



MANUAL  
FOR HANDLING INFORMATION OF  
INTEREST FOR THE MARKET

*Banco de Chile*

## **1. Introduction.**

On December 31, 2009, the Chilean Financial Market Commission issued General Applicable Rule (“NCG”, Spanish Acronym) No. 270, that “Establishes Rules for Publicizing of Policies and Procedures Regarding the Acquisition or Transfer of Securities of the Entity, and the Handling and Disclosure of Information for the Market”. The referred NCG established, among others, the obligation for companies that are issuers of publicly traded securities of adopting policies and internal regulations regarding the type of information to make available to investors and the systems implemented to guarantee that such information is duly informed.

The Chilean Financial Market Commission considered General Applicable Rule No. 270 as its own rule, by means of Circular No. 3.499, dated April 27, 2010, in the terms indicated therein, considering that banking institutions are also issuers of publicly traded securities.

Complying with the provisions of the referred rules, the Board of Directors of Banco de Chile, at meeting No. BCH 2.705, held on January 29, 2010, approved this “Manual for Handling Information of Interest for the Market”, hereinafter referred to as the “Manual”, that will be available to the investors in its web site ([www.bancochile.cl](http://www.bancochile.cl)), in its home office and in its offices or branches.

## **2. Purpose**

The purpose of this Manual is to inform to the securities market of the country the policies and internal regulations of Banco de Chile, referred to the type of information to make available to the investors and the systems adopted so it is duly informed.

Likewise, this Manual determines the behavior criteria to be followed by its addressees in order to protect the information regarding the Bank known due to their titles, positions or relations with the Bank.

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The information that Banco de Chile shall deliver to the securities markets abroad shall be made pursuant to the legal and/or regulatory provisions of the relevant jurisdiction.

### **3. Definitions.**

a) Information of Interest for the Market (“Information of Interest”): Information that, without being an essential fact or information, is useful for an adequate financial analysis of the entity, its securities or their offer. Any legal, economic and financial information referred to relevant aspects regarding the course of the corporate business or that may have a significant impact over them, shall be included in this concept.

Qualifying a fact as Information of Interest and its duly disclosure shall correspond to the Bank’s Board of Directors. Notwithstanding the foregoing, if the Board does not hold any special meeting, the General Manager shall always be authorized to qualify and duly disclose any Information of Interest. He/she must have obtained the favorable opinion of the Chairman of the Board, or the person replacing that Chairman, in case of facts different that those indicated in number 10 hereof.

b) Essential Information: Information that a level-headed man would consider important for his investments decisions. Essential Information is any events or acts producing or that may produce important changes, both in the financial situation and in the direction or management of the Bank, as well as the sanctions applied over the company for breaching any legal or regulatory provisions.

Pursuant to articles 9° and 10° of Law No. 18,045 on Securities Market, the Bank shall truthfully, sufficiently and duly disclose any event or Essential Information regarding itself, its business and the securities offered by the Bank, at the time the event occurs or the Bank becomes informed about the event.

To qualify any given fact as Essential Information, definitions and facts indicated as an example in Chapter 18-10 of the Revised Compilation of Rules of the Chilean Financial Market Commission and other applicable rules shall be especially taken into account.

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Qualifying a fact as Essential Information and its duly disclosure shall correspond to the Bank's Board of Directors. Notwithstanding the foregoing, if the Board does not hold any special meeting, the General Manager shall always be authorized to qualify and duly disclose any Essential Information. He/she must have obtained the favorable opinion of the Chairman of the Board, or the person replacing that Chairman, in case of facts different that those indicated as an example in the referred rule of the Chilean Financial Market Commission.

Events or backgrounds constituting Essential Information shall be informed to the Chilean Financial Market Commission and to the Stock Exchanges, following the instructions established to that end.

