not increase and remained within normal ranges during the period, in contrast to the banking industry based on cases reported to the Superintendency of Social Security. The Bank also performed a comparative analysis with a questionnaire on psychosocial risks at Banco de Chile facilities. The results demonstrated that the dimensions considered (e.g. psychological requirements, active work and compensation, etc.) are not a problem for the Corporation.

Additionally, the Bank formed a National Application Committee for Health Ministry Protocols, with representatives from the Joint Committees on Hygiene and Safety, unions, the People and Organization Division and the Risk Prevention Department, as required by applicable regulations. The protocols and technical standards that must be safeguarded are related to psychosocial risk surveillance, surveillance of skeletomuscular disorders in the upper extremities, manual handling of loads, workplace noise and solar UV exposure.

The plan for 2019 calls for implementing the manual handling of loads protocol at all branches whose vaults are located on a different floor than the tellers.

C. Joint committees

The Joint Committee on Hygiene and Safety at BanChile Corredores earned gold certification from Mutua de Seguridad, making it the first committee in the banking industry to reach this level.

In 2018 the number of joint committees increased from 50 to 51 while the percentage of Banco de Chile employees represented or covered by these groups was 55%.

The regulatory framework for Joint Committees on Hygiene and Safety in Chile establishes and regulates the duties and activities they must carry out. At the Bank, these committees operate in accordance with a standardized, corporate work plan. This plan considers the following activities:

- Monthly meetings
- Forming the following work commissions:
 - › Training and Dissemination Commission: Works with the Risk Prevention Department to manage courses, workshops and talks on risk prevention and disseminates information on health ministry and occupational health protocols.
 - › Work-related Accident Investigation Committee.
 - › Inspection Commission: Visits work stations and facilities to detect and manage accident risks in order to control, mitigate and/or prevent them.

For 2019 the plan considers a special schedule of activities related to highway safety in the work plan of all Joint Committees on Hygiene and Safety.

JOINT COMMITTEES

	2016	2017	2018
% of employees on joint committees	56	54	55
No. of joint committees	45	50	51

* The table shows the Joint Committees and percentage of employees they represent. Variability is expected for this type of committee since branches with 25-26 employees can be affected by a change in just one employee. (These committees must be formed in work centers and/or branches with a total workforce exceeding 25 employees.)

Labor relations

The People Management and Labor Relations Division manages relationships with the nine unions and is responsible for implementing initiatives that strengthen their leadership skills, in accordance with internal regulations and the Labor Relations Policy. These documents establish the Company's responsibility for safeguarding a positive work environment, fostering relationships of respect and good team relations, sanctioning any type of conduct that could be perceived as workplace harassment or mobbing. The policy also guarantees fair compensation based on objective criteria. The only differences allowed are those associated with ability, qualifications, suitability, responsibility and productivity, or other similar characteristics of the employee in the position. In conformity with Law 20,348, differences based on elements associated with employee gender are prohibited.

Likewise, the Bank safeguards against the disclosure of information relevant to the entire organization in terms of decision making or resolution of differences regarding how to address a situation with labor or union ramifications.

During the first half of 2018 it initiated collective bargaining processes with the nine unions before their agreements were set to expire. All processes were a success and translated into

new collective agreements valid for the next three years. Prior to reaching agreements with each union, the Bank established a round table to resolve the issue of extending benefits to non-unionized employees once the negotiation processes were complete, as established by law. The result was an unanimous agreement to extend the entire benefit grid agreed with the employer upon payment of 100% of union dues, in accordance with current regulations.

The collective bargaining resulted in pay increases for 10,383 union member associates, representing 78% of the current workforce as of December.

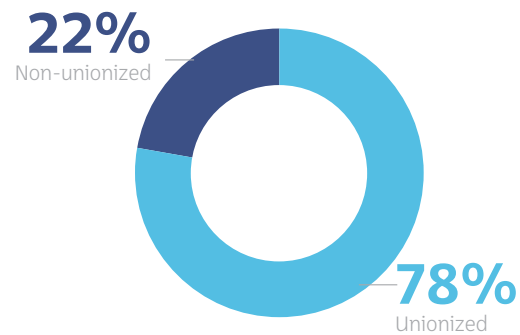
Unions

- 5th Region North Union
- 6th and 7th Regions Union
- 8th Region South Union
- Punta Arenas Union
- BAE Union
- Banco de Chile Union
- Citibank Union
- National Union
- Promarket Union

UNIONIZATION AND COLLECTIVE BARGAINING

	2016	2017	2018
% unionized employees	64	72	78
% employees covered by collective agreements	36	28	85

UNIONIZATION RATE





"Festival of light"
Celebrating Banco de Chile's 125 years in business
Iquique, october 2018

03

CUSTOMERS

Highlights

**Alliance with LOTUS
Producciones**

The music and
entertainment Bank

2.1

million
active customers

7.1%

increase in number of
SME current account holders

75.4%

Net promoter score



Customers

Customers at the center of our decisions

One of Banco de Chile's main strategic commitments is to put customers at the center of its decisions, accompanying them through each stage of their life cycle in order to anticipate their needs with flexible, straightforward and transparent service that offers a unique, long-term experience with proposals targeted to each segment.

The Marketing and Customers Division, in collaboration with the Commercial Division, both of which report to the CEO, are responsible for supervising that these objectives are met.

In the ongoing quest to achieve corporate strategic objectives and augment its knowledge of its customers, the Bank created the Data Governance Department. This area is charged with developing structures, systems and processes to ensure available, easy-to-understand, reliable and credible data and establish a governance framework that guarantees the data is used correctly.

Throughout 2018, Banco de Chile continued to focus on maintaining high-quality customer service, establishing actions to build loyalty and providing ongoing advising on products and services. For that, it creates fitting value propositions and upholds security as a differentiating element in order to be the best bank for its customers.

As occurs every year, the work of the Telephone Banking Department was key. It performed exceptionally in the Servitest study performed by Ipsos as the best telephone banking division in Chile, achieving satisfaction levels of 91%, as a result of the team's diligence, warmth and service levels, as well as the incorporation of new tools to streamline response levels and achieve comprehensive management.

Banco de Chile looks to constantly adapt its customer service models based on the demands of a shifting environment, adapting to the needs of new generations of individual and corporate customers, with a growing focus on digital banking and continuous improvements in customer service at branches.

Therefore, Banco de Chile moved forward with its 2020 Customer Service Model, a project designed to strengthen branch service for retail and SME customers. The model is based on three main variables: serving all segments at the same branch, adding more technology, providing spaces for self-service through digital platforms available at branches and improving operating processes to make them more efficient, all to improve the customer service experience at branches.

Data governance: toward the Bank of the future

Data governance is an organization's capacity to manage the knowledge it has of the information it handles, providing a holistic approach to managing, improving and leveraging information in order to help gain perception and generate trust in business decisions and operations.

Understanding that data is a valuable asset, Banco de Chile created the Data Governance Department in 2018. Its objective is to help achieve corporate strategic objectives by developing structures, systems and processes to ensure available, easy-to-understand, reliable and credible data, in order to use data in benefit of the business and to strengthen the customer experience. Similarly, it focuses on developing an information security strategy, establishing measures on data privacy and developing services for customers that enable them to generate value from their own information.

To further strengthen the customer experience, it moved forward on the digital transformation, providing online and mobile banking solutions, quick, safe, easy-to-use platforms focused on customer needs in the Retail, SME, Large Companies and Corporate Banking divisions. These changes have been reflected in a rise of 6.3% in digital transactions, with customer satisfaction with internet services at 87%. Since being launched, the Bank's suite of mobile applications has reported a total of 4.9 million downloads, growing 53% over 2017.

In acknowledgment of its ongoing innovation in web products and services, Banco de Chile was recognized by Global Finance as The Best Corporate / Institutional Digital Banks Latin America 2018¹ and The World's Best Consumer Digital Banks Latin America 2018. It also earned recognition from Best Place to Innovate as one of the 50 most innovative companies in the country and the Best Mobile Bank and Best Internet Bank Chile 2018 from Global Banking & Finance Review.

The Bank's positioning in terms of innovation and digital banking has been based primarily on the alignment and buy-in by senior management, implementation of a flexible methodology for developing strategic projects and creation of an innovation center with select, highly trained associates, as well as support and alliances with external entities specializing in technological solutions.

The Bank's efforts during the period also resulted in an increase of 7.2% in current account holders. It also maintained a low attrition rate, slightly below last year.

In December 2018, Banco de Chile had 2.1 million active customers, of which 725,000 used CrediChile, 1.3 million were middle-income and high-income individuals and SMEs, and 22,000 were large companies, corporations and multinationals.

Retail Market

1. Retail and SME Segment:

Offers products and services for:

- Middle to high-income individuals.
- Small and medium-sized companies with annual sales of up to Ch\$1,900 million.

Retail Segment performance in 2018

The Retail Banking Division includes all middle and high-income account holders and is subdivided into the following segments: Youth, Traditional, Preferential and Private Banking. This division reported growth of 7.7% in 2018.

The division is committed to providing services and financial advising that contributes to the growth of Chilean families and improves their quality of life, with solutions related to consumer needs, access to housing, security and savings, while boosting the availability of these products through digital channels and the broad network of Banco de Chile and Banco Edwards branches. In addition, it has a complete value proposition that covers customer transaction needs with a current account, credit card, debit card and line of credit; it offers lending products such as consumer and mortgage loans; and deposits and investments to encourage savings in partnership with the subsidiary Banchile Inversiones. It also offers insurance products through the broker Banchile Seguros. This entire value proposition is offered through the brands Banco de Chile and Banco Edwards.

For that, it continues to expand its knowledge of its customers using algorithms that identify key events in their life cycles, enabling it to promptly identify their needs and provide personalized financial solutions and advising that helps forge closer relationships with them.

1. <https://bit.ly/2UoVV9N>

In order to accompany customers since their introduction to the financial world, the youth segment has been reinforced with enhanced products, services and benefits adapted to their needs. These are provided in an easy-to-use, innovative format through digital platforms, which are the main channels used by younger generations. The product and service offering for them focuses on each of their new milestones such as starting college, getting their first job, purchasing their first car, first home, etc.

The Bank has expanded use of social networks to publicize the value proposition created especially for them. Another aspect of this segment is to improve financial education, providing them with information on financial products and services and how they work. These efforts are designed to arm customers with knowledge before they reach certain life milestones and to teach them to use products responsibly for their own development.

Approximately 38% of the portfolio of individuals with current accounts at the Corporation (Banco de Chile and Banco Edwards) are youth customers (Centennials and Millennials). This segment accounts for the largest number of new current accounts, currently representing up to 60% of all customers that join the Bank each month.

In the spirit of deepening its knowledge of customers and providing a suitable offering, the Bank continued to develop tools to support account executives. As a result, the Bank made strides on generating a personalized pricing system for retail customers through a platform that uses available information from internal and public sources and evaluates the risk profile of each customer. This system makes it possible to provide more competitive conditions in line with the customer profile. It also gives account executives a tool for managing commercial offers that are tailored to customer requirements and anticipate their needs.

Given the digital transformation facing the industry, responsible and safe use of digital channels must be encouraged through communication campaigns that promote cybersecurity education. These campaigns have met with great success among customers and non-customers alike.

For credit cards and lines of credit, the Bank has strengthened an appropriate value offering for each profile, generating incentives so that customers have the right credit card and sufficient credit limits from day one. It also drives actions to improve customer transactions, which led to a rise of 14% in the number of transactions over last year and an increase in the use rate from 43.5% in 2017 to 46.7% in 2018. All of these actions and the focus on the loyalty program resulted in an 11% increase in total billing.

In terms of security in the use of credit and debit cards, 100% of credit cards issued by the Bank have been renewed with EMV chip technology. The process of upgrading debit cards is expected to be completed during the first quarter of 2019. In addition, it developed the "On/Off" blocking service for mobile banking and has expanded the purchase notification service, which provides customers quick, online information on transactions with their cards in Chile and abroad.

In other products, the Bank's market share in installment loans rose 104 basis points from 18.96% in 2017 to 20.00% in 2018. The increase during this period can be attributed to several initiatives, including new systems for pre-approved loan offers for customers thanks to the design and development of new statistical methodologies with a robust base of available data and modeling techniques, enabling the division to better evaluate the payment capacity of lending offers. Thanks to this initiative, the division has improved loan origination processes, making them more flexible and effective while adding value for the customer. From a loan perspective, in recent months more than 50% of installment loans were secured through remote channels such as cell phones or online, thus improving the Bank's efficiency and customer experience ratios.

This was accompanied by a consistent rise in efficiency thanks to efforts by the commercial network, supported by enhanced tools that help account executives optimize commercial relations with customers, streamlining service and advising on products and services.

In order to strengthen digital channels and boost productivity and efficiency, the division generated synergies and improvements in derivations among channels, fortifying the division's omni-channel nature. The Telephone Banking Department worked actively in 2018, achieving a 140% rise in sales of consumer installment loans over 2017 and the Mobile Banking and Internet Department increased sales by 144%. The Mi_Banco application tripled its share of pre-approved sales in 2018. Since being launched, the Bank's suite of mobile applications (Mi_Banco, Mi_Pass, Mi_Pago, Mi_Cuenta, Mi_Beneficio, Mi_Seguro and Mi_Inversión) has reported 4.9 million total accumulated downloads, growing 53% over 2017.

Continuing with the digital engagement strategy, in 2018 the Mi_Pass application was consolidated, covering all authentication and transaction authorization functionalities for internet and Mi_Banco transactions. This resulted in 382 thousand downloads, accumulating to date a total of 850 thousand downloads since being launched. A total of 36 million transactions were authorized, representing an 100% increase over 2017. The Mi_Pago application reported growth of 192% in transactions with respect to the prior year and accumulated a total of 460 thousand downloads since being launched.

Loyalty program efforts in 2018 focused on providing a wide variety of benefits so that customers could enjoy the market's best loyalty program, giving them relevant options in each reward category: travel, entertainment, product catalog and discounts.

In the travel category, Bank customers can exchange award-dollars to tour the world, while enjoying exclusive on-board and airport benefits, interest-free installments and discounts from

partner airlines (Sky, Iberia, Delta, Gol and British Airlines). All customers also have access to personalized service at the Travel Club travel agency. Benefits also included pre-travel options such as transport to the airport and a modern international VIP lounge, thus providing a comprehensive experience. This year more than 100 thousand customers took advantage of these benefits.

In the entertainment sector, the Bank signed an alliance with LOTUS Producciones for customers to enjoy the best events and concerts in the country with exclusive discounts, interest-free installments and the ability to exchange award-dollars. Some of the most important include Lollapalooza, Cirque du Soleil, concerts at Movistar Arena and several other major shows over the next three years. By the end of 2018, more than 29 thousand customers took advantage of this alliance.

