



INTEGRATED ANNUAL REPORT





(GRI 2-1/ 2-2/ 2-3)

Name of the organization:
Central Bank of Chile

Tax identification number:

97.029.000-1

Ownership and legal form:

The Central Bank of Chile is constitutionally established as an independent technical institution with legal personality and its own equity. It was created via Decree Law N° 486, published on 22 August 1925.

Location of headquarters:

Agustinas 1180, Santiago..

Website:

www.bcentral.cl

Period of the report:

2024

Contact for questions on the report:

comunicaciones@bcentral.cl

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01

THE CENTRAL BANK OF CHILE

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1.1 Letter from the Governor

Rosanna Costa

Once again, 2024 was a challenging year for our country's economy and for the Central Bank's objectives. Nonetheless, we continue to confirm the validity and strength of the macroeconomic policy framework, which has allowed us to overcome complex episodes for the economy and the financial markets and to gradually close the imbalances deriving from the social crisis and the pandemic.

Over the past year, we continued to bring inflation closer to target, after the double-digit levels recorded in 2022. As we were approaching our 3% target, an important set of cost shocks drove inflation up again, and it is precisely our institutional credibility that has made it possible to address these shocks.

Between January and December 2024, the Bank's Board reduced the monetary policy rate by 325 basis points, from 8.25% to 5.0%, and the year closed with an inflation rate of 4.5%. This figure is not in line with the Central Bank's objectives and will therefore require continued focus on our part.

We present this 2024 Integrated Annual Report in a highly complex, volatile, and uncertain scenario, characterized by multiple sources of risk. In addition to war and unrest in various regions of the world and the difficult fiscal situation in several countries, at the close of this report, there is an escalation of trade restrictions as a result of the imposition of tariffs by the United States. This makes for a very unpredictable and complex scenario, which is still evolving. We have no recent precedents of this kind of situation, but it is clear that there will be significant costs for a small open economy such as ours. For now, uncertainty has intensified, and the financial markets are reflecting the magnitude of the shock.

Small open economies, such as Chile, must always be well prepared to face complex events, particularly in an external environment such as the one we are currently experiencing. An economy will be in a better position to confront this challenge if it has managed to close its imbalances and is growing in line with its trend. That said, we are still facing high inflation.

In terms of resilience, we have been taking steps in the right direction, although there are still some areas that need work. Recovering the depth of the financial market is a pending challenge, although in time the recently approved pension reform will contribute to



increasing national savings. Today we have more tools. The so-called Resilience Law was an important step, as was the implementation of Basel III and the related progress in banking regulation.

In May of last year, the countercyclical capital requirement (CCR) of 0.5% of the banking system's risk-weighted assets (RWA) came into force, after being set by the Bank's Board in 2023. The policy framework for this instrument was reviewed in the second half of 2024, refining its implementation strategy and strengthening both its precautionary approach and its resilience criteria. The Board also defined a neutral level for the CCR of 1% of RWA, a value that would only be considered once the Basel III standards had been implemented.

The importance of this decision lies in the fact that having a positive neutral level of the CCR enables the accumulation of a safety margin that can be released during episodes of severe financial stress. Thus, the positive neutral level of 1% of the RCA will prevail most of the time, as long as the risk conditions for the financial system are at a standard level and no significant changes are anticipated.

A major milestone in 2024 was the expiration of the Collateralized Conditional Credit Facility (FCIC), thus terminating this facility that was implemented during the Covid-19 pandemic. FCIC payments were made without causing tension in the money market, as banks maintain an adequate liquidity position.

Last year was the second year of implementation of the 2023-2027 Strategic Plan, entitled "Our Mandate, Our Commitment," which provides a roadmap for the period during which I will be leading this institution. This Plan, which guides us in the way we fulfill our objectives and functions in a world of accelerated change and constant challenges, is well underway.

The work carried out in the framework of the strategic objectives defined in the Plan for the five-year period has allowed us to adapt quickly to the rapid changes in the environment, in terms of deepening our analysis for monetary and financial policy decisions, developing greater efficiency in processes, implementing more inclusive policies, attracting talent, and increasing our contacts with the community, especially in the regions.

Internally, we have promoted innovation, with initiatives that seek to stimulate the development of creative ideas coming from the Bank's own people. We have also entered the world of artificial intelligence, taking care to ensure the necessary balance between the use of new technologies and the risks associated with them. The arrival of a new general manager, with vast experience within the Bank itself, has injected fresh momentum into the Strategic Plan, adapting it to new and multiple challenges that are emerging in a world of accelerated change, as is the case in the payment systems, the resilience framework of the financial system, and digital transformation and security.

The publication of this Integrated Annual Report takes place in a year of special significance for the Central Bank: its centennial. During these 100 years, the Bank has forged its character to consolidate its standing as an autonomous, technical, and committed institution that seeks to promote the welfare of the population through the fulfillment of its objectives. Because our commitment goes beyond the technical. It is a deeply human commitment and a commitment where trust is central.

As an institution, we feel a permanent responsibility to honor the trust that the public has placed in us. That is why we make every effort to fulfill our mandated objectives. During the past year, the Board Members worked extensively to prepare the commemoration activities, which will be centered in the community and will be aimed at strengthening our ties with academia and specialized audiences, with schools, and with the general public.

On behalf of the Board and myself, I thank the Bank's staff for their enthusiasm and commitment to achieving our goals in 2024, and I trust that they will continue to do so during the current year, which already presents enormous challenges on the international stage. It is up to us to cross the threshold of the centennial while maintaining the character of an institution of profound significance for the development of our country and the well-being of all its citizens.