The Essential Information shall be informed to the shareholders at the Regular Shareholders Meeting, informing any events occurred during the year.

c) Insider Information: Information referred to one or several issuers of securities, their businesses or one or several securities issued by them, not disclosed to the market and that if known, due to its nature, may have influence in the price of the securities issued, as well as the reserved information referred in article 10 of Law No. 18,045 on Securities Market. Insider information shall also include information regarding any acquisition or transfer transactions to be executed by an institutional investor in the securities market.

d) Reserved Information: Essential Information to which the Board of the Bank has given the nature of reserved pursuant to article 10 of Law No. 18,045 on Securities Market. Only certain facts or backgrounds referred to negotiations that are still pending and that, if known, the corporate interest may be damaged, could be considered of reserved nature. To that end, the approval of 3/4 of the board members exercising board members duties shall be required.

Decisions and agreements as to this nature shall be informed to the Chilean Financial Market Commission on the next business days following their approval.

Once the relevant negotiation has been completed, the Bank shall disclose the relevant information.

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e) Confidential Information: Information trusted to certain people related to the Bank and that due to its nature shall be kept in reserve, considering that its disclosure to third parties may be harmful for the interest of the institution. Confidential Information includes, among others, financial data or projections, technical information, acquisition, transfer or merger plans, expansion plans, strategies, relevant contracts, fundamental changes to the management and other corporate developments, as well as for any other information agreed to keep confidential under a confidentiality agreement.

### **4. Addressees.**

This Manual is addressed to the following people:

- a) Titular and Alternate Directors of Banco de Chile;
- b) Advisers of Banco de Chile's Board of Directors;
- c) General Manager, Division Managers and other main executives of Banco de Chile;
- d) Employees of Banco de Chile that, without being managers or main executives, due to the nature of their duties or for participating in certain processes have or may have access to Information of Interest, Insider Information, Reserved Information or Confidential Information. This circumstance shall be determined, in each case, by the General Manager;
- e) Permanent and occasional advisers that due to the nature of their duties or for participating in certain processes have or may have access to Information of Interest, Insider Information, Reserved Information or Confidential Information.

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### **5. Approval and Amendment of the Manual. Competent Body.**

This Manual has been approved by Banco de Chile's Board of Directors. Likewise, amendments to the Manual shall be approved by the Board of the Bank, and shall become in force and effect as from its publication in the web site of Banco de Chile, unless the Board agrees otherwise.

### **6. People Responsible of Enforcing this Manual.**

The General Manager, through the Global Compliance Division, is the person in charge of disposing the enforcement and implementation of the policies and rules established herein and of safeguarding its surveillance with the involvement of the Comptroller's Office of the Bank. Likewise, the General Manager shall propose and inform to the Board of Directors the amendments to the Manual that may be deemed convenient.

### **7. Disclosure and Training.**

The duties of the General Manager of Banco de Chile are:

- (i) Send a copy of this Manual within 48 hours following its implementation or amendment to the Chilean Financial Market Commission.
- (ii) Give the instruction to keep at any time a copy of the Manual at the Home Office of the Bank and other offices or branches at investors' disposal.
- (iii) Give the instruction to inform the contents of this Manual inside the Bank using, to that end and among other means, the institutional intranet.

For an adequate internal disclosure and training about the contents hereof, the General Manager may require the Human Resources Manager and/or the Global Compliance Manager.

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### **8. Criteria applicable to the disclosure of transactions and holdings of securities issued by the Bank or other companies that are members of its corporate group, conducted by Directors, main executives and other people related to such entities.**

Banco de Chile complies with the regulation in force and effect regarding this matter, submitting to the Chilean Financial Market Commission the information established therein.

Pursuant to article 12 of Law No. 18,045 on Securities Market, the following people shall inform, within the term limits established in the applicable regulation, to the Chilean Financial Market Commission and each of the Stock Exchanges of the country in which the Bank has any securities registered for being traded, the acquisition or transfer of shares of the Bank, and the commitments and put or calls of shares of the Bank. The following people shall provide this information (i) any person directly or indirectly holding 10% or more of the shares of the Bank, (ii) any person causing the acquisition of shares that becomes holder of 10% or more of the shares of the Bank, and (iii) the directors, liquidators, main executives, the general manager and managers of the company, whichever number of shares they hold.