In this same area, the Bank strengthened the MesaGourmet benefit, whereby customers exchange award-dollars for their entire bill at the best restaurants in Chile. This program has enabled customers to enjoy their award-dollars in these unique culinary experiences with an average savings per customer of US\$ 100 per outing.

In terms of the product catalog, the Bank launched the new Friends of Banco de Chile/CCU Club, giving customers the opportunity to make purchases on the country's largest beverage portal with standing discounts and to exchange award-dollars to give them an incomparable buying experience. More than 2 thousand customers took advantage of this alliance since it was launched in September 2018.

850 thousand downloads
since being launched

Mi_Pass
application

460 thousand downloads
since being launched

Mi_Pago
application

These benefits are in addition to customary yearly discount campaigns such as the 2018 Christmas Campaign with 40% off on the best brands of apparel, footwear, electronics, etc. Approximately 9 thousand customers with Banco de Chile credit cards took advantage of these discounts at participating retailers.

Lastly, the Bank implemented a new account statement for the program that informs customers of the perceived value of the main benefits they have used throughout the year and each month, helping build loyalty and boost the perception of value.

2019 Challenges

- Maintain the strategy of increasing customer recommendation levels.
- Continue expanding customer base and focusing on increasing youth market share. To accomplish this, the division will continue to improve products, services, benefits and channels based on their needs.
- Increase market share across all products, maintaining solid customer loyalty strategy and profitability.
- Develop omni-channel approach, leveraging all sales channels while ensuring standardized customer service levels.
- Further develop Digital Banking Division and boost sales of products through these channels.
- Continue developing initiatives that strengthen the value proposition in the most transaction-based segments.
- Continue to encourage collaborative, inter-area work that drives information and knowledge synergies that help improve value propositions for customers.
- Maintain active advising and accompany customers throughout their life cycle.

SME Segment performance in 2018

Based on figures from the Ministry of Economics, Development and Tourism², small and medium enterprises represent 51.9% of all companies in Chile and are the largest creators of jobs in the country, helping develop people in the regions where they are located. Banco de Chile is committed to supporting the country's development by providing the best tools, backing and advice to customers in this segment.

In 2018, the division launched the Agro Model, designed to meet the lending and advisory needs of the agricultural sector, which includes farming, livestock and fruit production. Using this model, the division developed a commercial and risk proposal to strengthen farm-related business across all areas of the Bank, which included specialized account executives with their own targets and differentiated financial services such as the flexible farm loan.

Another milestone was the migration of companies customers to the new Banconexión 2.0 web platform, which aims to improve the customer experience with solutions tailored to each segment and the best standards of usability and security. As of year end, 70% of the portfolio had switched to the new internet platform.

Also worth highlighting is the growth of the base of SME current account holders, which rose 7.1%.

During this year, the Bank launched a new intranet assistance site for Banconexión 2.0 with an innovative design and excellent user experience. To assist with customer migration, this new site describes in detail each functionality of Banconexión 2.0, such as the process of requesting a password, checking account and credit card balances, transferring funds, mass payments, payments on other sites, self-management, changing the user profile, electronic bill payment, among others. It also includes a wide range of support tools such as: videos on functionalities, infographics, FAQs and support tutorials. The division also set up contact channels staffed by specialists to manage all inquiries and potential problems that might arise with the site.

2. <https://bit.ly/2lXJ4dk>

The Companies Web Department relaunched the funds transfer functionality to strengthen this channel, making improvements and changes to this important service for all customers to optimize the user experience and incorporate tools to manage both mass and individual transfers for commercial customers.

In 2018 the division supported more than 5,400 customers from the SME Banking Division through initiatives managed by the Bank such as "Companies Gatherings" and agricultural fairs, as well as the Compete+1000 Program from Universidad Adolfo Ibáñez, the Business Development Program offered by the ESE Business School at Universidad de los Andes and the Endeavor Entrepreneur Campus.

The Bank's efforts to improve SME access to government-backed loans (FOGAPE³) and CORFO funding (FOGAIN⁴), in coordination with these institutions, generated a flow to approve sales levels for new customers and customers with presumptive income. Through this, the Bank streamlined the sales accreditation process and opened the offer up to a larger group of customers.

2019 Challenges

- Lead the SME market in market presence and customer preference.
- Attain market share of 22% under the Marco Polo Plan.
- Expand customer base in target segment, generating market presence and ensuring future growth.
- Improve value proposition for customers and develop more flexible service processes.
- Strengthen the partnership network by expanding scope and coverage to provide the best benefits and tools for SMEs.
- Reach more customers through different advising programs.
- Improve recommendation index in Metropolitan Region by at least five points.

2. Consumer Finance Segment

Offers products and services for:

- Employees and retirees in the C3 and D socioeconomic segments
- Micro-entrepreneurs

Banco CrediChile offers a wide range of financial products and services, including consumer loans, credit cards, mortgage loans, micro-entrepreneurial loans, debit accounts, life and general insurance, direct deposit and savings accounts.

Performance in 2018

Banco de Chile's Consumer Finance Division has supported the country's bank usage rates and extended its reach to people with monthly income below Ch\$ 500,000 and to micro-enterprises. In addition to gaining access to bank products, they benefit from financial training and education programs.

The products made available to this segment include "Cuenta Chile", a debit account that gives its users access to products and benefits and a broad network of branches around the country.

In 2018, the nationwide Cajas Chile network had 683 locations, or 66% less than 2017, due to a change in the growth and development strategy for the portfolio that required some alliances to be eliminated. However, in terms of total transactions, the channel remained stable, improving productivity per location and geographic coverage, reaching 85% of all districts in Chile.

Ninety thousand withdrawals and 91 thousand deposits from/ to debit accounts were made in 2018 at Cajas Chile locations. Installment loan repayments accounted for 33 thousand transactions, of which 70% were made in districts where Banco de Chile has no branch.

For the first time, the Cajas Chile network formed part of the national collection network for the Teletón, providing greater coverage and proximity for people making donations.

3. www.bancochile.cl/Pyme/financiamiento/Financiamiento con Garantías Estatales

4. www.bancochile.cl/Pyme/Financiamiento/Financiamiento con Garantías Estatales/FOGAIN

With these added Caja Chile locations to collect donations, Banco de Chile reached 90% of the country, or 311 districts.

As part of its commitment to financial education, the Bank offered e-learning workshops and courses, as well as the second version of the Desafío Emprendedor Competition, which attracted 31,490 applicants from throughout Chile (see Community chapter).

2019 Challenges

- Reach more customers with value offering through different channels.
- Continue to promote access to digital and mobile banking.
- Expand the range of services for customers through different channels.
- Streamline processes to improve the customer experience.

Wholesale Market

1. Large Companies Segment

Offers products and services for:

- Chilean companies with annual billing between Ch\$1.6 billion and Ch\$10 billion and presence in the Metropolitan Region and other areas of Chile.

2. Corporate and Investment Banking Segment

Offers products and services for:

- Chilean companies with annual billing over Ch\$10 billion and a specialized customer service model segmented by industry, and multinational companies with annual billing over Ch\$70 billion.

These commercial segments offer variable-term lending products (commercial loans, leasing, factoring, foreign trade); transactional banking services such as current account management, payments, collections, representation and asset custody both in Chile and abroad; investment banking, capital markets products and financial risk hedging (derivatives) as well as advisory services for initial public offerings, capital

increases, sales and purchases of blocks of shares, private capital placements, public share tenders, mergers and acquisitions, company valuations, bond issuances, and syndicated loans. It also manages business relationships with correspondent banks, giving the Bank access to international bank funding sources, as well as various bank-to-bank business deals.

Performance in 2018

This year, the division reinforced the growth rate of commercial loans in all commercial segments, in line with the market, with foreign trade and factoring products performing particularly well. Transactional services conserved a strong commercial focus, which helped close the year with considerable growth in demand balances and in the treasury cash flow business.

In structured products, the division reported growth in treasury derivatives and financial advising as a result of efforts to strengthen ties with customers, which led to the Bank being named Best Investment Bank in Chile by the magazine LatinFinance for the fifth year in a row. The above accomplishments, coupled with an ongoing quest to simplify the organizational structure in order to reach customers more directly and cover their needs quickly, enabled the division to maintain its industry leadership in market presence and customer preference.

2019 Challenges

- Complete customer migration to new Banconexión 2.0 platform.
- Explore new business niches.
- Make customer service models more efficient.
- Continue to lead in market presence and customer preference and offer the best structured solutions to meet customer needs.
- Design strategies with specific goals tailored to each segment.
- Seek high levels of efficiency and quality with low distribution costs for commodities products.
- Aim to provide innovative and flexible transactional services, offering its capacities through diverse digital platforms for enterprises of all sizes.
- Make most common functions available on on digital channels (Internet and mobile).

Treasury

The Treasury offers a range of products associated with asset and liability management, mainly for:

- institutional customers, multinational entities, corporations, wholesale customers and large companies.
- Individuals that are private banking and preferential customers.

Performance in 2018

In 2018 the number of customers operating with derivatives increased 29% over the prior year. The segment with the most growth was the Regional Large Companies Segment, doubling the number of active customers in derivatives. The SME segment also performed well, doubling the number of customers working with derivatives, albeit with a smaller customer base.

There was a sharp increase in transactional capacities through electronic platforms, commercial executives and desks. The dollar trading platform doubled its user numbers, while commercial executives reported growth of 205% and desks increased 88%. For the first half of 2019, the Bank hopes to have its Online FX platform operating for customers. This made 2018 a record year in terms of entries of customers operating with treasury products.

The division has put forth considerable effort to continuously improving both customer-facing and internal processes for treasury products. Along this front, due to the impact and organization-wide nature, multidisciplinary efforts have been made within the Bank to improve processes and the customer experience for the FX Spot product.

In terms of funding strategies, in 2018 the Bank placed UF 39 million in UF bonds and Ch \$20 billion in Chilean peso bonds on the local market. The bonds were in high demand by financial market players such as pension funds, mutual funds and stock brokerage firms, among others.

The Bank continues to build its international presence, issuing bonds on the Japanese and Swiss markets for an equivalent of US\$ 165 million and analyzing alternatives in other countries. In the US market, it has continued its commercial paper program, under which it issued US\$ 1,450 million (first issuances and renewals) in 2018, giving it a year-end balance of US\$ 370 million.

2019 Challenges

- Continue increasing penetration in Large Companies and SME segments.
- Implement FX Spot transactional platform for customers.
- Continue diversifying external funding sources.
- Continue automating processes to ensure an exceptional operating environment.

Subsidiaries

The following subsidiaries offer financial services to complement our core banking activities.

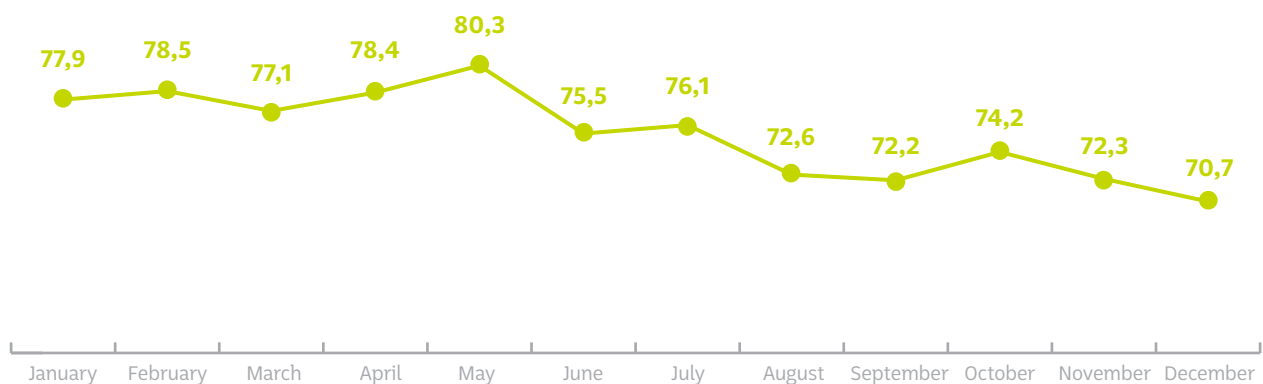
- BanChile
 - › Administradora General de Fondos (AGF)
 - › Securities Brokerage
 - › Insurance Brokerage
 - › Asesoría Financiera (Financial Advising)
 - › Securitization

Quality service

Banco de Chile aspires to be the best bank for its customers. This means being number one in service quality, aiming to understand and anticipate the needs of its customers, and shifting its focus from product to customer. The Telephone Banking and Customer Division is responsible for driving and guiding all areas of the Bank towards achieving this organization-wide goal.

2018 was a year of contrasts: There were positive milestones such as industry awards for service quality from Procalidad (First place, National Customer Service Award--Large Banks)⁵ and Alco and Universidad de los Andes (First place, Consumer Loyalty Award --Banking Sector)⁶, together with recommendation indexes until May, which were affected by the cyber-attack on the Bank on May 24th (known as 24M). In addition to impacting the Corporation's systems, this incident also affected the Bank's image and daily operations by customers, thus sharply deteriorating satisfaction and recommendation rates as seen in the figure:

SATISFACTION AND RECOMMENDATION RATES PRE AND POST-24M

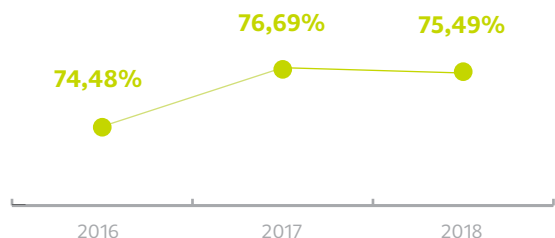


5. Award given each year by Procalidad, in conjunction with the consulting firm Praxis and Universidad Adolfo Ibáñez. This recognition from customers is made without information provided by banks, thus guaranteeing impartiality.

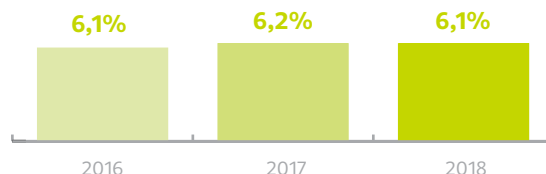
6. Consumer Loyalty Award, recognition for Chilean companies that have generated the highest levels of customer loyalty. This award, in its seventh edition, is based on the measurement of the NPS, which determines a customer's intention to recommend a company to a relative, friend or coworker. This award is an initiative from Universidad de los Andes and Alco Consultores.

In this context, the cumulative attrition rate held steady at 6.1% (6.2% in 2017) and the net promoter score was 75.49%. The challenge for 2019 will be to recover recommendation levels achieved up to May 2018.