ROSANNA COSTA
Governor, Central Bank of Chile

1.2 Letter from the General Manager, Luis Óscar Herrera

This Integrated Annual Report is being published in a year that marks a milestone in the history of the Central Bank of Chile: its centennial. This commemoration represents an invitation to reflect on the road we have traveled and to approach the challenges of the future with responsibility.

Throughout these one hundred years, the Bank, which was created to maintain currency stability and to be the sole issuer of banknotes and coins in the country, has played a fundamental role in the development of the Chilean economy. Since its autonomy was established in 1989, the Bank has managed to consistently reduce inflation, with a particularly favorable effect on the most vulnerable households.

This progress has been possible thanks to the rigorous and committed work of those who have been part of this institution.

This Integrated Annual Report describes the progress made in 2024, which is reflected in the achievement of 94% of the objectives we set for those twelve months in the 2023–2027 Strategic Plan.

Our focus has been on consolidating strategic projects, strengthening operational efficiency, and adapting our institutional capabilities to an increasingly demanding environment, without losing sight of our core mandate: to ensure price stability and the normal functioning of domestic and external payments.

In 2024, the main focus of monetary policy remained the return of inflation to the 3% target. Although inflation is well below the levels observed in 2022, inflationary pressures persist in a volatile international context. This has prompted a continuous improvement of our analytical tools. New inputs to policy decisions were incorporated, such as the Investment Monitor, impact studies, and a technical note on the minimum wage. In addition, we opened a call for externally co-authored research in the monetary, financial, and statistics areas.



Two key reports were published: the second Payment Systems Report, focusing on interoperability, and the Financial Stability Report, which continues to be published every six months. In coordination with the market, new critical infrastructures were implemented: the Automated Clearing House for retail payments and the Foreign Currency Clearing House for operations in pesos and dollars. A contingency exercise for the RTGS system was also carried out.

In addition, the framework for the implementation of the countercyclical capital requirement (CCR), a macroprudential tool that strengthens the preventive capacity of the financial system, was established in coordination with the Chilean Financial Market Commission (CMF). In July, the Conditional Credit Facility (FCIC), created during the pandemic, was successfully concluded. The use of massive and granular data has strengthened our economic analysis. New indicators—such as sales by economic activity, non-resident derivatives, and capital services—were published, and the Statistical Database was expanded with a new chapter dedicated to capital markets.

We also completed the first Payment Study with quantitative data at the national level. In the area of innovation, internal channels were enabled for proposals from employees, tools were expanded for data analysis and the development of internal solutions, and we began to incorporate generative artificial intelligence in institutional processes. One of the virtual assistants that we implemented handled more than 900 queries in one month.

Budget execution in 2024 was 92%, reflecting a responsible and balanced management of institutional resources, in line with the established strategic objectives.

Crisis drills were carried out in conjunction with financial market infrastructures, and a coordination protocol was defined for systemic incidents. Cybersecurity continues to be a priority. In sustainability, progress was made on a project to measure natural capital using geo-referencing tools.

In people management, we strengthened our inclusion policies, with increased hiring of women, particularly in STEM areas. We also implemented actions to attract talent and promote work-life balance for our employees.

This centennial invites us not only to commemorate the past, but also to renew our commitment to the future: price stability, smooth payments, and continued modernization. In 2025, we will continue to drive high-impact strategic initiatives, raise efficiency, and strengthen our capabilities to anticipate emerging risks, especially in cybersecurity. We also seek to strengthen contact with citizens through a broader and more decentralized approach, ensuring a strong institutional presence in the different regions of the country. The Central Bank of Chile is, above all, an institution built by people. This commemoration honors its history, showcases its present, and envisions its commitment to the country for the next one hundred years.



LUIS ÓSCAR HERRERA
General Manager, Central Bank of Chile

1.3 Mandate and Laws

We are the Central Bank of Chile, an autonomous technical institution that is regulated by its Basic Constitutional Act (Law No 18,840). Our purpose is to safeguard the stability of the currency, keeping inflation low and stable over time, and to ensure the stability and efficient operation of the financial system, thereby guaranteeing the normal functioning of internal and external payments.

This creates a predictable economic environment in which individuals, companies, and institutions can make informed decisions on consumption and investment, helping to smooth economic cycles and foster sustained growth in the country.





The main laws and regulations that govern the Bank are as follows:

Legislation

The Constitution of Chile (Chapters I and XIII).

Basic Constitutional Act (LOC) (First Article of Law N° 18,840).

Law N° 20,880 on Probity in Public Administration and the Prevention of Conflicts of Interest.

Transparency Law (Law N° 20,285).

Lobbying Law (Law N° 20,730).

Internal regulations

Regulations on maintaining a record of the Central Bank's public agenda, lobbyists, and special interest groups.

Internal Rules of the Board.

Personnel regulations.