### **9. Insider Management and Personal Investments Policy**

a) Banco de Chile's Board of Directors approved an Institutional Policy for the Management of Insider Information and Personal Investments, hereinafter the "Policy", which governs the management of insider information held by directors, advisers and employees of the Bank and the procedures applicable to their personal investments in certain publicly traded securities and, in particular, in securities issued by Banco de Chile.

b) Pursuant to such Policy, and notwithstanding the reserve and confidentiality obligations established in the law, any person subject to the Policy shall keep strict reserve as to any insider information he/she may hold or have had access to, due to its title, position or activity. To that end, such persons are subject to the following obligations and prohibitions:

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(i) They shall not use insider information for its own or third parties' benefit;

(ii) They shall neither acquire nor transfer for themselves or third parties, directly or indirectly, securities regarding which they hold insider information;

(iii) They shall not use insider information to obtain benefits or avoid losses through any kind of operations with securities to which such information is referred or with instruments which profitability is determined by such securities;

(iv) They shall refrain from communicating such information to third parties or recommending the acquisition or transfer of the referred securities, safeguarding that this neither occurs through subordinates or third parties in whom they trust;

(v) They shall not act through third parties.

c) In addition, pursuant to the referred Policy, the employees of Banco de Chile and its subsidiaries with access to insider information shall be subject to the following particular obligations:

(i) They shall not transfer publicly traded securities and other similar instruments acquired before 30 days after their acquisition, unless within such time the price of the relevant instrument has decreased in 15% or more.

(ii) They shall execute their personal transactions through the subsidiary Banchile Corredores de Bolsa S.A. in the cases they shall act through a broker.

(iii) They shall inform to the Global Compliance Division any acquisition or transfer of securities conducted by them, their spouses, minor children and people over which they exercise any custody, and the companies in which they have decisive influence over decisions for the purchase or sale of securities.

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d) Any person having or that may have access to the financial statements of the Bank before such document becomes publicly known, shall not conduct any transaction of shares issued by Banco de Chile, for a period that goes from the 06<sup>th</sup> day of each month to the moment in which the results of the prior month have been informed to the public in general, whether by the Chilean Financial Market Commission or by Banco de Chile.

This restriction shall affect directors and advisers of Banco de Chile's Board of Directors, the General Manager, Division Managers and those that due to their position or duties participate in the preparation of or have access to the referred financial statements.

Notwithstanding the foregoing, certain people within the institution that due to their position may potentially have access to financial information before the above indicated date, whether they directly participate in its preparation or because they participate in its initial approval, shall be subject to a special blockade period starting on the first business day of each month and until the moment in which the results of the prior month are informed to the public in general in the above indicated manner.

e) The General Manager may prohibit temporarily any specific transaction over shares issued by Banco de Chile, as to employees that due to their activities have access to Insider Information in particular circumstances, such as merger or takeover negotiations.

f) Obligations and prohibitions indicated above apply to any transaction in which the person subject to the obligation or prohibition participates, and they also apply to the spouses, minor children and people over whom they exercise any custody, guardianship or representation, and the companies in which they have decisive influence over decisions for the purchase or sale of securities. The foregoing is notwithstanding the presumptions of access to insider information established by the law.

g) As an exception, and notwithstanding the general obligation to refrain from using insider information, the blockade periods shall not apply to the following circumstances:

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- (i) Subscription of shares directly from the issuer in a period of preferred offer;
- (ii) Acquisition or sale of shares in a public offering process or at an auction in Stock Exchanges;
- (iii) Acquisition or sale of shares exercising any purchase promise, put, call, or other derivative, subscribed at least 30 days before its exercise.

### **10. Mechanisms for the continue disclosure of Information of Interest.**

The Information of Interest determined by the Board or the General Manager shall be informed in the institutional web site [www.bancochile.cl](http://www.bancochile.cl). The following information, among other things, shall be published in the referred site:

- a) Any press release affecting the Bank.
- b) Copy of the Annual Report of the Bank.
- c) Any presentation regarding the economic or financial situation of the Bank to any group of investors.
- d) Copy of the notices summoning to regular and special shareholders meetings of the Bank.

Likewise, the Essential Information communicated to the Chilean Financial Market Commission and the Stock Exchanges shall be published in the institutional web site.