NET PROMOTER SCORE 2016-2018

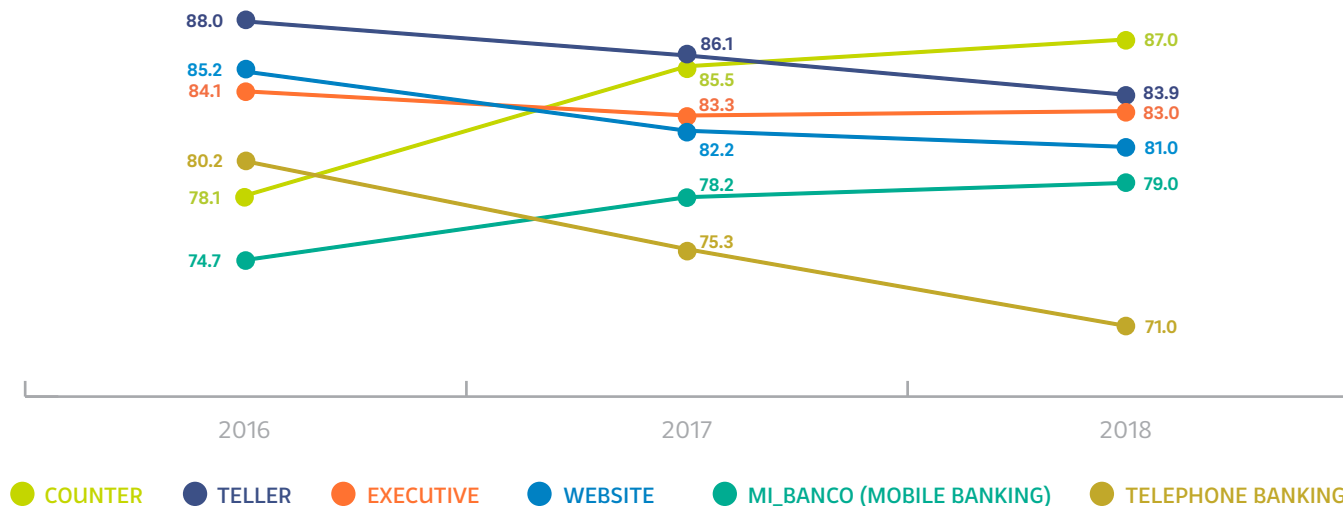


CUMULATIVE ATTRITION (2016-2018)



CUSTOMER SERVICE CHANNEL SATISFACTION

(%, 2016-2018)



CUSTOMER SERVICE CHANNEL SATISFACTION 2018

(% NET)

83.9%
Counter

83.0%
Executive

87.0%
Mi_Banco (mobile banking)

81.0%
Teller

71.0%
Website

79.0%
Telephone banking

The Bank's service satisfaction measurements—broken down by channel—show a significant increase in satisfaction for the “Mi_Banco” channel, which has consolidated itself as a functional, stable and high-value application. The drop in satisfaction with the website can be explained by the 24M incident, which interrupted the normal functioning of the retail and commercial sites. The migration of companies segment customers to the Banconexión 2.0 site may also be reflected in this drop.

NUMBER OF PROBLEMS⁷ AND COMPLAINTS-2017

PROBLEMS RECEIVED

2016	2017	2018
154,662	131,115	119,432

FORMAL COMPLAINTS RECEIVED

2016	2017	2018
5,885	6,365	6,179

CUSTOMER REQUESTS, BY CHANNEL 2018

66,020

Telephone banking

24,791

Branch, executives

1,885

Internal channels

19,276

Internet

10,218

Branch, operations

Channel / Year	2016	2017	2018
Telephone banking	46.4%	50.1%	48.2%
Internet	21.7%	18.6%	15.8%
Branch, executives	22.7%	22.0%	20.3%
Branch, operations	7.9%	8.1%	8.4%
Internal channels	1.4%	1.3%	1.5%

Banco de Chile has tools that log all the problems and requests that customers file through the various channels of communication. At the end of 2018, it reported a decrease in both requests and complaints in relation to 2017. The most relevant decreases are related to fund transfer errors in current accounts (-32%),

bank statements received late and/or not received (-22%) and internal formal complaints thanks to the implementation of the “Customer Experience Desk,” which allows this type of request to be addressed by customer service executives and, therefore, improves customer response times (-5%).

7. A problem is a customer need that is resolved and, therefore, does not become a complaint.

8. Complaint: customer makes contact with a channel and if request is not resolved it becomes a complaint in one of the different Bank channels.

Cybersecurity and protecting information

In 2018 a new issue emerged as the most important on the list of the ten main global risks from the World Economic Forum: cyber-attacks. According to this document, exposure to this risk has risen as companies increase their dependency on technology. In this context, the explosive growth of interconnected devices and the digital transformation have led to a sharp increase in the potential surface for cyber-attacks. The number of interconnected devices in the world is expected to rise from the current 8.4 billion to 20 billion by 2020, increasing the use of artificial intelligence in business processes and risk exposure through malicious interventions that are carried out through computers using different electronic means such as internet, e-mail and attachments.

This threat became a reality for the Bank on May 24, 2018, when it was attacked and defrauded of US\$ 10 million in its own funds, without affecting customers, in an unprecedented situation in Chile. As a result of its prompt detection, the Bank activated its contingency plan and stopped practically all transactions planned by the attackers.

Just minutes after the attack, the Bank took immediate measures to guarantee their customers the security levels they are used to. In other words, it prioritized security and care of its customers' funds. It was ultimately determined that the international cyber-attack had been orchestrated by global gangs of cyber-criminals.

At all times, the Bank maintained fluid communication with the Superintendency of Banks and Financial Institutions (SBIF), the Central Bank and the National Consumer Protection Agency (SERNAC), as well as its peers in the industry, in order to keep them aware of these attacks and encourage prevention nationwide.

Although Banco de Chile has always prioritized customer privacy and the security of all applications and back and front office systems, in recent years it has made strides on innovations, applications and systems to react in the event of this type of crime. In response to 24M, the Bank created the Cybersecurity Division, which reports directly to the CEO. It will continue to innovate in new protocols, strengthening and incorporating tools and solutions that guarantee greater security and better prevention against cyber-attacks. The Bank provisioned US\$ 8,672 million in May 2018, which includes operating expenses resulting from this contingency. In addition to efforts to reinforce the division's tech team with additional human and financial resources, it built a Digital Security Center at its headquarters, which was opened in early 2019. These enhancements will enable the new division to carry out activities in-house that were previously contracted from external suppliers and are critical to programs to prevent this type of risk.

In parallel to all the advances in technology and prevention, it has initiated a process of cultural change within the Bank, in collaboration with the People and Organization Division. This process is designed to build a cyber-resilient culture, with employees that are aware of and committed to digital security, and, thus, will consider this variable from the design stage for products and services. The Bank is also developing a short-, medium- and long-term Cybersecurity Guidance Plan that calls for collaboration mainly between the Global Risk Control and Operations and Technology divisions. However, efforts to raise the Bank's security levels are also carried out with integration and collaboration from all the Bank's different business divisions.



ES CLAVE NO DAR TUS CLAVES

**NUNCA ENTREGUES TUS CLAVES, INFORMACIÓN
FINANCIERA O DATOS PERSONALES A NADIE**



Nunca incluiremos un link (enlace) en nuestros mails.



Mantén actualizado tu antivirus y nunca descargues archivos adjuntos de remitentes desconocidos.



Ingresa al banco digitando la dirección en la barra de tu navegador.



Solo sigue nuestras cuentas oficiales certificadas en redes sociales. Fijate en el check junto al nombre de la cuenta.

Esta es una iniciativa de Banco de Chile para la seguridad de todos los chilenos



Ingresa a bancochile.cl y descubre cómo evitar ser víctima de un fraude

The Don't pass your password ("Es clave no dar tus claves") campaign, a Banco de Chile initiative promoting digital security for all Chileans

Transparent customer communication and information

The Transparency Principle is established under both the Transparency Policy of Banco de Chile and its subsidiaries, as well as their Code of Ethics. This principle is manifested in a set of standards and protocols created to facilitate public access to all information related to the conditions of products and services offered by the Bank.

The Bank has acquired a public commitment to ensure the veracity of the information provided in each mass advertising campaign, taking care to include both relevant conditions and existing restrictions.

A commitment to transparent customer communication and information is essential to the work of every employee in the organization. Banco de Chile, through its Marketing and Customer Division, ensures that customers receive information that is clear, complete, relevant, reliable, comparable, timely and easily accessible.

The division is also supported by the Customer Defense Division, which strives constantly to meet customer needs, working to ensure that the Bank provides clear, pertinent information in terms of the values, conditions and characteristics of the financial products and services offered in order to enable informed decision-making.

In 2019 it expects to strengthen this work by helping to continually improve customer-facing processes and procedures and create products and/or services offered to them.





BANK PROFILE

EMPLOYEES

CUSTOMERS

ENVIRONMENT

COMMUNITY

SUPPLIERS

ECONOMIC PERFORMANCE

Banco de Chile Headquarters



"Festival of light"
Celebrating Banco de Chile's 125 years in business
Concepción, october 2018

04

ENVIRONMENT

Highlights

16,676 tCO₂e

carbon footprint measurement
GHG emissions (scope 1 and 2)

119

tons
reduction in paper consumption

13.7

tons of CO₂
emissions avoided thanks to BiciChile



Environment

Caring for the environment is one of the four pillars of Banco de Chile's sustainability strategy¹, in response to its corporate objective of leaving a less polluted planet for future generations. To accomplish this, the Corporation has developed programs and initiatives designed to manage the direct impacts of its operations on the environment. They focus on efficiently managing energy, solid waste and paper as well as reducing direct greenhouse gas emissions (GHG). Furthermore, as part of the corporate volunteer program, it has designed initiatives to mitigate pollution and restore or rehabilitate deteriorated areas.

The areas responsible for designing and implementing projects and programs to minimize the environmental impacts of Bank operations are the departments of Administration, which reports to the Financial Reporting and Control Division, in coordination with the Corporate Affairs and Sustainable Development Department, which reports to the People and Organization Division.

Some highlights in 2018 include creating an Environmental Sustainability Working Group, drafting the Environmental Sustainability Policy and conducting a study to quantify and characterize solid waste. In 2019 it expects to publish the policy and implement a comprehensive waste management plan.

Environmental sustainability working group

The Bank organized this working group in April to stress the importance of caring for the environment and set guidelines for monitoring and implementing its Environmental Sustainability Policy.

The Group is made up of individuals from the Bank selected by the Corporate Affairs and Sustainable Development Department, and external consultants, who act as a specialized panel to help make environmental definitions and plans. In 2018, the group had representatives from the areas of Administration, Financial Reporting and Control, Channel Development, Marketing and Internal Communications.

Since being formed, the working group has met nine times and has carried out the following:

- **Legal environmental compliance:** Verify compliance with current environmental regulations in places where Banco de Chile operates.
- **Energy and climate change:** Identify, quantify, assign responsible parties and set goals related to energy use and greenhouse gas emissions.
- **Waste and recycling:** Characterize, quantify, monitor, assign responsible parties and set goals designed to reduce the amount of waste sent to landfills by reducing, revaluing, reusing and recycling waste.
- **Suppliers:** Create incentives for suppliers to maintain an environmental management policy and system that favors caring for and acting responsibly towards the environment.
- **Operating efficiency and e-commerce:** Favor the use of e-commerce and operating efficiency as tools that also reduce the use of resources and lessen the Bank's environmental impact.

1. For further details on the other pillars of the sustainability strategy, see the Community chapter.

Emissions: managing our carbon footprint

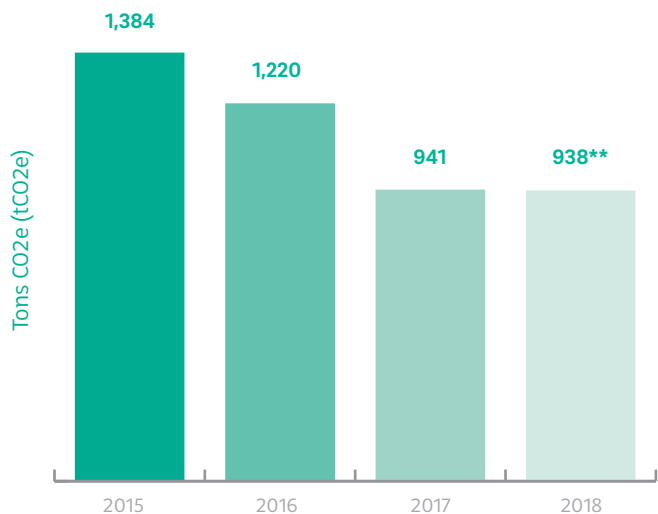
In order to take charge of its direct environmental impacts and improve its environmental performance, Banco de Chile hired the engineering firm Proyectae² for the second straight year to quantify greenhouse gas (GHG) emissions produced by Bank operations on a corporate level.

Carbon footprint measurement was based on the method established in the Greenhouse Gas Protocol.³ Corporate GHG emissions were quantified using the "Corporate Accounting and Reporting Standards (Revised Edition) from 2004⁴ and for products (intensity indicator) using the "Product Life Cycle Accounting and Reporting Standard" from 2011⁵ as reference.

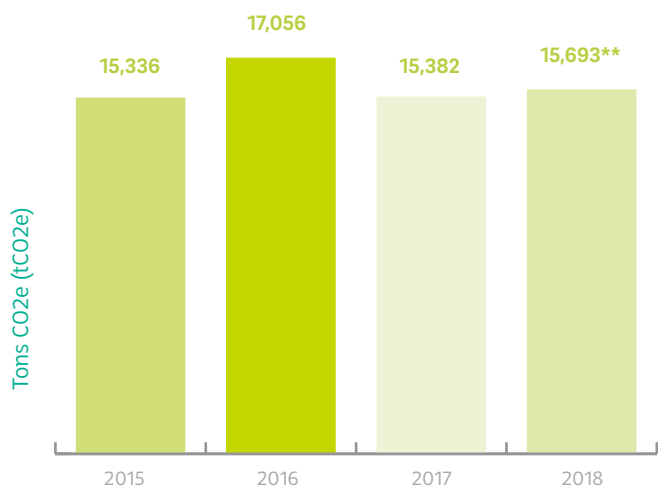
The result of the carbon footprint measurement was total direct emissions (scope 1 and 2) of 16,676 tCO₂e.

The goals and reduction plans will be implemented in 2019. These include evaluating implementation of a formal plan to measure and reduce GHG emissions, as well as the idea of involving service suppliers related to the data center, transportation of valuables and HVAC equipment maintenance.