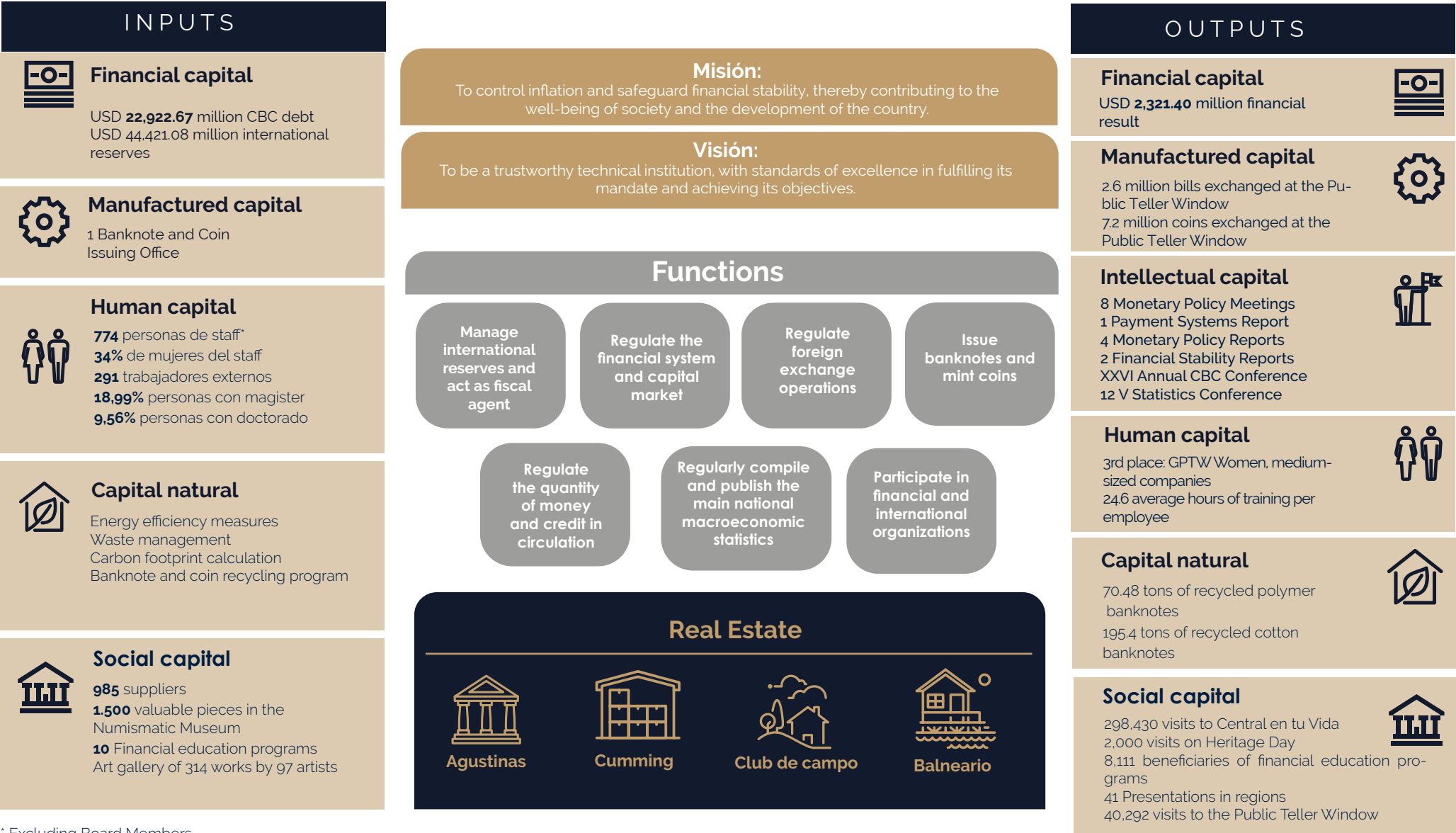
1.4 The Bank's Work GRI 2-6

Our organizational structure comprises eight divisions that are fundamental for fulfilling our constitutional mandate

MONETARY POLICY DIVISION	FINANCIAL POLICY DIVISION	Financial Markets Division	DATA AND STATISTICS DIVISION
Analyzes the Chilean economy, global trends, and monetary policies, and conducts research relevant to the country.	Analyzes and monitors the financial system, and assesses the risks relevant to financial stability. It also designs and evaluates policies, regulations, and other initiatives aimed at promoting the efficient and secure development of the national financial system and the capital market.	Implements the Bank's monetary and financial policies, manages the international reserves, and acts as fiscal agent in the issuance of public debt and the administration of sovereign funds.	Compiles, analyzes, publishes, and disseminates the main national macroeconomic statistics, including monetary and exchange rate statistics, balance of payments data, and national accounts, as well as other global economic and social accounting systems.

División Administración y Tecnología	División de Asuntos Institucionales	Operations Division	CORPORATE RISK DIVISION
Leads strategic planning, management control, and administrative services; manages technology projects, purchasing, accounting, and institutional cybersecurity.	Develops and manages internal and external communication strategies to improve understanding of the Bank's activities and strengthen its relationship with stakeholders.	Manages the physical means of payment, ensures the security of the Bank's operations, and promotes sustainable practices in its facilities.	Monitors and manages the institution's risks, reviews policies and strategies, and promotes consistent and proactive governance for risk mitigation.

1.5 Value Creation Model



1.6 Strategic Planning

2024 was the second year of implementation of the actions outlined in the 2023–2027 Strategic Plan, the roadmap that guides the management of the Central Bank of Chile. Since their introduction in 2004, strategic plans have made it possible to maintain continuity with previous progress while adapting to future challenges.

To achieve the five strategic objectives of the current plan, strategic focus areas were defined, each of which includes a specific objective and associated initiatives.

For more details, see [Planificación Estratégica - Banco Central de Chile](#).

Strategic priority	Objective	Initiative
1. Strengthen the avant-garde nature of monetary and financial policies	Enhance analytical capacity for decision-making, focusing on the interaction between policy and the use de unconventional tools	1. Strengthen the policy framework 2. Increase the inclusion of Big Data 3. Promote the development of the payment systems
2. Promote integration and efficiency as a hallmark of the organization	Adapt the organizational model to develop an institution that works collaboratively in search of greater efficiency	1.Promote work with a corporate vision and creative spirit 2.Promote the decentralization of management 3.Promote data use and analysis in all the Bank's work
3. Enhance the development of the Bank's people	Attract and develop talent in a planned and sustainable manner, promoting adaptive development in the organization	1. Attract, develop, and inspire talented people 2. Promote people's adaptative capacity
4. Strengthen the commitment and ties to the community	Maintain the Bank's position as a valued and trusted institution, which builds closer ties to the community	1. Incorporate the concept of sustainability in all aspects of our work 2. Make institutional communications more effective 3. Share the Bank's work with the community



In 2024, the Strategic Plan achieved 94% execution.

