



POLICY ON OPERATIONS WITH AFFILIATES OF GENERAL AND REGULAR OCCURRENCE

Banco de Chile

The Board of Directors of Banco de Chile, at Meeting No. BCH 2,703 dated December 29, 2009, approved the following policy on operations with affiliates of general and regular occurrence, which allows the Bank executing operations with affiliates without complying with the requirements and procedures provided by Article 147, numbers 1) to 7) of Law No. 18,046, on Corporations.

- 1° Operations with affiliates are deemed regular when they correspond to banking business operations, such as, banking account agreements, deposits, loans or credit facilities secured or not, discount of documents, acquisition and assignment of negotiable instruments, collection, payment and transfer of funds, foreign exchange operations, letters of credit, personal guarantees and joint and several debts, performance bonds, custody of notes and securities, fiduciary duties, agency and financial advice, acquisition and transfer of fixed income securities, issuance and operation of credit cards, placement agent for shares issued by corporations for the first time, financial services, services for the transportation of securities and other typical banking operations authorized by the General Banking Law and legal rules and applicable regulations.

- 2° Any operations with affiliates that are not included in No. 1° above, may be agreed and executed without complying with the requirements and procedures provided by Article 147, numbers 1) to 7) of Law No. 18,046, when their amount is equal or lower than UF 20,000. These operations may be agreed and executed by the General Manager and/or the Manager of the Management and Financial Control Division, provided prices and other conditions of the relevant acts or contracts are at arm's length, similar than the conditions regularly prevailing in the market and are informed to the Directors Committee through a document containing a formal statement about such conditions. Management shall file the backgrounds reviewed to formalize such conditions and will inform quarterly the operations executed to the Directors Committee.

It is presumed to be one sole operation all those operations completed in a period of 12 consecutive months, through one or more similar or supplementary actions, which have the same parties, including affiliates, or the same subject matter.

In order to determine the amount of the referred operations, the agreed price shall be considered. In case of a purchase, sale or any other instrument transferring title, the amount agreed and expressed in the agreement shall be considered. In case of a lease or services agreement, the monthly, quarterly or annual agreed rent or price shall be considered, pursuant to the payment period agreed, provided such rent or price agreed does not exceed of UF20,000 in one calendar year.

Operations with affiliates indicated above in this No. 2° which amount is equal or exceeds the above indicated limit, shall be executed complying with the requirements and procedures provided by Article 147, numbers 1) to 7) of Law No. 18,046.

- 3° Any operations with affiliates not included in No. 1° hereto, executed with legal entities in which the Bank holds, directly or indirectly, an interest of at least 95%, may be agreed and executed without complying with the requirements and procedures provided by Article 147, numbers 1) to 7) of Law No. 18,046. These operations may be agreed by the General Manager and/or the Manager of the Management and Financial Control Division, provided prices and other conditions of the acts or contracts are at arm's length, similar than the conditions regularly prevailing in the market and are informed to the Directors Committee through a document containing a formal statement about such conditions. Management shall file the backgrounds reviewed and will inform quarterly the transactions executed to the Directors and Audit Committee.
- 4° Any approval required from the Directors and Audit Committee shall be submitted together with any documents required to evaluate if prices and conditions are market prices and conditions, indicating the source of information, as applicable.

Pursuant to Article 147, letter b) of Law No. 18,046, this Board resolution was informed as essential event on December 30, 2009.