DIRECT GHG EMISSIONS (SCOPE 1) 2015-2018*



DIRECT GHG EMISSIONS (SCOPE 2) 2015-2018*



Note: In 2018, the Bank improved its methodologies for managing information and retroactively updated electric power consumption for the years 2015-2017. Therefore, it changed the value of its carbon footprint published in the 2017 Sustainability Report.

*Calculation method: GHG Protocol Corporate Standard, compatible with ISO 14,064. Gases included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆. Data does not include subsidiaries. Calculations made by Proyectae and verified by Deloitte.

** Preliminary information for 2018, in external assurance process.

2. <https://proyectae.cl/>
3. www.ghgprotocol.org
4. <http://www.ghgprotocol.org/standards/corporate-standard>
5. <http://www.ghgprotocol.org/standards/product-standard>

Energy efficiency

Promoting sustainable employee transportation

Banco de Chile promotes an active, healthy lifestyle among its associates. In this spirit, it has provided employees with a world-class bicycle rack since 2015. In 2018, 170 workers from the branches in downtown Santiago accessed this benefit, which resulted in a reduction in fossil fuel use and, therefore, the Bank's emissions of 13.7 tons CO₂.

For the fourth year in a row, the Bank placed first in the Corporations category in the Cool Place to Bikezzz, Competition held from April to November 2018.

The Bank avoided emitting:

13.7 tons
CO₂

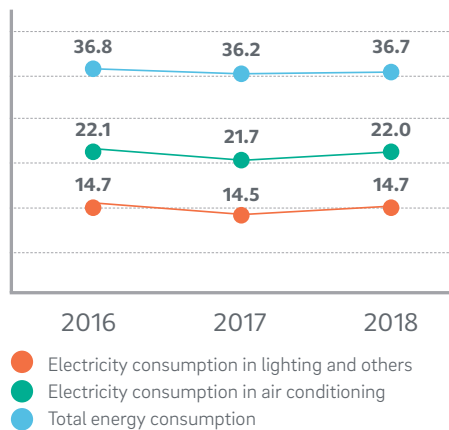
First place
In the Corporations category of the
Cool Place to Bike competition

The Bank's energy efficiency programs and actions have focused on automatically controlling air conditioners and heaters and upgrading less efficient equipment, as this area represents 60% of the total energy consumption for the organization.⁷

In terms of performance goals for 2018, it made strides on a technical and economic evaluation to determine the feasibility of purchasing electric power from renewable sources. The outcome of that study showed that implementation would be complex and high cost and, therefore, the idea has been ruled out for now. The Bank did not make significant progress on energy savings measures in 2018. In dealing with the cyber-attack, it consumed additional energy to operate HVAC, lighting and computer equipment more than usual.

In 2018 it continued to upgrade lighting from fluorescent to LED. In 2019 it expects to have replaced 20% of all fluorescent lighting in its main buildings.

ENERGY CONSUMPTION (GWh) 2016-2018



6. <http://www.coolplacetobike.com/>

7. Lighting and computer equipment accounts for 25% of power consumption. The remaining 15% of energy is used to operate the telephone banking facilities and other equipment.

Waste Management and recycling

Another main environmental impact is solid and liquid waste, which for the most part is produced in facilities such as dining halls, the headquarters building and all other offices throughout the country.

In 2018 the Bank performed a diagnostic to characterize its solid waste in order to reduce the amount sent for final disposal (to landfills) by branches. To accomplish this, it leveraged the branch modernization pilot program ("Proyecto 2020") and chose three representative, accessible offices to quantify and characterize their waste. From this, it calculated an annual average waste generation of 1,852 tons for the entire Bank throughout the country.

This study confirmed that the main solid waste generated by the Bank's operations was printing paper and similar (40%), which is easily recyclable and, therefore, is not difficult to manage. The Bank then decided to launch a plan to manage this type of waste.

In order to expand this initiative to the entire organization, the plan will be implemented in three stages during 2019. The first, which began in March, will focus on the main buildings (Headquarters and Huérfanos 740), where 50 recycling stations will be installed.

The second stage, scheduled for the second quarter of 2019, will be expanded to include waste paper (valued paper), PET plastic bottles, glass, aluminum cans and batteries at branches in the Metropolitan Region and the third phase will introduce all of the above in branches outside Santiago. For this last stage, the Bank is identifying suppliers of logistics services to help set up recycling stations for collection and subsequent recycling.

The solid waste diagnostic also detected some hazardous waste, such as batteries. As a result, a plan was implemented to properly manage batteries, recycling 913.5 kg in 2018.

In terms of obsolete computer equipment resulting from technological upgrading processes, the Bank continued to work with the Chilenter Foundation⁸ to collect and sustainably transform its electronic waste. However, due to delays with contract renewal, the number of devices donated fell to 200 in 2018.

8. www.chilenter.com

SOLID WASTE GENERATED AND FINAL DISPOSAL 2016 -2018

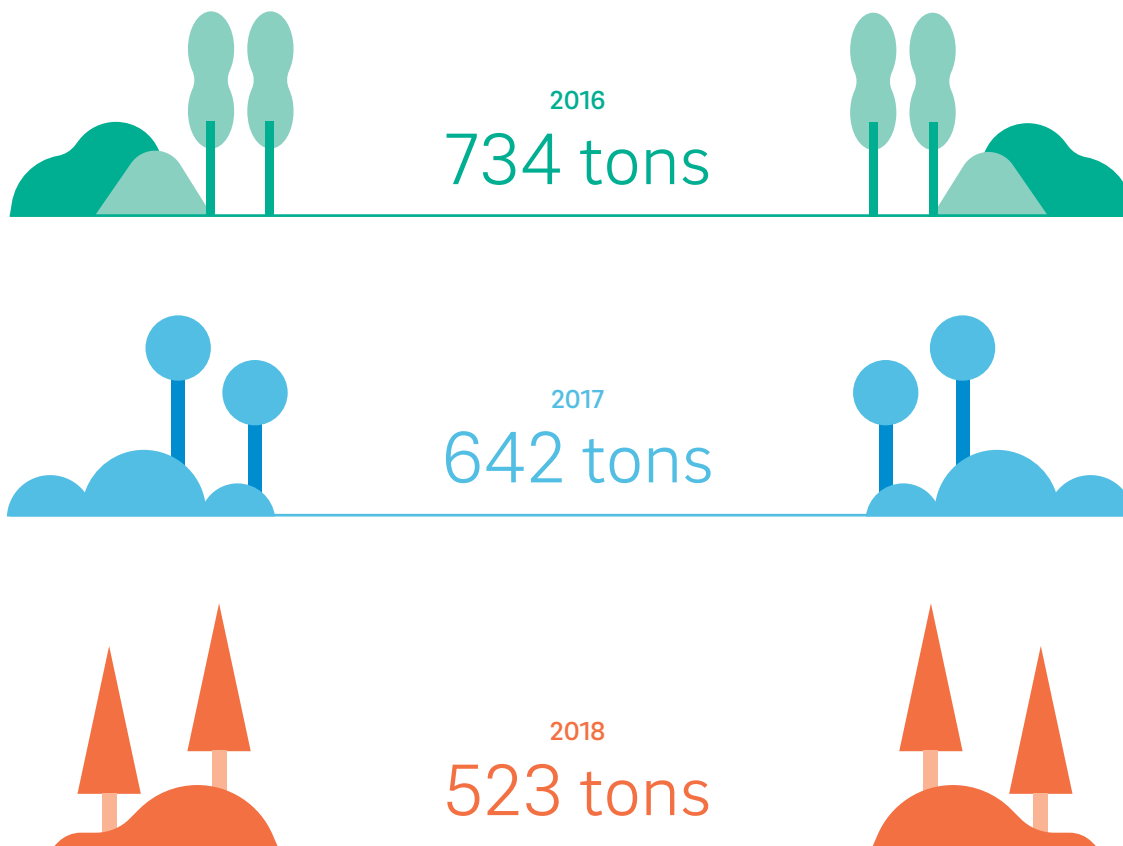
	2016	2017	2018	Final disposal
Paper (tons)	146	117	587	Recycling (SOREPA and Renova2 SPA)
Electronic waste (unit)	1,983	4,944	200	Recovery (Chilenter)
Recycled batteries (kg)	S/I	S/I	913.5	Recycling (Renova2 SPA)
Municipal mixed waste, headquarters (tons)	1,220	1,222	1,852	Landfills (Santa Marta and Santiago Poniente)

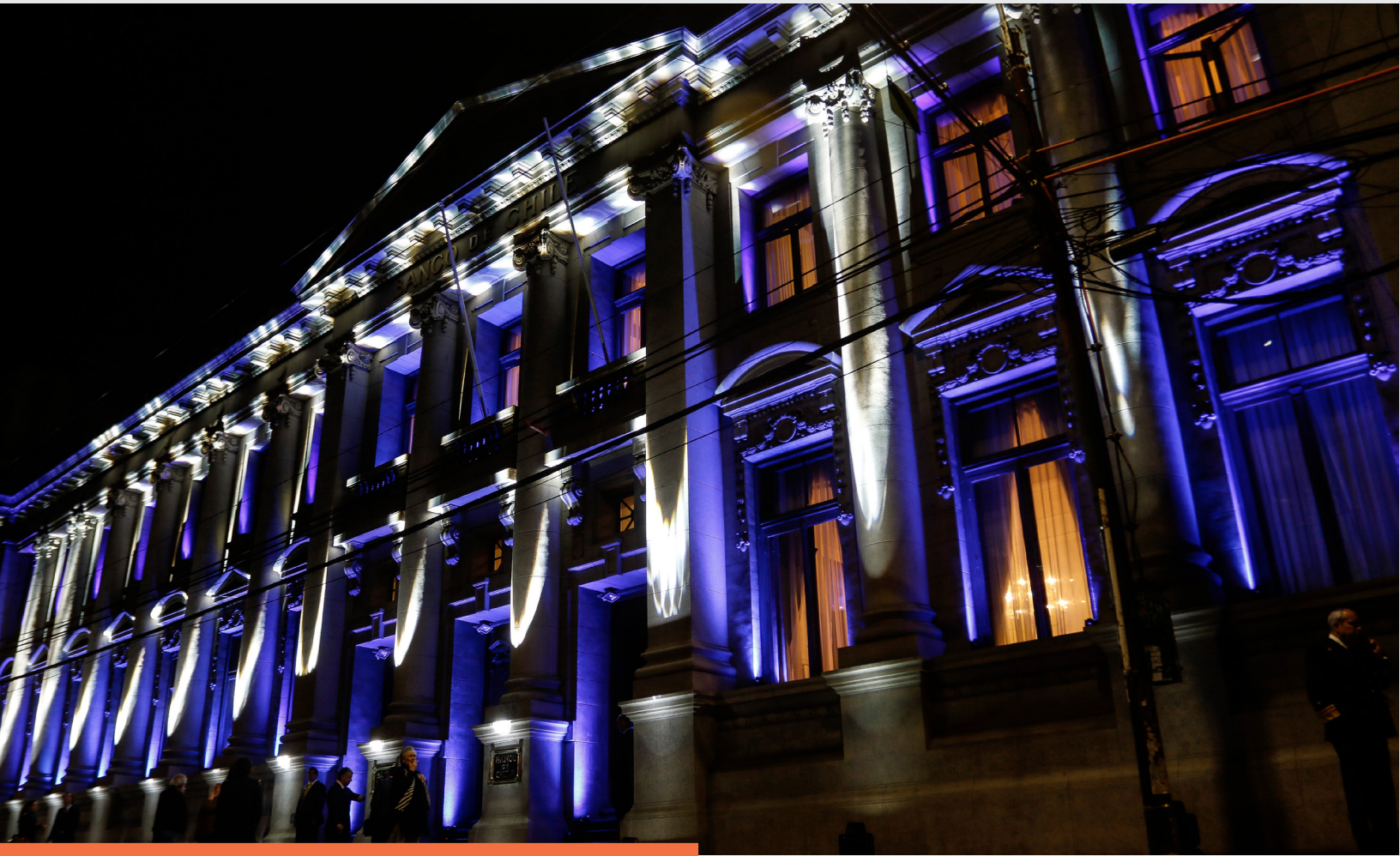
Inputs

Paper is not only the Bank's main source of waste but also the primary input for its operations. Therefore, efficiently using paper has become one of the focuses of efforts to manage internal environmental impact.

In this spirit, implementation of the Paperless Project continued in 2018, with the goal of progressively increasing document digitalization and, with that, gradually eliminating the use of paper. Progress in digitalization led to paper savings of 119 tons. This project is a key component of the Bank's strategy and is related to sustainability, efficiency and its commitment to the environment.

PAPER CONSUMPTION 2016- 2018 (TONS)





"Festival of light"
Celebrating Banco de Chile's 125 years in business
Valparaíso, october 2018

05

COMMUNITY

Highlights

Ch \$9,703* million in social investment

21,123 number of people benefiting from corporate volunteer programs

350 thousand people enjoyed the "Festival of light" throughout Chile

40 years with Teletón since the first day



*Social investment includes deductible and non-deductible donations, sponsorships, SENCE training tax credits and other activities included in the budget for the Corporate Affairs and Sustainable Development Department, such as festivities to celebrate the Bank's 125th anniversary and the Teletón's 40th anniversary.

Community

The Corporate Affairs and Sustainable Development Department, which is part of the People and Organization Division, is responsible for defining and managing the board-approved Sustainability Strategy. Its mission is to implement actions to comply with the strategic priority Commitment to Chile and direct stakeholder engagement efforts.

In 2018, the department continued to review management metrics and reinforce corporate communications aligned with business objectives in order to strengthen the internal culture. Along the same lines, the department has maintained programs that foster social development created in 2016 after a diagnostic conducted at that time. This is all backed by the Corporate Volunteer Program and the creation of partnerships with specialized foundations and public and private organisms, which have enabled it to further its commitment of building a more inclusive society.

The department also published the Framework for Action for the Commitment to Chile¹ on the Bank's website. The purpose of this document is to put in writing the Corporation's guidelines for respecting human rights in line with the UN Guiding Principles on Business and Human Rights. This, together with good practices in ethics and transparency, earned the Corporation recognition from Global Compact (see page 63).

During the year, it conducted a diagnostic of its Sustainability Strategy (see page 28) and organized eight meetings on the matter outside Santiago and 33 e-learning activities related to specific topics such as emergencies, the Teletón, financial education and inclusion, among others, which attracted 2,663 participants.

One organization-wide milestone during the period was the Bank's 125th anniversary celebrations, which deepened its commitment to sustainability by focusing on how to continue to support the country's growth and history from a sustainability perspective.