1.7 2024 Highlights



January

18 January: New member of the Audit and Compliance Committee The Board appointed María Sandoval Gouët, for a three-year term starting on 12 April 2024.

22 January: Departure of the Deputy Governor Deputy Governor Pablo García finished his term as a Member of the Board, and a farewell ceremony was held.

25 January: Appointment of a new Deputy Governor The Board voted unanimously to appoint Stephany Griffith-Jones, from 25 January 2024 through 24 December 2025.

31 January: Monetary Policy Meeting (MPM) In a unanimous decision, the Board voted to reduce the monetary policy rate (MPR) by 100 basis points, to 7.25%.

February

02 February: BIS Irving Fisher Committee (IFC) nomination. Board Member Alberto Naudon will serve as committee chair through September 2025.

March

01 March: Women Leaders Conference We held a meeting with renowned global and local female executives who are prominent in the field. The event was attended by Janet Yellen, U.S. Secretary of the Treasury.

21 March: Second report on the issue of a CBC digital currency We presented our second report on this topic, entitled "Emisión de una Moneda Digital del Banco Central de Chile."

April

02 April: Monetary Policy Meeting (MPM) In a unanimous decision, the Board voted to reduce the MPR by 75 basis points, to 6.5%.

03 April: Publication of the Monetary Policy Report (IpoM).

04 April: New member and Chair of the Audit and Compliance Committee The Board appointed Enrique Marshall Rivera to chair the committee for a four-year term.

10 April: CBC Governor attended meetings of the BIS, IMF, and World Bank in the United States.

18 April: First place in the OMFIF's Gender Balance Index
The Bank took first place in the 11th edition of the Official Monetary and Financial Institutions Forum's Gender Balance Index (GBI).

May



03 May: The Governor and Board of the Central Bank met with Kristalina Georgieva, the Managing Director of the International Monetary Fund (IMF).

06 May: Financial Policy Meeting (FPM)
In a unanimous decision, the Board voted to maintain the countercyclical capital requirement (CCR) at 0.5% of risk-weighted assets.

07 May: Publication of the Financial Stability Report (FSR)

20 May: New experimental statistics based on electronic invoices
Publication of statistics on sales, disaggregated by economic activity.

23 May: Monetary Policy Meeting (MPM)
In a unanimous decision, the Board voted to reduce the MPR by 50 basis points, to 6%.

26 May: National Heritage Day
Over 2,000 people visited the Central Bank building, which was open to the public on National Heritage Day.

28 May: Governor participated in Chile Day in Toronto



June

07 June: The governor met with Ilan Goldfajn, President of the Inter-American Development Bank (IDB).

18 June: Monetary Policy Meeting (MPM)
The Board voted to reduce the MPR by 25 basis points, to 5.75%.

19 June: Publication of the June Monetary Policy Report (IpoM).

July

01 July: Closure of the FCIC

02 July: Revision of payment card regulations
The Bank updated the Payment Card Issuance and Operation regulation, adapting its rules to the evolution of the retail payment industry.

09 July: New regulation on securitized bonds
Under the new regulation, banks are authorized to acquire securitized bonds backed by their own originated loans.

18 July: Economics Up Close contest
The twentieth edition of the contest was launched in Osorno, in a ceremony attended by local authorities and over 200 students and teachers.



August

06 August: Congressional presentation on initiatives for the withdrawal of pension savings
The Governor addressed the Constitutional Committee of the House of Representatives.

07 August 8: Publication of the Payment Systems Report
This is the third edition of the report published by the Bank.

12 August: Launch of new mobile app with regional data
The Regional App provides disaggregated information such as regional GDP, consumption, employment, vital statistics, population data, and other key indicators.

27 August: Renewal of the Flexible Credit Line with the International Monetary Fund (IMF)
The credit line was renewed for an amount of USD 13.8 billion, replacing the previous facility dated August 2022.

29 August: New member and new chair of the Information and Technology Advisory Committee

The Board appointed Mr. Mario Inostroza Ponta as a new member of the Committee, for a three-year term starting on 1 August. At the same time, Mr. José Benguria Donoso was named the new Chair.

September

03 September: Monetary Policy Meeting (MPM)
In a unanimous decision, the Board voted to reduce the MPR by 25 basis points, to 5.5%.

04 September: Publication of the Monetary Policy Report (IpoM)
10 September: The CBC Governor participated in Chile Day in London

12 September: First South American Payment Systems Report
South American central banks published the first regional payment systems report.

October

09 October: Meeting of the Financial Stability Regional Advisory Group for the Americas
The meeting was organized by the Central Bank of Chile and the Chilean Financial Market Commission.

17 October: Monetary Policy Meeting (MPM)
In a unanimous decision, the Board voted to reduce the MPR by 25 basis points, to 5.25%.

21 October: The Governor attended the annual meetings of the IMF and World Bank.

28 October: IV International Financial Education Seminar
The event was attended by about 80 people, while over 200 connected online. The video game "Acción Inflación" was launched.

Noviembre

04 November: XXVII Annual CBC Conference
The conference, entitled "Medium- and Long-Run Trends in Interest Rates: Causes and Implications for Monetary Policy,"





brought together leading economists to discuss interest rate trends.

19 November: Financial Policy Meeting (FPM)

In a unanimous decision, the Board voted to maintain the countercyclical capital requirement (CCR) at 0.5% of risk-weighted assets.

20 November: Publication of the Financial Stability Report (FSR)

28 November: City of Opportunities course

The free course, which is organized annually since 2018 in partnership with the Millennium Institute on Market Imperfections and Public Policy, was successfully completed by 468 teachers.