### **11. Disclosure of Financial Information.**

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### **11.1 Legal Framework:**

Pursuant to the legal provisions in force and effect, banks shall use the disclosure criteria established by the Chilean Financial Market Commission. In any case not regulated by the Chilean Financial Market Commission, and provided it is not against its instructions, banks shall comply with the generally accepted accounting principles, which correspond to the technical rules issued by *Colegio de Contadores de Chile A.G.*, coincident with the international accounting and financial information standards agreed by the International Accounting Standards Board (“IASB”).

In addition, in the case of issuance of financial information and disclosures to comply with the reporting requirements of the Securities and Exchange Commission of the United States of America (“SEC”), this information shall be disclosed pursuant to the rules issued by such organism.

For preparing and disclosing individual financial statements of subsidiaries, the rules provided by the Chilean Financial Market Commission.

### **11.2 Sources of Financial Information:**

Financial information is based on accounting systems of the Banks and its subsidiaries, and also on the official sources used by the Bank for managing and recording the information.

### **11.3 Validation of External Auditors:**

Financial information contained in the annual financial statements and its notes, as well as in the 20-F Report, shall be audited by the External Auditors appointed by the Shareholders Meeting, who shall issue a report complementing such financial statements.

### **11.4 Publication Instances:**

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(i) Banco de Chile shall publish monthly the consolidated financial statements and consolidated income statements through its web site, depending on its frequency, the same day in which the reports are sent to the regulatory agencies.

(ii) Regarding the consolidated intermediate statement of affairs, the publication shall be made no later than the limit date established by the Chilean Financial Market Commission. Such publication shall be made in the web site of the Bank.

(iii) Regarding the consolidated annual financial statements, the publication shall be made no later than the limit date established by the Chilean Financial Market Commission. Such publication shall be made in the web site of the Bank.

(iv) The Bank shall also publish annually, in a newspaper of national circulation, the financial statements and the income statement. The Bank may exclude from such publication the comprehensive income statement, the statement of changes in equity, the cash-flow statement, the explanatory notes and the report of the independent auditors, which in any case shall be published in the Bank's web site.

(v) The annual report of the company shall include only the complete financial statements of Banco de Chile with its relevant notes.

### **12. Mechanism for protecting the Confidential Information.**

In general terms, measures to protect the Confidential Information are the following:

a) The General Manager shall instruct to keep an updated list of employees or external advisers with access to the Confidential Information. The provisions of this Manual and, in particular the provisions of number 9 above, shall be mandatory for them.

b) Any transfer of data and/or internal communications referred to this kind of information shall be made in writing or through electronic means duly

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protected in the Bank's systems.

c) The Bank shall keep duly protected any backup of any communication made referred to Reserved and/or Confidential Information through physical or electronic safety means.

The addressee of any Confidential Information shall be responsible for taking the measures needed to safeguard the confidential nature of such information.

### **13. Representatives or official spokespersons of the Bank towards third parties and, in particular, the media. Policy about the relationship with the media and if the media publish any information related to the Bank.**

The official spokesperson of the Bank with investors is the General Manager, who may delegate such authority to other Divisional Managers of the Bank.

The Chairman of the Board, the General Manager and the Manager of Institutional Relationships and Public Policies shall be in charge of making any communication or statement determined to be made by the Bank in its relations with the media.

### **14. Sanctions and dispute settlements.**

a) Application of Sanctions.

(i) The breach of this Manual shall be deemed an eventual breach to the duty of loyalty and reserve inherent to the employment agreements of managers, main executives and employees of the Bank subject to their provisions. Sanctions applicable to managers, executives and other employees due to infraction hereof executed by them directly or indirectly, shall be those determined by the General Manager;

(ii) In case of infraction to this Manual by external advisers, the applicable legal and contractual rules shall apply;

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- (iii) In case of directors and other related persons with no subordination relation with the Bank, the legal provisions shall apply.

### **15. Dispute Settlement.**

Conflicts and inquiries that may arise as to this Manual shall be settled by the Board of Director or the General Manager, as applicable due to their nature.

### **16. Duration.**

This Manual shall become in force and effect on February 1, 2010.