The Bank's social investment in 2018 doubled from the year 2017, reaching Ch\$9,703 million, of which Ch\$712 million corresponds to the Sence tax credit donated to diverse corporations and foundations. Companies in Chile are entitled to invest 1% of taxable salaries in training and deduct this from taxes. Surplus from this benefit can be reinvested in more company training or donated to a grant fund operated by different non-profit entities.

550,526

people throughout Chile were positively impacted by social investments made by Banco de Chile in 2018

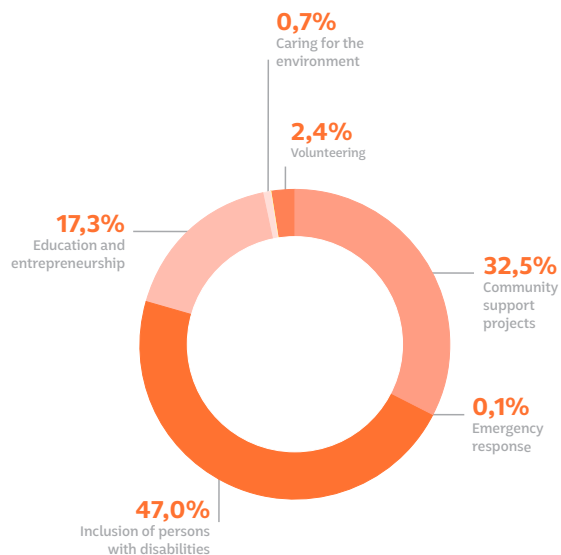
1. <https://bit.ly/2EUouGz>

SOCIAL INVESTMENT * 2016-2018

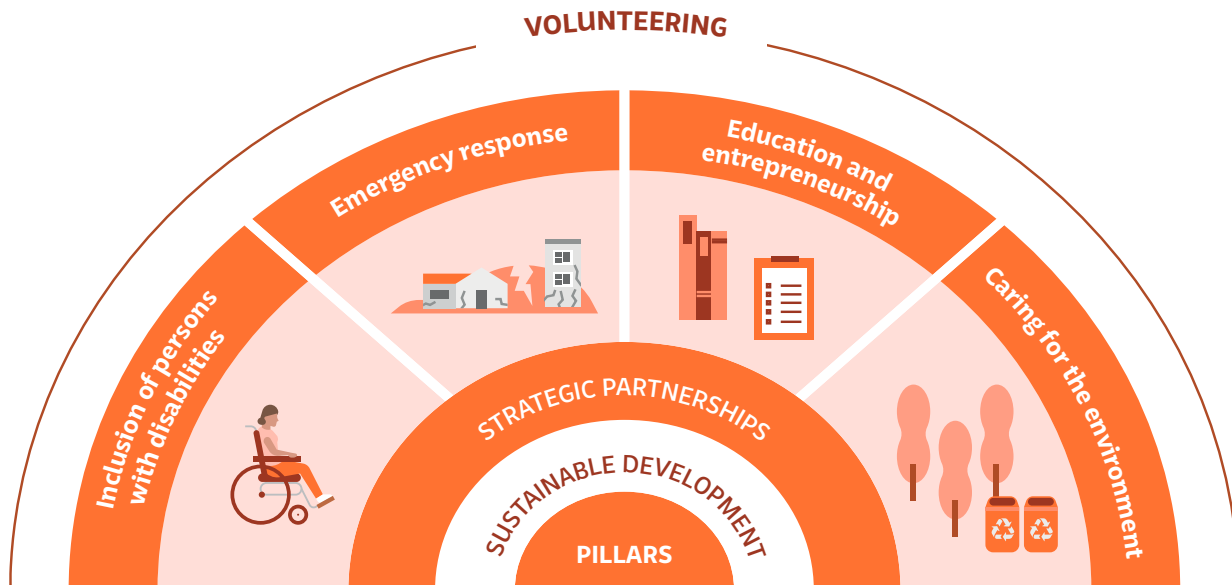
YEARS	SOCIAL INVESTMENT IN CH\$
2016	2,312,653,592
2017	4,334,235,511
2018	9,703,422,292

**Social investment includes deductible and non-deductible donations, sponsorships, SENCE training tax credits and other activities included in the budget for the Corporate Affairs and Sustainable Development Department, such as festivities to celebrate the Bank's 125th anniversary and the Teletón's 40th anniversary.*

DISTRIBUTION OF SOCIAL INVESTMENT (%) IN 2018



Sustainability pillars²



2. The Caring for the Environment pillar is addressed in chapter 4 of this report.

Assessments

Banco de Chile keeps several communication channels open with its stakeholders (see page 30), who are looking to gather information to respond to questions and manage concerns regarding different issues. In addition, it actively participates in social media and has a telephone banking call center that is available 24/7 to manage questions and requests. In 2018 a new social media strategy was designed to help publicize the Bank's sustainability actions and increase community engagement.

In addition, compliance metrics and goals have been developed for all initiatives. In 2018, for the second straight year, the Bank was listed on the Dow Jones Sustainability Index Chile (DJSI) as a means of assessing its sustainability efforts. All indicators considered increased over 2017.

Similarly, the Undergraduate School of Economics and Business at Universidad de Chile, with support from Banco de Chile, created the **Sustainable Seal**, in order to encourage responsible business practices, recognize companies that incorporate sustainability into their strategic management and create opportunities for training and ongoing advising on this matter. Thirteen micro and small enterprises earned this seal in 2018.

This award certifies that companies earning the seal have implemented good management practices in three areas of sustainability: social, environmental and economic. The Bank secured participation from micro and small business owners recognized for their sustainable practices in seminars and workshops with renowned speakers and offered advising on business plans by specialists. The seal is backed by the Agency for Sustainability and Energy Efficiency, the Agency for Sustainability and Climate Change, the Ministry of the Environment and the Ministry of Economics.



Levels of Sustainable Seal

Companies are divided into three levels based on the percentage of compliance with environmental, social and economic criteria:

Level 1

Company's complies with at least 50% of the three areas.

Level 2

Company complies with 75% of the three areas.

Level 3

Company's complies with more than 90% of the three areas.

Banco de Chile: 125 years making history with you

To commemorate the Bank's 125 years in business, the Corporation organized two special activities targeted towards both workers and the community at large.

The first activity was to join, for the first time ever, the national celebration of **Heritage Day**, by organizing two tours of the Bank's headquarters, one for employees and their families and another for the general public. At the event, which was attended by 2,483 people, the Bank provided sign language interpreters and special access ways for persons with disabilities in order to reinforce its commitment to inclusion.

The activity was organized with a second goal in mind, reducing waste generated at the event by participating in the Zero Waste Challenge ("Desafío Basura Cero") together with the Basura Foundation, which was in charge of managing waste generated that day.

As a gift for the community, Banco de Chile organized an unprecedented light, music and art show, entitled the **Festival of light**, in different locations in Chile. The Santiago version alone brought together more than 350 thousand people. At the event, the most widely seen light show in Chile to date, the audience enjoyed large-scale light spectacles projected onto different emblematic buildings in Santiago, like the Bank's headquarters, the city's main square (Plaza de Armas), the Fine Arts Museum, the riverbank of the Mapocho River and the Municipal Theater.

Outside Santiago, the **Festival of light** was experienced in nine important locations in each city, such as the clock tower in Iquique's Plaza Arturo Prat; the cathedral in Concepción and a monument to Hernando de Magallanes in Punta Arenas.

The event, organized as a "carbon neutral" event, also had recycling stations to mitigate the effects of the waste generated. The equipment used for the light shows and mappings used environmentally friendly technology.

+ 350 thousand

people participated in the
"Festival of light" in Santiago

2,483

people toured the Bank's
Headquarters on Heritage Day



Heritage Day, Banco de Chile Headquarters

Committed to Chile

Organization-wide Pillar	Pillar	Commitments 2018	
Corporate Volunteer Program Strategic Partnerships	Inclusion of people with disabilities (PWD)	<p>Continue to support the Teletón Foundation.</p> <p>Strengthen the Internal Persons with Disabilities Inclusion Program, promoting hiring.</p> <p>Develop internal inclusion activities program.</p> <p>Develop external inclusion activities program</p> <p>Generate inclusion events in regions to create community awareness.</p> <p>Support the 21st version of the Chilean Open Cup wheelchair tennis championship.</p>	
	Entrepreneur education	<p>Train employees on financial education and entrepreneurship.</p> <p>Develop a financial education program for school-aged children.</p> <p>Continue with the Desafío Emprendedor Competition, supporting at least 320 people.</p>	
	Emergency response	<p>Continue to support people affected by natural disasters by strengthening the emergency volunteer team and promoting regional participation.</p>	

*The Caring for the Environment pillar is addressed in chapter 4.

	Activities in 2018	Commitments 2019
	<p>It maintained its support through 1,300 collection points and more than 10 thousand volunteers.</p> <p>The goal of hiring 1% of workforce with a disability was achieved.</p> <p>The Working Group for Inclusion continued focusing on three areas: physical accessibility, digital accessibility and inclusion of persons with disabilities.</p> <p>Participate in SOFOFA Inclusive Companies Network</p> <p>All branches were modified to provide better, easier access for persons with disabilities and 30 inclusive kits were installed in ATMs for people with visual impairments.</p> <p>A customer service protocol was implemented for persons with disabilities.</p> <p>Main sponsor of Expoinclusión (workplace inclusion fair in Metropolitan Region and areas outside Santiago) for the second year in a row.</p> <p>XXII Chilean Open Tournament and sponsorship of paralympic tennis players Macarena Cabrillana and Alexander Cataldo</p>	<p>Achieve goal by encouraging all workers to participate and making all collection channels available to the entire country.</p> <p>Maintain percentage, prioritize new hires</p> <p>Continue work done by this group, making continual improvements to enhancements already made.</p> <p>Implementation of 424 inclusive ATMs.</p> <p>Develop and implement Inclusive Communication Handbook</p>
	<p>A total of 48,239 people were trained through workshops and grants.</p> <p>The Bank organized financial education and b-learning workshops for 10,300 youth, adults and micro-entrepreneurs</p> <p>The Bank organized the Third Desafío Emprendedor Competition and received 30,140 applications. Fifteen regional fairs were organized and the three best initiatives received awards.</p>	<p>Develop and implement a financial education program for students and workers.</p> <p>Redesign the final stage of the competition and launch fourth version of Desafío Emprendedor. Apply, develop and position the Count on Banco de Chile ("Cuentas con el Chile") program as the basis for all sustainability initiatives.</p>
	<p>The Bank made a second call in the Metropolitan and Antofagasta regions to add members to the emergency volunteer team, reaching 60 active, trained volunteers.</p>	<p>Make third call for volunteers in the Metropolitan and Biobío regions.</p>

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Inclusion of persons with disabilities

Banco de Chile's commitment to inclusion of persons with disabilities arose 40 years ago from its relationship with the Teletón. In 2016 this commitment was fortified through a formal, structured program to promote inclusion within the organization by formalizing a policy, a declaration of principles and diverse, concrete initiatives.

A. Persons with disabilities inclusion program

Both the Persons with Disabilities Inclusion Policy and the declaration seek to promote the incorporation of persons with disabilities from a focus on rights, promoting their full participation and development. This forms part of the Bank's corporate values and is supported by a new organizational culture where disability is considered a contribution. The program includes activities in three areas: physical accessibility, digital accessibility and inclusion of persons with disabilities in the workplace.

The Persons with Disabilities Inclusion Policy considers the principles of justice, respect, non-discrimination and equal opportunities with equity. This serves to recognize effective inclusion as an asset for the Corporation and a hallmark that will contribute to Chile's development.

Physical and digital accessibility

All offices in the Banco de Chile branch network were improved and adapted to offer the public 100% accessibility. In this framework, the Vitacura branch was inaugurated as the first office fully equipped to serve persons with disabilities and 30 inclusive kits were installed in ATMs for people with visual impairments.

In addition, a customer service protocol for persons with disabilities was formalized and implemented at all branches. This protocol establishes how they should be served when tellers are not easily accessible because, for example, they are located on underground or second floors accessible by stairs.

Workplace inclusion of persons with disabilities

In 2017 the Bank analyzed all job positions to prepare the organization to adequately include new hires. In 2018 actions focused on managing the job life cycle of persons with disabilities by organizing leader gatherings and fostering good practices for processes to incorporate these individuals into teams. Three awareness talks were also organized for 200 employees.

Similarly, in 2017 the Risk Prevention Department began evaluating ergonomic and physical conditions at work stations for both employees that work at offices and those that telecommute from their homes. In 2018, 57 stations were evaluated and modified.

Along with this, the Bank implemented a special benefit program for workers registered with the National Disability Registry, such as special permission for health-related appointments, financial assistance with medical expenses not otherwise covered by insurance and flexible scheduling, among others (see page 54).

In 2018 the Bank also surpassed the goal of having 1% of its workforce with disabilities, thus fully complying with Law 21,015. It also organized two COMPIN activities to help 70 qualifying workers register with the National Disability Registry. In the same spirit, the Corporation organized internal informational fairs and sponsored the first workplace inclusion fair (Expoinclusión), a two-day event at the Santiago conference center Espacio Riesco that brought together more than 1,500 people.

In addition, in 2016 the Bank implemented a bank training project to strengthen the employability of persons with disabilities through bank training courses and the development of customer service skills. As part of this project, the Bank

joined forces with Instituto de Estudios Bancarios Guillermo Subercaseaux, which provides technical and professional training in the areas of banking and finance, thus creating development opportunities for persons with disabilities in this industry. In 2018, 14 people attended a 40-hour course in four-hour sessions spread over two weeks.

Pre-hire project modules:

- Communication and conflict resolution (16 hours)
- Introduction to the banking business (8 hours)
- Customer service (8 hours)
- Developing interpersonal skills (8 hours)



2018 Teletón - Banco de Chile Race

B. Inclusion working group

As a result of the participatory process to create an Inclusion Policy, a working group was formed to prepare and implement action plans related to inclusion. This group is made up of 10 people with key roles within the organization. Both the group and the Corporate Affairs and Sustainable Development Department are responsible for coordinating activities derived from the Persons with Disabilities Inclusion Policy.

#QueremosaChile
capaz DE TODO
 Banco de Chile

Teletón

40 years, together since the first day

Since its founding 40 years ago, Banco de Chile has supported the Teletón Foundation. This partnership has not only enabled the Bank to raise awareness among its workers of the reality of persons with disabilities but has also helped lay the foundation for its current Inclusion Program.

In addition to monetary contributions, the volunteer work of 10 thousand associates and its infrastructure and technology to collect donations from around three million people throughout Chile and around the world, the Bank participates in other related initiatives during the year.