December

05 December: Regionally disaggregated business demographics statistics

This series of business demographics indicators, which was launched with data on the 2005–2023 period, will be published annually.

17 December: Monetary Policy Meeting (MPM)

In a unanimous decision, the Board voted to reduce the MPR by 25 basis points, to 5.0%.

18 December: Publication of the December Monetary Policy Report (IpOM)



1.8 The Year in Numbers

BCCh 12



Mandate

4,5%

Inflation in December 2024

3%

Inflation target



People

774

Direct employees

291

Outsourced services employees

551

Content published in internal communications system



Results

US \$22.922,67

Billion CBC debt at market value

US \$44.421,08

Billion international reserves at market value



Cash management

274.000.000

New banknotes delivered to the market

219.000.000

New coins



Social and environmental

266.9

Tons of banknotes recycled

11,346.034

Visits to the Central Bank website

298,430

Visits to our website Central en tu Vida


104

Press releases published on our website

334

Responses to media inquiries.



A long, ornate hallway with a checkered floor and classical architecture. The hallway is lined with stone walls and features several dark wooden doors. A chandelier hangs from the ceiling, and the floor is made of alternating light and dark tiles. The perspective is looking down the length of the hallway.

We enter our centennial year having faced significant challenges in 2024 in terms of inflation control and the normal flow of internal and external payments. Our success attests to the validity and strength of the economic policy framework and underscores our commitment to meeting the Bank's objectives, which contribute to the well-being of the citizenry.

We achieved 94% compliance with the objectives we set for the second year of implementation of the 2023-2027 Strategic Plan.

02

GOVERNANCE

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2.1 The Central Bank of Chile

GRI 2-9



The Bank's Basic Constitutional Act N°18,840 defines our objectives, functions, and internal governance guidelines, under the leadership of the Board. This body directs and manages operations, makes key decisions on monetary and financial policy and foreign exchange regulation, and ensures that we carry out our functions efficiently and transparently.

Our organizational structure includes a senior management team comprised of the General Manager, the General Counsel, the General Auditor, eight Division Managers, and 19 Area Managers, all of whom are aligned with our institutional objectives.

Minister of Finance, within the bounds of autonomy. The Board's duties also include representing the Bank out of court and ensuring compliance with Board resolutions. Therefore, the Governor is directly responsible for all the information issued by the Bank, with the sole exception of the opinions of the Board Members, which are the individual responsibility of each member.

Our Board members are selected on the basis of their professional merit, their experience in economics, macroeconomics, and finance, and their academic and public service backgrounds. They must devote themselves exclusively to their duties at the Bank and may otherwise only engage in teaching activities and participate in non-profit organizations.

The President of the Republic has the power to appoint the Governor of our Bank, who must already be a member of the Board of Directors, for a five-year term.

Nomination and selection

GRI 2-10



5 years

Term of office of the Governor (or until the end of his or her term as Board Member)



10 years

is the term of office of each member of the Board

Board

The Board is headed by the Governor, who holds the highest position of management and administration, and conducts institutional relations with public authorities and local and foreign banking and financial entities. It reports to the President of the Republic and the Senate on the general policies and regulations issued by the Bank and coordinates with the



Board Members

GRI 405-1

Rosanna Costa
Governor
GRI 2-11

Ms. Costa holds a degree in business administration, with a minor in economics, from the Catholic University of Chile. She has a long career in academic and public service, including different positions within the Central Bank, National Budget Director from 2010 to 2013, participation on boards and presidential commissions, and teaching and research positions.

Date of appointment: February 2022. She joined the Board in January 2017 in replacement of Rodrigo Vergara through 2018, and in December 2018 she was confirmed to a new ten-year term as Board Member.

Stephany Griffith-Jones
Deputy Governor

Ms. Griffith-Jones holds a Ph.D. in Economics from Cambridge University. Professor and researcher in international finance, she has also acted as advisor to multiple multilateral organizations, governments, and central banks. She is the author of several books and a member of scientific boards and think tanks.

Date of appointment: May 2022. She was appointed to finish out the term left vacant by Mario Marcel.



Alberto Naudon

Member

Mr. Naudon holds a Bachelor of Business Administration from the Catholic University of Chile; and a Master and Ph.D. in Economics from the University of California at Los Angeles. He has pursued a career in macroeconomic analysis and research, holding various positions at the Bank and in the private sector. He also teaches.

Date of appointment: March 2018.



Luis Felipe Céspedes

Member

Mr. Céspedes holds a Bachelor of Business Administration from the Catholic University of Chile, minoring in economics and management, and a Ph.D. in Economics from New York University. He is the former Minister of the Economy, Development, and Tourism and has held numerous positions in public service, including at the Central Bank, and international research organizations. He is also a University professor

Date of appointment: February 2022.



Claudio Soto

Member

Mr. Soto holds a Bachelor of Business Administration and a Master of Economics from the University of Chile and a Ph.D. in Economics from New York University. After serving in various positions with the Central Bank and the Finance Ministry, he was the Public Policy and Research Director of Banco Santander Chile until being appointed to the Central Bank Board.

Date of appointment: January de 2024

Board functions and responsibilities

- 1. Perform** the functions and exercise the powers assigned to the Board by law.
- 2. Establish general policy**, dictate standards for operations, and oversee compliance with them, evaluating the institution's policies, standards, and activities.
- 3. Approve** the personnel regulations and define the administrative structure, staffing levels, remuneration, and benefits.
- 4. Appoint**, accept resignation, and remove the General Manager, the General Counsel, and the Auditor General, with a majority vote of the Board.
- 5. Appoint** alternates for the General Manager, the General Counsel, and the Auditor General in the event of absence or impediment, without the need for accreditation by third parties.
- 6. Appoint, accept** resignations, and remove senior employees and the certifying officer of the Board and the Bank, whose appointment must be published in the Official Gazette.