In 2018 it organized the **II Teletón – Banco de Chile Inclusive Art Biennial** at the Gabriela Mistral Center (GAM). This show featured four permanent exhibits, 50 two-dimensional works from Teletón art workshops and a selection of 50 works from the II Plastic Arts Competition for Artists with Disabilities. The objective of this activity was to recognize and publicize works by artists with special needs in order to incorporate them into the national culture and arts circuit. As part of the biennial, a collective mural by artist Payo Söchting was displayed in the GAM courtyard. This canvas was painted by nearly 200 youth and children with and without physical disabilities at an event organized by the Bank in front of its headquarters.



GOAL

Ch \$32,522,911,111

FINAL FUNDS RAISED

Ch \$37,954,551,757



2018 Teletón - Banco de Chile race

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C. Inclusion initiatives

A. Banco de Chile Chilean Open Cup

This year 21st version of the Banco de Chile wheelchair cup championship was held on the courts of Banco de Chile's stadium. The activity brought together 47 tennis players from Argentina, Brazil, Guatemala and Chile.

B. Support for paralympic tennis players

The Corporation has been the official sponsor of paralympic tennis player Macarena Cabrillana (ranked number 1 in Chile and 36 in the world) for the last seven years. In 2018 the Bank began supporting Alexander Cataldo (ranked number 1 in Chile and 26 in the world).

C. Wheel The World (WTW)³

In order to foster tourism by persons with disabilities, their families and friends, as well as raise awareness about persons with disabilities as active individuals that want to live a full life, Álvaro Silberstein and Camilo Navarro visit popular tourist sites, implement accessible routes and leave all necessary equipment for others to comfortably follow in their footsteps. As committed, new inclusive routes were opened in Cochamó, San Pedro de Atacama, Pucón and Valparaíso.



Support for paralympic tennis players, Macarena Cabrillana and Alexander Cataldo

3. www.gowheeltheworld.com

Education and entrepreneurship

In order to improve the development, quality of life and employability of small and medium business owners, Banco de Chile promotes initiatives that are primarily carried out by the Desafío Levantemos Chile Foundation⁴ together with the Bank's Consumer Finance Division. These initiatives aim to promote the development of micro-entrepreneurs throughout Chile by training them through workshops, in-person talks, e-learning and b-learning courses, and offering special funding, grants, product marketing support and tools for responsible debt management and financial education.

A. Banco de Chile Desafío Emprendedor competition

Since the Desafío Emprendedor Competition began in 2016, 69,127 micro- and small business owners have participated with original, environmentally-friendly proposals. This initiative aims to strengthen and give visibility to entrepreneurs throughout the country through both funding and training on technical tools applicable to their businesses, such as responsible debt management, the Canvas Sustainable Business Model⁵ and sustainability.

In 2018, 30,140 applicants registered for the competition. From this pool of applicants, three hundred projects from throughout Chile were selected for the next round, which were then narrowed down to 20 finalists. Fifteen regional fairs were also organized as part of the competition, and awards were given for the three best initiatives along with two honorable mentions in the areas of track record and family business at a gathering in the Metropolitan Region. First place was awarded to Daniela Berríos, from Valparaíso, for her business KACHIBU, which designs and manufactures washable, reusable diapers from recycled fabric.

4. www.desafiolevantemoschile.cl

5. The Canvas Model was developed in 2011 by Alexander Osterwalder and Yves Pigneur in the book *Business Model Generation*, where they analyze different types of models and determine the best to use in each case. This tool helps define and create innovative business models simplified into four major areas (customers, value proposition, infrastructure and finances) using a nine-part diagram.

B. Financial education program

For the past four years, Banco de Chile has organized a financial education training program to continue to support the country's development and progress. The program also provides complementary grants to provide financial management, savings and decision-making tools to people with limited access to this type of opportunity.

1. Financial education training

To promote informed and appropriate financial conduct among companies, institutions and the general public, Banco de Chile's Consumer Finance Division organizes a course entitled "Twelve Principles of Financial Education." More than 110 thousand young people, adults and micro-entrepreneurs have been trained through classroom-based or e-learning versions of this course since 2014. In 2018, 104 micro-entrepreneurs were trained in a newly designed b-learning course combining the classroom and e-learning components. A total of 10,300 people participated in the different versions of this course during the reporting period.

2. Grants

Another training initiative takes the form of grants funded through SENCE training tax credits donated to diverse community organizations in order to enhance the job skills of youth and adults throughout Chile. Course topics include gardening, baking, catering, furniture making and many other trades. These trade workshops last between 120 and 240 hours and include a special module on financial education as part of the Bank's entrepreneurship program. In 2018, 32 courses were offered over a total of 1,859 hours.

C. Promoting education

As part of Banco de Chile's support of the country's development, it continued to support education on a national level through the Astoreca Foundation, Higher Education Scholarships and the Conducting Business in Chile/China Program.

1. Astoreca Foundation

The Bank has been collaborating with the Astoreca Foundation for 15 years. Its mission is to contribute to improving the quality of education in vulnerable sectors of Chile, through its three schools, San Joaquín, in Renca, and San José and San Juan, in Lampa. These schools offer free, quality education to children and youth in low socioeconomic segments. The foundation's activities have enabled more than 2,400 students to obtain the tools necessary for their professional and technical future. Student outcomes are above average for their district as well as municipal and state-subsidized schools nationwide.

2. Banco de Chile Co-Op program

A Co-Op Program was created in 2017 to offer early job experience to young people at technical high schools and motivate them to continue their studies, thus fostering their entry into the job market. Five, eleventh-grade students from Liceo Polivalente Santa Juliana in Recoleta participated in this initiative in 2018. (See page 60).

3. Banco de Chile PSU scholarship

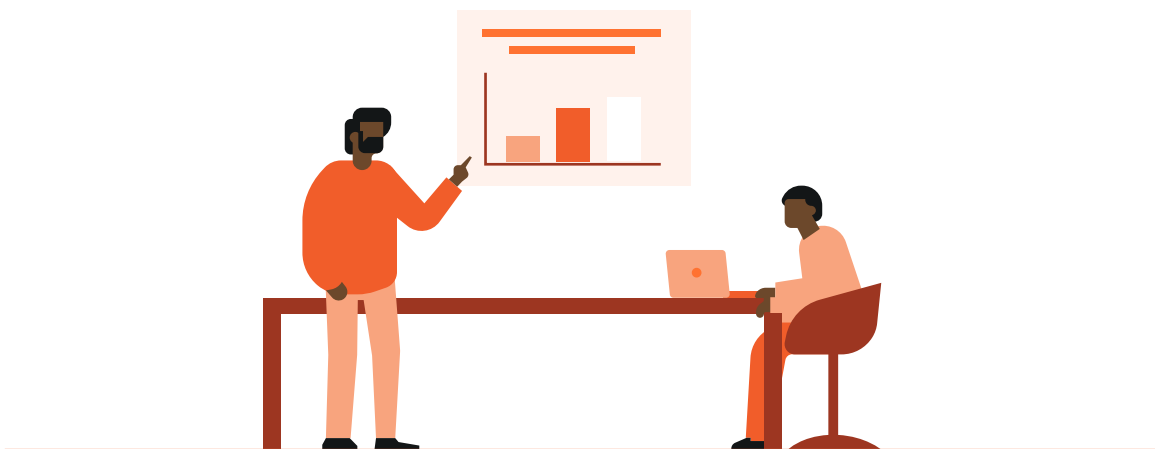
Each year, Banco de Chile awards a scholarship to the student with the highest national average score on Chile's university entrance exam in recognition of academic excellence, effort and perseverance for youth in our country. A full scholarship is awarded, which covers enrollment and tuition throughout the degree program chosen by the scholarship recipient, as well as a monthly stipend for personal expenses. In medicine, it also covers the costs of the specialization of the student's choosing.

4. Scholarship recipient gathering

As part of its 125th anniversary celebration, the Corporation hosted a gathering of over 500 scholarship recipients from the past 10 years. This activity was designed to generate networks and job opportunities.

5. Conducting Business in Chile/China program

In 2018 the Conducting Business in Chile/China Program celebrated 11 years of promoting cultural exchange. That year, the program funded travel to China for 20 MBA students and professors from Pontificia Universidad Católica and travel to Chile for 20 MBA students from the School of Economics and Management at University of Tsinghua in Beijing. In total, 430 students and professors have already participated in the exchange program.



Strategic partnerships

Many of the initiatives undertaken and promoted by Banco de Chile would not be possible without the support, commitment and help of Bank volunteers, and without the coordination and management of diverse community institutions.

In addition to its strategic partnership with Teletón for over 40 years, Banco de Chile has a close relationship with several foundations that help breathe life into its projects to contribute to society.

A. Desafío Levantemos Chile

The partnership between Desafío Levantemos Chile and Banco de Chile has benefited 750,386 people throughout Chile since 2012 through diverse projects, campaigns and initiatives. Of these, 153,114 received assistance in 2018 in areas such as construction, education, entrepreneurship, training and social inclusion, among others.

During the period, through the foundation, the Bank's board of directors collaborated on the implementation of different initiatives. Two particular projects related to inclusive entrepreneurship are highlighted below. The first was the inclusive bakery "La Quequería" in Chile's 4th Region. This initiative was designed to foster job insertion for people with physical and mental disabilities from the Adiston Rehabilitation Center in Tongoy. It included building and equipping a bakery and training workshops for 60 youth from the center to give them the tools they needed to prepare bakery products and serve customers.

The second initiative was the Maule Future Challenge ("Desafío Maule Futuro"), a grant competition in the Maule Region, which was ravaged by forest fires in 2017. The objective of

this initiative was to help develop 50 business ventures and 10 social innovation ventures in order to diversify the region's production matrix and contribute to regional development.

Along with Ch\$250 million in funding, the project included training at the Curicó Business Center, the Acerca Redes Foundation in Constitución and the Municipal Theater in Linares, where 1,692 applicants participated in 12 hours of classes. After the workshops on topics like strategic marketing, sustainability, accounting and finance, a ceremony was held in Constitución to announce the winning projects and give them their grants. An entrepreneurship fair was also organized for local micro- and small business owners.

B. Partnership with INACAP

In 2017 the Bank signed a cooperation agreement with INACAP to support technical assistance and quality training for micro and small business owners.

In 2017, the Bank offered an e-learning course on banking and financial institutions, debt instruments and entrepreneurship, among other topics. The goal was to support INACAP students and convert them into micro-entrepreneur monitors and advisors.

INACAP also donated classroom space throughout Chile for courses given to entrepreneurs selected in the Desafío Emprendedor Competition. In 2018 the Bank also participated in 20 innovation fairs organized by INACAP students.



Banco de Chile Corporate Volunteering

Corporate volunteering

Corporate volunteering is considered a key tool for the success of the Bank's sustainability pillars. In order to follow through on its commitments, the Bank forms strategic partnerships with social organizations that increase the national visibility of different volunteer opportunities, strengthening an ongoing, dynamic annual program based on community needs and the Bank's strategic objectives.

The Corporate Volunteer Program is designed to encourage participation from employees, who act as facilitators of the Bank's Commitment to Chile. The main initiatives are related to inclusion of persons with disabilities, the environment, emergency response, entrepreneurship and financial education.

In 2017 the Bank conducted a diagnostic to identify employee interest in participating in this type of initiative. Based on this exercise, it redesigned the program in 2018 in response to their interests, the pillars of its Commitment to Chile and the needs of the community with a regional focus. In this framework, 155 corporate volunteer activities were carried out throughout Chile, involving 11,940 volunteers and 21,123 beneficiaries.

	Volunteers	Hours	Number of people benefiting
Volunteering	11,940	141,752	21,123

A. Emergency Volunteer team

In 2017 the Bank created a stable group of 15 volunteers trained to respond in the event of a national emergency. During the period, the Bank followed through on its commitment to make a second call in the Metropolitan and Antofagasta regions to add a total of 60 active volunteers who are trained and certified in first aid and emergency psychological support.

Next year, the Bank expects to reinforce its commitment through a new call for volunteers in the Metropolitan and Biobío regions in order to develop opportunities for training and team work and expand the team's presence in northern and southern Chile.



Banco de Chile Corporate Volunteering

B. Regional focus and family involvement

All activities organized as part of the Corporate Volunteer Program have a regional focus. For example, the Meaningful Christmas Program consisted of activities in 29 districts from Arica to Punta Arenas that benefited 73 institutions. This activity allows employees to support institutions that benefit persons with disabilities by implementing inclusive spaces. After the Teletón, this is the activity that attracts the greatest number of volunteers.

A similar program, the Meaningful Back to School Program, was launched to carry out inclusive education-related initiatives for children and adolescents with disabilities, providing support for 48 institutions that work with school-aged children with disabilities so they can have a better start to the school year.

For both initiatives, the institutions are contacted directly by the employees themselves to identify their needs and develop proposals to address issues while promoting a long-term partnership.

C. Grant competitions

In 2018 the Bank launched a grant competition program designed to fund initiatives and projects presented by employees that want to collaborate with social institutions throughout Chile along three lines of action: institutional infrastructure and equipment, education and the environment. This initiative led to the funding of 28 projects for Ch\$80 million and benefited 8,870 people with disabilities.

D. Corporate environmental volunteer days

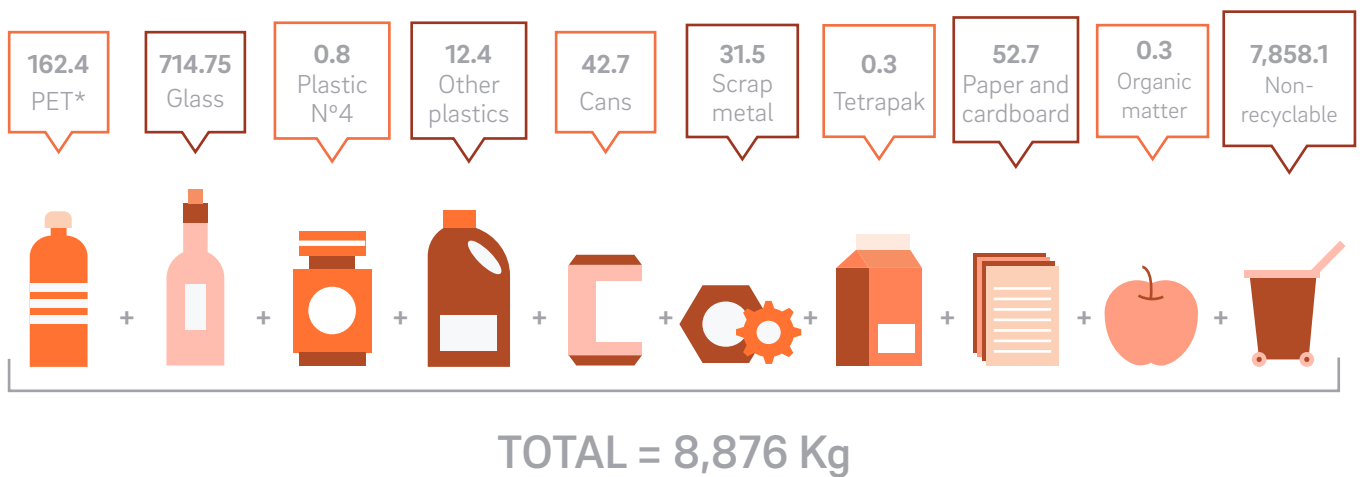
The Bank encouraged employees and their families to participate in the following volunteer activities that directly impacted the community and benefited the environment:

- Cleaning up rivers, ravines, beaches and wetlands as part of the We Want Chile to Collaborate ("Queremos a Chile Colaborando") program organized with the Basura Foundation.
- The Let's Reforest Native Chile ("Programa Reforestemos Chile Nativo") program from the Cultiva Foundation to help reforest areas affected by forest fires and/or deteriorated for other reasons from the Metropolitan Region to the 8th Region. Banco de Chile collaborated on this initiative in the San Nicolás area in the BíoBío Region.
- Improvement of 300 m² of green areas, vegetable gardens, greenhouses and underused and/or unharmonious spaces at the Misión de Amor Batuco Children's Home, which provides refuge for 55 children with cognitive disabilities.