7. Create or close agencies, offices, or branches, both in Chile and abroad.

8. Establish the days of operation and the business hours for the public, through publication in the Official Gazette.

9. Annually review the financial statements and determine the corresponding provisions and write-offs.

10. Delegate management and operating responsibilities to the Bank's authorities or third parties, setting the fees as appropriate





Relationship between the CBC and the Finance Ministry

The Basic Constitutional Act regulates our relationship with the Finance Ministry, granting the Minister the right to attend and speak at Board meetings, but no right to vote. This allows the Minister to be present at meetings where decisions are made on the Bank's organization and functions, as well as at monetary policy meetings.

The Minister has the power to temporarily suspend resolutions adopted by the Board; however, this measure can be overridden if the Board votes unanimously to proceed with its implementation.



Board regulations

The Board is governed by the [Reglamento para el Funcionamiento del Consejo](#) which establish the general and specific operating rules in relation to ordinary, extraordinary, and special meetings, as well as Monetary Policy and Financial Policy meetings.

Code of Conduct

Since 2022, the Board has a Code of Conduct that strengthens integrity standards and establishes obligations and prohibitions for Board Members, beyond the legal requirements. The main regulations include the following:

- Blackout periods.¹
- Personal investment guidelines.
- Hiring of consultants and secretaries.
- Periodic declarations of gifts and conflicts of interest.
- Meetings with stakeholders.
- Political independence.
- Procedures for whistle-blower investigations and the associated sanctions.

¹ Periods before and after key meetings, such as monetary policy meetings, where board members are restricted from communicating with markets, issuing statements, or engaging in financial transactions, so as to ensure confidentiality and integrity and avoid conflicts of interest.



Collective knowledge

GRI 2-17

Our Board Members monitor local and international macroeconomic and financial developments and participate as speakers in seminars and conferences.

In addition, they participate in the [Conferencia Anual del Banco Central](#), which brings together experts, researchers, and monetary policy authorities from different countries to analyze advances in macroeconomic and financial research.

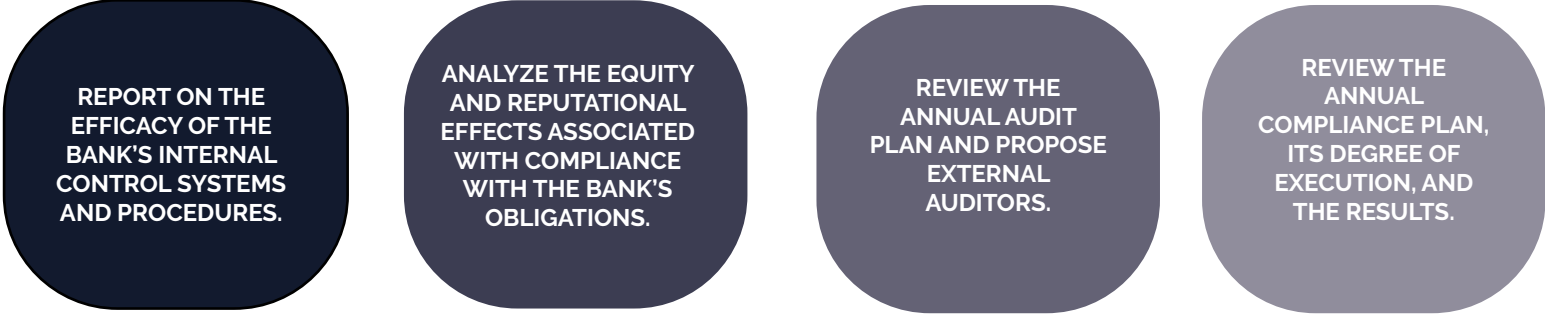
In 2024, this event was held on 4-5 November. The keynote speakers were Professors Ricardo Reis, from the London School of Economics, and Atif Mian, from Princeton University. The topics discussed included fiscal policy and real interest rates, the impact of monetary policy, inflation and crises, the dynamics of long-term interest rates in the face of factors such as inflation, climate change and geopolitical tensions, and the outlook and challenges for future interest rates in emerging economies.

Advisory committees

The Board has two external advisory committees, which address specific corporate and management issues.

Audit and Compliance Committee (ACC)

The main responsibility of the ACC is to advise the Board on compliance with the institutional objectives in relation to corporate governance. Its primary functions are:



The Committee holds ordinary and extraordinary meetings, inviting Bank managers to discuss and analyze issues of interest. It maintains open communications with the Comptroller's Office, external auditors, and our managers, defining the means, procedures, and periodicity of such interactions.

The ACC has three members:



Enrique Marshall
Chair
Appointed in 2024



María Eugenia Sandoval
Appointed in 2024.



Alejandro Zurbuchen
Appointed in 2023.

In 2024, new members joined the Audit and Compliance Committee.

Information Technology Committee (ITC)

The ITC supports the Board and the General Manager on the corporate governance of information technology (IT). Its primary functions are:

Define guidelines for IT strategic planning.

Validate new technology initiatives and anticipate the associated risks.

Analyze the costs and benefits of IT initiatives.



José Benguria
Chair
Appointed in 2024



Romina Torres
Since 2023.



Mario Inostroza
Since 2024.

Remuneration

GRI 2-19, 2-20

Board compensation is proposed by a commission made up of former Central Bank governors or deputy governors, who are appointed by the President of Chile, and formalized via an [Decreto Supremo](#) issued by the Finance Ministry. This compensation-setting process guarantees fair compensation in accordance with the responsibilities and experience required for Board Members, taking as a reference the salary practices in the private banking sector.