#QueremosaChile Colaborando is an initiative that was developed as part of National Environmental Day in the country's 15 largest cities. This activity consisted of inviting employees and their families to help gather and recycle waste and beautify beaches, ravines, wetlands and lagoons as part of the Bank's commitment to the environment and the country. Non-recyclable material was sent to landfills for disposal.

Outcomes of #QueremosaChile Colaborando program



*Transparent plastic used for packaging. Also known as polyethylene terephthalate.

Programs that contribute to the community

Chile without Cancer

In order to create better opportunities for cancer patients treated in the public health system, the Chile without Cancer Foundation ("Fundación Chile sin Cáncer") was created in partnership with Universidad Católica, Hospital Sótero del Río and Banco de Chile. This is the first project in the country that combines public and private funding to increase the number of specialists and generate more cancer research through five areas of action: human capital development, improved hospital infrastructure (Hospital Sótero del Río), joint research with Pontificia Universidad Católica, implementation of a biobank and creation of a cancer registry.

Thanks to this collaboration agreement, an Outpatient Cancer Center was constructed at Hospital Sótero del Río. After three years in operation, this center has doubled appointments and patients diagnosed with cancer in the southeast Metropolitan Region now receive timely and quality treatment. Furthermore, oncology appointments have tripled and waiting times for cancer evaluations have been reduced. There was a 70% increase in the number of patients treated, which led to an almost two-fold increase in chemotherapy administered each year.

In 2018 **Banco Edwards** launched a fundraising campaign entitled **Testaments to Life** ("Testamentos de Vida") to identify the main problems that emerge from this illness and raise funds to improve treatment for the 45 thousand new cases registered annually.



Launch of fundraising campaign for the Chile without Cancer Foundation



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"Festival of light"
Celebrating Banco de Chile's 125 years in business
Concepción, october 2018

06

SUPPLIERS

Highlights

9,058

suppliers
that are SMEs

97%

in purchasing budget
of purchases from local suppliers

6 years

in a row with
ProPyme seal certification



Relationships with suppliers and contractors

Banco de Chile looks to build a solid, lasting relationship with its suppliers and contractors, with a long-term vision that promotes mutual benefit, valuing excellence, quality, transparency, timeliness and competitiveness.

The Supplier Management and Selection Policy is the main guide for supplier management. The policy, updated in 2018, is designed to ensure that all goods and services required by the Bank to fulfill its mission are contracted and acquired through open, transparent, timely processes under competitive conditions while avoiding conflicts of interest and guaranteeing fair treatment for parties collaborating with the Bank.

The relationship between Banco de Chile and its suppliers must be strictly independent and in accordance with corporate interests, without any kind of commitment or bias for a given supplier, always prioritizing the parameters of utility, quality and budget.

The main entity responsible for safeguarding compliance with this regulatory framework is the Administration Department, which reports to the Chief Financial Officer.

Important milestones in 2018 included obtaining the ProPyme Seal for the sixth year in a row and beginning to operate the Artikos interactive digital platform for the Bank's tender processes, which are coordinated and supervised by the Administration Department in order to ensure communication, traceability and transparency both during the process and in relations with suppliers.

For 2019 the Bank will evaluate the possibility of changing its Enterprise Resource Planning (ERP) system to give suppliers a safe, scalable self-service portal to improve online communication and collaborative efforts between the Bank and its suppliers, thus improving its operating processes and the speed, effectiveness and timing of information.

As of December 31, 2018, the Bank maintained active contracts with a total of 649 suppliers and contractors, of which 29 were classified as critical. Local suppliers¹ account for 97% of the purchasing budget. The Bank had 9,058 SME suppliers in 2018, down 0.57% from 2017.

ACTIVE SUPPLIERS AND CONTRACTORS

	2017	2018
Number of suppliers with active contracts	509	529
Number of contractors with active contracts	127	120
Number of critical suppliers and/or contractors with active contracts	29	29

PERCENTAGE OF PURCHASING BUDGET SPENT WITH LOCAL SUPPLIERS

TYPE	2016	2017	2018
Purchases from local suppliers (%)	97	98	97
Purchases from other suppliers (%)	3	2	3

1. The Bank defines local as all purchases made with suppliers located within Chile.

Supplier and Contractor selection and evaluation processes

The Supplier Management and Selection Policy² is the main guide for supplier selection and evaluation processes, which

aim to ensure that all the goods and services required for the Bank's operation are procured through public, transparent, timely processes at competitive market conditions and with the best cost-quality ratio.

According to the policy, supplier selection begins with an accreditation process that considers legal, commercial, financial and labor aspects of the company and qualifies it to participate in bidding or quoting processes. Prior to awarding the job and/or contract, the criticality of the service to be provided is determined on the basis of business continuity, information security, financial results, legal and reputational risk. For service outsourcing, the Bank considers additional factors related to customer impact, concentration of services and country risk (the latter only when the service provider is outside of Chile).

The process also includes other evaluation criteria related to the Policy on Inter-company Transactions, provided in title XVI of Law 18,046 on Corporations, and the Operational Guidelines for Politically Exposed Persons (PEP)³ contained in the Updated Standards of the Superintendency of Banks and Financial Institutions (SBIF), which considers reputational and business criteria.

Hiring of services and the relationship with contracting companies is further governed by the "Contractor Company Relationship Protocol", together with the Risk Prevention Regulation for Contractors and Subcontractors. This protocol is based on the provisions of the Subcontracting Law and aims to

ensure the quality of the service contracted in consideration and observance of the current labor law. The purpose of this protocol is to help build proper commercial relationships between users and contractors, ensure compliance with labor obligations, avoid fines, sanctions and undesired labor conflicts, and safeguard the quality of the services hired.

The regulation also establishes the risk prevention standards, administrative procedures, requirements and local obligations that must be observed and complied with by employees of contractor and subcontractor companies while performing their jobs. Therefore, it looks to ensure that their work is carried out under the required quality criteria and with controlled risks that help protect the Bank's workers, physical assets and the environment.

Although the Bank does not have a specific policy at this time on assessment of aspects related to human rights compliance in the hiring of suppliers and contractors, it does comply with Chilean regulations on the protection of fundamental rights at work, such as non-discrimination, occupational health and safety, working hours, maternal protection rights and others specified in its Internal Health and Safety Regulations and the Framework for Action for the Commitment to Chile⁴.

The main challenge for 2019 lies in complying with Law 21,131, which requires payment within 30 (calendar) days and setting of an exact pay date that accrues interest for each day of delay in paying invoices as well as moratory fees. The 30-day maximum payment term will apply as of February 16, 2021. Before then, payment must not exceed 60 days to allow companies to adapt to the new regulation.

2. This policy applies to all areas of Banco de Chile and its subsidiaries.

3. <https://bit.ly/2CfqVC1>

4. <https://bit.ly/2EUouGz>

The Supplier Management and Selection Policy aims to ensure that all the goods and services required for the Bank's operation are contracted at competitive market conditions through public, transparent, timely processes and with the best cost-quality ratio.

The Bank has proactively implemented the following actions:

- Issuing formal communications within the organization to highlight the importance and impact of the 30-day payment law.
- Aligning internal policies and procedures with the law's objectives.
- Establishing ongoing internal control procedures to ensure compliance with terms set by the law.
- Establishing and promoting formal communication channels with suppliers / service providers.
- Strengthening internal audits to identify the need to update policies/procedures.
- Recording invoices in a timely fashion to ensure documents are properly accepted or rejected in order to meet deadlines.
- Scheduling maximum payment dates in systems based on the date the document is received.





"Festival of light"
Celebrating Banco de Chile's 125 years in business
Santiago, october 2018

07

ECONOMIC PERFORMANCE

Highlights

Ch \$27,914 **billion**
in total loans

Ch \$595 **billion**
in net income

Return on
19.3% **average capital**
and reserves



2018 Economic performance

The Bank achieved important financial and strategic results, sustained by a successful, consistent business strategy and an expanding transformation process. These achievements have enabled it to decisively move forward in fulfilling its aspirations of leading the industry in returns, net income, operating efficiency and corporate reputation.

In terms of financial results, Banco de Chile posted net income after taxes of Ch\$595 billion, up 3.3% from 2017, positioning it as one of the country's most profitable banks, with a return on average capital and reserves (ROAC) of 19.3%, well above the industry average of 13.0%.

This performance was based mainly on profitable loan portfolio growth with a special focus on the retail segment and an outstanding year for demand deposits, backed by

a record number of new customers added during the year. This enabled the Bank to maintain its leadership in demand deposits, achieving the industry's lowest cost of funds. In addition, it benefited from a more expansionary economic cycle, characterized by greater inflation, which positively impacted its ability to generate financial income. These effects were joined by conservative risk management and effective control of operating expenses, which constrained non-performing loan levels and improved its efficiency ratio by 92 basis points.

In 2019 the Bank will face several important challenges stemming from the continued transformation process in all dimensions of the business, consolidating growth in loan volume while safeguarding the risk-return ratio, restoring customer service and recommendation indexes and making additional progress in efficiency and productivity.

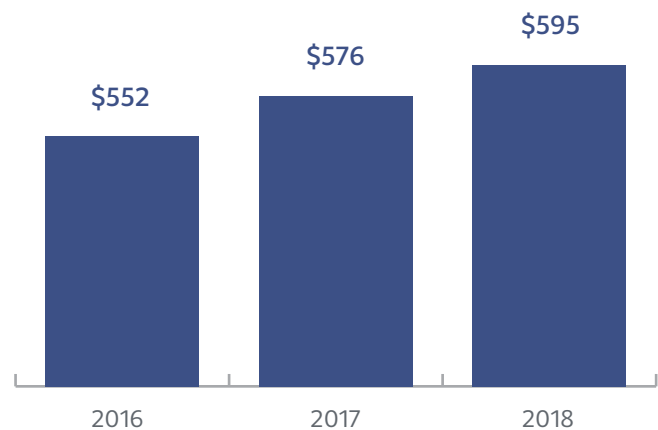
45.3%

Efficiency ratio

20.1%

Market share in commercial leasing
No. 1 in the industry

FINANCIAL RESULTS FOR THE YEAR (MCh\$)
NET INCOME 2016-2018



Economic value generated and distributed

In 2018, Banco de Chile generated economic value of Ch\$2,423,927 million. As shown below, most of that figure was used to pay capital providers (49.5%), employee wages and benefits (18.3%), operating expenses (16%), taxes to the State (6.7%), contributions to the Superintendency of Banks (0.4%) and community contributions (0.1%).

ECONOMIC VALUE GENERATED (MCh\$)

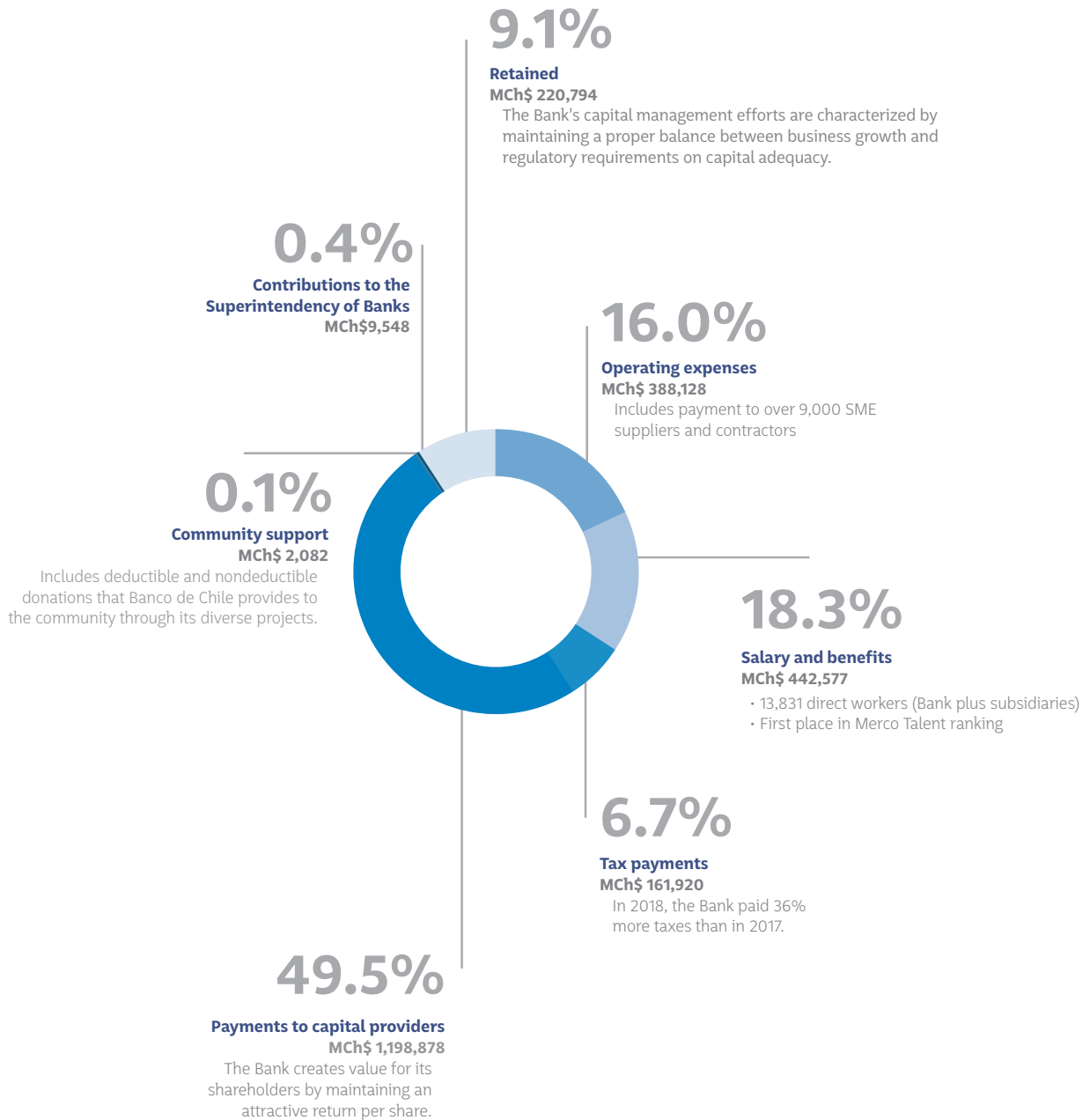
	2016	2017	2018
Operating revenue	2,239,603	2,256,378	2,423,927
Operating revenue	2,235,090	2,250,321	2,416,672
Income attributable to investments in associates	4,513	6,057	7,255
TOTAL ECONOMIC VALUE GENERATED	2,239,603	2,256,378	2,423,927