Board Compensation (CLP)

Position	Gross monthly remuneration	Additional compensation for responsibility and exclusivity	Total gross remuneration	Total net remuneration
2024				
Governor	CLP 9,946,619	CLP 7,957,288	CLP 17,903,898	CLP 12,439,683
Deputy Governor	CLP 9,946,619	CLP 5,967,966	CLP 15,914,576	CLP 11,242,373
Members	CLP 9,946,619	CLP 4,973,305	CLP 14,919,915	CLP 10,595,844

Note: Net amounts are shown for reference purposes, considering estimated legal deductions for income taxes and pension and social security contributions.

Evaluation

GRI 2-18

As an independent entity, the Central Bank of Chile and its Board are not subject to a formal evaluation system. However, because we are committed to transparency and continuous improvement, we regularly commission evaluations by independent international experts, who are authorities and members of other central banks and international organizations.

No external evaluations were carried out in 2024.

Senior Management²

GRI 2-12, 2-13, 2-14

Members and functions



General Management

The General manager is in charge of the immediate oversight and management of the Bank and must perform routine management functions and other functions assigned by the Board. He also issues instructions and recommendations for an efficient management and smooth execution of operations and is the legal representative of the Bank.



Luis Óscar Herrera

Economist

General Manager

Appointment: March 2024

Mr. Herrera first joined the Bank in 1995, in the Macroeconomic Programming Division. In 2000, he was in charge of coordinating the first Monetary Policy Report (IPoM) and implementing the Financial Policy Division. He also served as director of the Financial Policy and Monetary Policy divisions. Outside of the Bank, he has held the position of macroeconomic coordinator in the Finance Ministry and worked in the private financial sector.

²The positions of General Manager, General Counsel, and Comptroller and Auditor General and their respective functions are established in the Central Bank's Basic Constitutional Act (articles 24, 25, and 26)

General Counsel

The General Counsel reviews the legality of the Bank's agreements, resolutions, and contracts, controlling the legal

Juan Pablo Araya

Attorney



General Counsel

Mr. Araya joined the Bank in 2004, serving as a senior attorney in the Office of the General Counsel for eight years. He also served as General Counsel of the Chilean Association of Banks and Financial Institutions; director and member of the Executive Committee of Sinacofi; and legal advisor to the Sociedad Interbancaria de Depósito de Valores S.A.

Appointed in June 2014.

Comptroller and Auditor General

The Comptroller's mission revolves around the inspection and internal audit of the Bank's accounts, operations, and management rules.

Silvia Quintard

Certified Public Accountant



Comptroller and Auditor General

Ms. Quintard is a Certified Public Accountant from the Diego Portales University, Chile; and has both a Master of Business Administration (MBA) and Master of Laws with a minor in Business Law from the Catholic University of Chile. She also has Certification in Risk Management Assurance from the Institute of Internal Auditors.

Appointed in January 2007.

Based on guidelines from the Board, this team carries out the management of the institution and, therefore, is responsible for our organization's impact on the economy, the environment, and people. They also lead the financial and sustainability reporting process through the publication of the Integrated Annual Report.

Division Directors



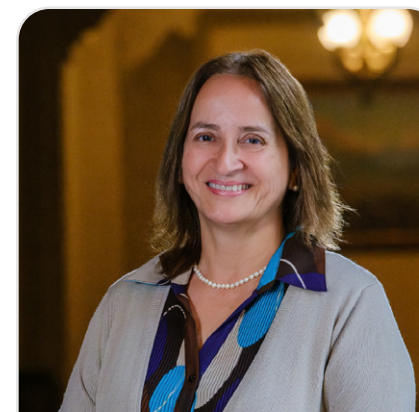
Elías Albagli
Monetary Policy Division
Since June 2018



Rosario Celedón
Financial Policy Division
Since June 2022



Raimundo García
Operations Division
Since April 2019



Mariela Iturriaga
División de Administración y
Tecnología
Desde abril de 2019



Michel Moure
Institutional Affairs Division
Appointed in June 2018



Gloria Peña
Statistics and Data Division
Appointed in June 2015



Diego Ballivián
Corporate Risk Division
Appointed in March 2021



Ricardo Consiglio
Financial Markets Division
Appointed in July 2023

Remuneration of Senior Management

The remuneration of our General Manager, General Counsel, and Comptroller and Auditor General is at the NE3 NE level of the compensation structure, as they are positions established in the Basic Constitutional Act.

Gross salary in 2024 (CLP)⁴

Position	Gross monthly salary (CLP)
General Manager	20,816,211
General Counsel	20,580,122
Comptroller and Auditor General	20,431,148

Through Board Resolution N° 2606-01, effective 01 January 2023, the Board defined a salary structure for the Division Directors ranging from CLP 16,300,352 to CLP 27,167,254.

2.2 Sustainability

Sustainability Policy

GRI 2-22, 2-23, 2-24

Since 2020, we have a Sustainability Policy that establishes a general framework on the definitions and guidelines necessary to align our regular activities within certain sustainability principles, making these actions known internally and externally.

The policy is based on six principles that guide the scope of our sustainability commitments.

³ Non-graduated compensation.