ECONOMIC VALUE DISTRIBUTED (MCh\$)

	2016	2017	2018
Operating expenses	-354,268	-363,087	-388,128
Administrative and other expenses	320,979	-327,836	-350,447
Depreciation and amortization	-33,289	-35,251	-37,681
Employee wages and benefits	-417,918	-409,331	-442,577
Payments to capital providers	-1,176,685	-1,118,067	-1,198,878
Shareholders (dividends)	-366,654	-342,034	-374,079
Suppliers of financial resources	-810,031	-776,033	-824,799
Payments to the State (income tax)	-94,345	-120,100	-161,920
Contributions to the Superintendency of Banks	-8,856	-9,176	-9,548
Community contributions	-1,936	-2,638	-2,082
TOTAL ECONOMIC VALUE GENERATED	-2,054,008	-2,022,399	-2,203,133
ECONOMIC VALUE RETAINED	185,595	233,979	220,794

Economic value distributed in 2018

How Banco de Chile's directly contributes to Chile's economy





Banco de Chile branch

Financial contribution from the State

In 2018 the economic assistance provided by government entities to Banco de Chile consisted of Ch \$1,700 million in tax credits for training expenses, which is equal in nominal terms to the 2017 figure; Ch\$ 98 million in tax credits from donations, representing a drop of 81% in funds received due

to a decrease in donations eligible for government benefits for the same percentage, especially for educational purposes; and Ch \$24 million in tax credits for purchases of property, plant and equipment, which is slightly more than the Ch\$23 million received in 2017.

ECONOMIC SUPPORT GRANTED BY GOVERNMENT ENTITIES (MCh\$)

	2016	2017	2018
Tax credit for training expenses	1,600	1,700	1,700
Tax credit for donations	232	526	98
Tax credit for additions to PP&E	23	23	24
Total	1,855	2,249	1,822

Contribution to Chile's economic development

Contributing to Chile's economic development is a cornerstone of Banco de Chile's long-term sustainability. We work every day to be the best bank for our customers, the best place to work, and the best investment for our shareholders.

A relevant component of our sustainability strategy is the capacity to adapt successfully to changes in the environment.

In addition to the direct economic impact generated by Banco de Chile through the payment of taxes, generation of direct and indirect jobs and payments to providers of capital

and workers, in 2018 the institution carried out a series of activities within the framework of its sustainability strategy that resulted in a social investment of Ch\$9,703¹ million and a positive impact on 550,526 people throughout Chile.

In 2019 Banco de Chile will continue to deepen its commitment to Chile, looking for new ways to contribute to the community and the progress of Chile and its people.



1. Social investment includes deductible and non-deductible donations, sponsorships, SENCE training tax credits and other activities included in the budget for the Corporate Affairs and Sustainable Development Department, such as festivities to celebrate the Bank's 125th anniversary and the Teletón's 40th anniversary.

08

GRI AND GLOBAL COMPACT CONTENT INDEX

GRI and Global Compact Content Index

GRI STANDARD	DISCLOSURES		PAGE NUMBER / URL / DIRECT RESPONSE	REASONS FOR OMISSION	GLOBAL COMPACT PRINCIPLE
	NO.	TITLE			
General Disclosures					
GRI 102 General Disclosures 2016	1. Organizational Profile				
	Disclosure 102-1	Name of the organization	17		
	Disclosure 102-2	Activities, brands, products, and services	9		
	Disclosure 102-3	Location of headquarters	17		
	Disclosure 102-4	Location of operations	17		
	Disclosure 102-5	Ownership and legal form	17 and 34		
	Disclosure 102-6	Markets served	34		
	Disclosure 102-7	Scale of the organization	18 to 23		
	Disclosure 102-8	Information on employees and other workers	19 and 46		P.6
	Disclosure 102-9	Supply chain	26 and 27		
	Disclosure 102-10	Significant changes to the organization and its supply chain	9		
	Disclosure 102-11	Precautionary principle or approach	No explicit guideline available		
	Disclosure 102-12	External initiatives	31		
	Disclosure 102-13	Membership of associations	31		
	2. Strategy				
	Disclosure 102-14	Statement from senior decision-maker	4 to 7		P.10 P.10
	3. Ethics and Integrity				
	Disclosure 102-16	Values, principles, standards, and norms of behavior	32 and 38		
	Disclosure 102-17	Mechanisms for advice and concerns about ethics	40, 41, 63, 64		
	4. Governance				
	Disclosure 102-18	Governance structure	35 to 38		
	Disclosure 102-23	Chair of the highest governance body	35 and 37		
	Disclosure 102-29	Identification and management of economic, environmental and social impact		Regarding the designation of executives responsible for economic, environmental and social issues, while there is no specific policy or procedure, the Board is informed of projects related to sustainability and the Commitment to Chile strategic priority at annual meetings with the Corporate Affairs and Sustainable Development Department and the Financial Reporting and Control Division, which report directly to the CEO and the Board.	

GRI STANDARD	DISCLOSURES		PAGE NUMBER / URL / DIRECT RESPONSE	REASONS FOR OMISSION	GLOBAL COMPACT PRINCIPLE
	NO.	TITLE			
General Disclosures					
	Disclosure 102-30	Effectiveness of risk management processes	39		
	Disclosure 102-31	Evaluation of economic, environmental and social topics	39		
	Disclosure 102-35	Remuneration policies	35		
5. Stakeholder Engagement					
	Disclosure 102-40	List of stakeholder groups	30		
	Disclosure 102-41	Collective bargaining agreements	71		
	Disclosure 102-42	Identifying and selecting stakeholders	10 and 30		
	Disclosure 102-43	Approach to stakeholder engagement	10 and 30		
	Disclosure 102-44	Key topics and concerns raised	11		
6. Reporting Practice					
GRI 102 General Disclosures 2016	Disclosure 102-45	Entities included in the consolidated financial statements	9		
	Disclosure 102-46	Defining report content and topic boundaries	10 to 12		
	Disclosure 102-47	List of material topics	11 and 12		
	Disclosure 102-48	Restatement of information	9		
	Disclosure 102-49	Changes in reporting	9		
	Disclosure 102-50	Reporting period	9		
	Disclosure 102-51	Date of most recent report	2017		
	Disclosure 102-52	Reporting cycle	Annual		
	Disclosure 102-53	Contact point for questions regarding the report	13		
	Disclosure 102-54	Claims of reporting in accordance with the GRI standards	10		
	Disclosure 102-55	GRI and	138 to 143		
	Disclosure 102-56	External assurance	13		

GRI STANDARD	DISCLOSURES		PAGE NUMBER / URL / DIRECT RESPONSE	REASONS FOR OMISSION	GLOBAL COMPACT PRINCIPLE
	NO.	TITLE			
Material Aspects					
Economic Performance					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	131		
	Disclosure 103-3	Evaluation of the management approach	131		
GRI 201: Economic Performance 2016	Disclosure 201-1	Direct economic value generated and distributed	132 and 133		
	Disclosure 201-4	Financial assistance received from government	134		
Indirect Economic Impact					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	135		
	Disclosure 103-3	Evaluation of the management approach	135		
GRI 203: Indirect economic impact 2016	Disclosure 203-2	Significant indirect economic impact	135		
Procurement Practices					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	125		
	Disclosure 103-3	Evaluation of the management approach	125 and 126		
GRI 204: Procurement practices 2016	Disclosure 204-1	Proportion of spending on local suppliers	125		
Anti-corruption					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	40, 41 and 63		
	Disclosure 103-3	Evaluation of the management approach	40, 41 and 63		
GRI 205: Anti-corruption 2016	Disclosure 205-2	Communication and training about anti-corruption policies and procedures	40, 63 and 64		
	Disclosure 205-3	Confirmed incidents of corruption and actions taken	40		
Anti-competitive behavior					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	www.bancochile.cl/Our Bank/Corporate Governance Code of Ethics		
	Disclosure 103-3	Evaluation of the management approach			
GRI 206: Unfair competitive practices 2016	Disclosure 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		During the period covered by this Report no such incidents were reported.	

GRI STANDARD	DISCLOSURES		PAGE NUMBER / URL / DIRECT RESPONSE	REASONS FOR OMISSION	GLOBAL COMPACT PRINCIPLE
	NO.	TITLE			
Material Aspects					
Energy					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		P.8 and 9
	Disclosure 103-2	The management approach and its components	93 and 95		
	Disclosure 103-3	Evaluation of the management approach	93 and 95		
GRI 302: Energy 2016	Disclosure 302-1	Energy consumption within the organization	95		
Emissions					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		P.7, 8 and 9
	Disclosure 103-2	The management approach and its components	93 and 94		
	Disclosure 103-3	Evaluation of the management approach	93 and 94		
GRI 305: Emissions 2016	Disclosure 305-1	Direct (Scope 1) GHG emissions	94		
	Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	94		
Effluents and Waste					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		P.8
	Disclosure 103-2	The management approach and its components	93 and 96		
	Disclosure 103-3	Evaluation of the management approach	93 and 96		
GRI 302: Effluents and waste 2016	Disclosure 306-2	Waste by type and disposal method	96		
Supplier Environmental Assessment					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		To date the Bank does not have this type of procedures, but it expects to implement them in the medium term.
	Disclosure 103-2	The management approach and its components	93 and 126		
	Disclosure 103-3	Evaluation of the management approach			
GRI 308: Supplier environmental assessment 2016	Disclosure 308-1	New suppliers that were screened using environmental criteria			
Employment					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		P.6
	Disclosure 103-2	The management approach and its components	45 and 49		
	Disclosure 103-3	Evaluation of the management approach	45 and 49		
GRI 301: Employment 2016	Disclosure 401-1	New employee hires and employee turnover	47 and 48		
	Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	52 to 55		
Labor/Management Relations					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		P.3
	Disclosure 103-2	The management approach and its components	45 and 71		
	Disclosure 103-3	Evaluation of the management approach	45 and 71		
GRI 402: Labor/management relations 2016	Disclosure 402-1	Minimum notice periods regarding operational changes	71		

GRI STANDARD	DISCLOSURES		PAGE NUMBER / URL / DIRECT RESPONSE	REASONS FOR OMISSION	GLOBAL COMPACT PRINCIPLE
	NO.	TITLE			
Material Aspects					
Occupational Health and Safety					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	45, 67 to 70		
	Disclosure 103-3	Evaluation of the management approach	45, 67 to 70		
GRI 403: Occupational health and safety 2016	Disclosure 403-1	Workers representation in formal joint management-worker health and safety committees	70		
	Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	69		
Training and Education					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	45, 58 and 59		
	Disclosure 103-3	Evaluation of the management approach	45, 58 and 59		
GRI 404: Training and education 2016	Disclosure 404-1	Average hours of training per year per employee	60		P.6
	Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	50, 60 to 62		
	Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	61		
Diversity and Equal Opportunity					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	56 and 57		
	Disclosure 103-3	Evaluation of the management approach	56 and 57		
GRI 405: Diversity and equal opportunity 2016	Disclosure 405-1	Diversity of governance bodies and employees	47 and 57		P.6
Non-discrimination					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	45		
	Disclosure 103-3	Evaluation of the management approach	45		P.3
GRI 406: Non-discrimination 2016	Disclosure 406-1	Incidents of discrimination and corrective actions taken	During the period covered by this report, there were no incidents of this type.		
Freedom of Association and Collective Bargaining					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	71		
	Disclosure 103-3	Evaluation of the management approach	71		P.6
GRI 407: Freedom of Association and Collective Bargaining	Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	During the period covered by this report, there were no incidents of this type.		

GRI STANDARD	DISCLOSURES		PAGE NUMBER / URL / DIRECT RESPONSE	REASONS FOR OMISSION	GLOBAL COMPACT PRINCIPLE
	NO.	TITLEz			
Material Aspects					
Local Communities					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	101 to 104		
	Disclosure 103-3	Evaluation of the management approach	101 to 104		
GRI 413: Local communities 2016	Disclosure 413-1	Operations with local community engagement, impact assessments, and development programs	101 to 120		
Supplier Social Assessment					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	125 and 126		
	Disclosure 103-3	Evaluation of the management approach	125 and 126		
GRI 414: Supplier social assessment 2016	Disclosure 414-1	New suppliers that were screened using social criteria		To date, the Bank does not have these types of procedures, but it hopes to implement them in the medium term.	
Marketing and Labeling					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	88		
	Disclosure 103-3	Evaluation of the management approach	88		
GRI 417: Marketing and labeling 2016	Disclosure 417-2	Incidents of non-compliance concerning product and service information and labeling		During the period covered by this Report no such incidents were reported.	
Customer Privacy					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components	86 and 87		
	Disclosure 103-3	Evaluation of the management approach	86 and 87		
GRI 418: Customer privacy 2016	Disclosure 418-1	Substantiated grievance concerning breaches of customer privacy and losses of customer data	86 and 87		
Socioeconomic Compliance					
GRI 103: Management approach 2016	Disclosure 103-1	Explanation of the material topic and its boundary	11 and 12		
	Disclosure 103-2	The management approach and its components		www.bancochile.cl / Our Bank / Corporate Governance / Code of Ethics	
	Disclosure 103-3	Evaluation of the management approach		www.bancochile.cl / Our Bank / Corporate Governance / Global Compliance	
GRI 419: Socioeconomic compliance 2016	Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area		During the period covered by this Report no such incidents were reported.	

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Sustainability Report 2018

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