⁴ The gross remuneration of the General Manager includes only the period from January to October 2023, since the gross remunerations of interim positions are not considered

Internal	External	Transversal
Mitigation of environmental impact	Financial education and inclusion	Responsible, ethical, and transparent actions
Minimization of the environmental impact of operations through efficient resource management, emissions reduction, and sustainable practices.	Development of financial education initiatives and dissemination of information to facilitate society's understanding of economic and financial issues.	Safeguarding of ethical, transparent, and responsible conduct in all our activities; and the promotion of initiatives that strengthen the culture, risk management, and information security.
Sustainable organizational culture	Adaptation to social and environmental variables	
Promotion of an internal culture that incorporates environmental, social, and governance criteria, fostering the wellbeing of people and an inclusive and collaborative environment.	Integration of social and environmental variables in analyses, research, and statistics, with special attention to the impacts of climate change.	
	Promotion of sustainability	
	Collaboration with other actors in the promotion of a financial culture that integrates sustainability criteria, participating in national and international initiatives	

The Policy was updated in 2024 with the objective of aligning the CBC's sustainability objectives with international guidelines. The process was supported by an external consultant and included the collaboration of area and division managers.

2.3 Corporative Risk Management

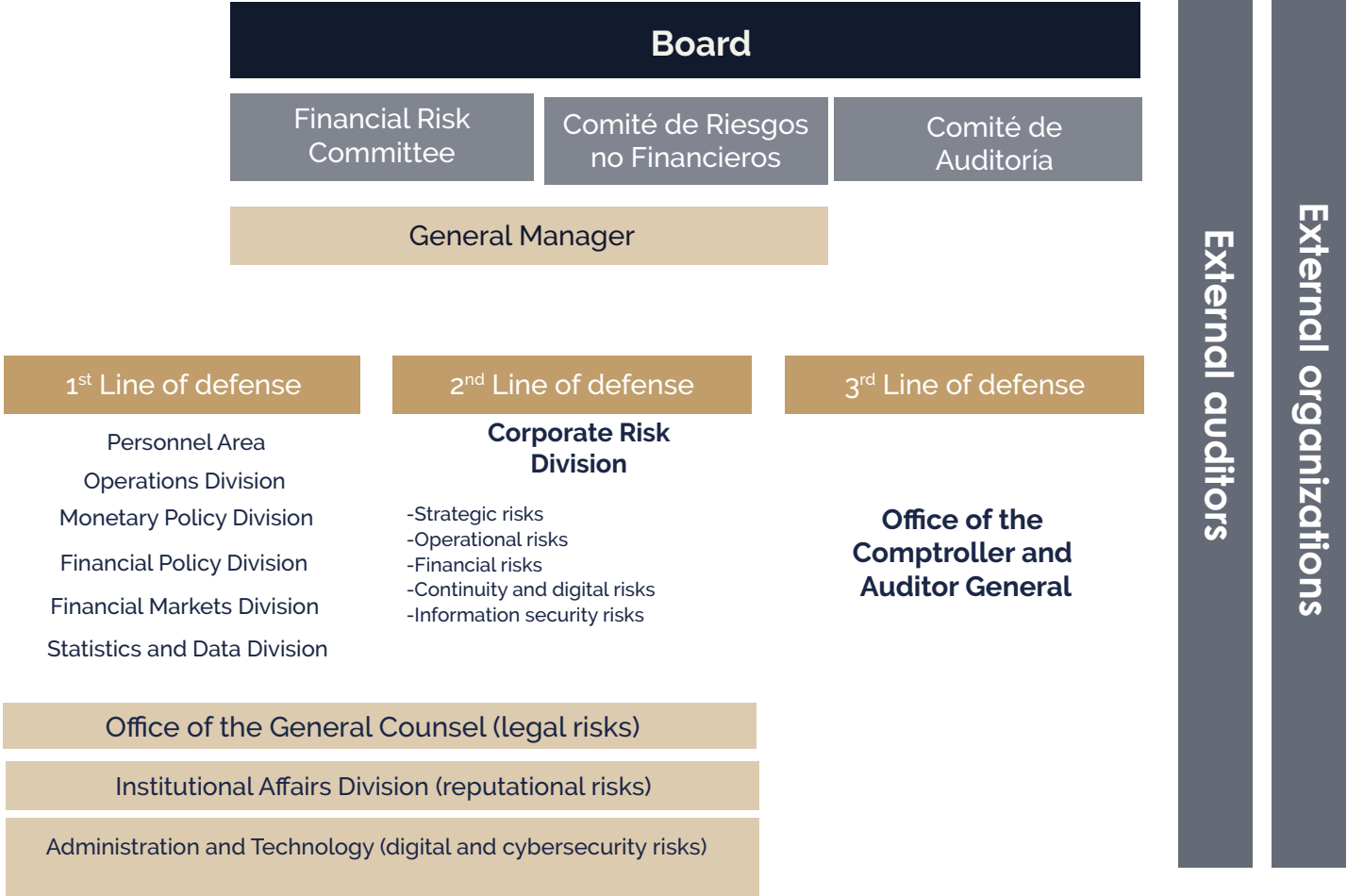
In fulfilling our mandate, we face both external and internal risks, so it is essential to maintain an adequate risk identification and management process, ensuring at all times that the risk vision and tolerance level defined by the Board are respected. The Comprehensive Risk Management Policy defines the guidelines for a timely risk management of the institution, seeking an adequate balance between efficiency and risk tolerance and strengthening the Bank's corporate governance. The objectives of the policy are as follows:

- 1 **Promote an integrated risk management culture within the organization, encouraging preventive, proactive, and balanced risk management.**
- 2 **Provide the means to establish a continuous improvement process for the Integrated Risk Management System, ensuring the implementation of best practices and standards and performing periodic evaluations of all risk areas, through the application of a corporate management model that allows effective communication with the entire organization.**
- 3 **Strengthen the implementation of the three lines of defense model, in particular with regard to the functions of the second line, establishing a standard Risk Governance for the entire Bank through the corporate risk management model, which establishes a common language and criteria and clearly defines the responsibilities, roles, and adequate management tools for an effective risk management process in each Division and Area.**
- 4 **Ensure the necessary resources for an adequate management of corporate risks.**

The Corporate Risk Division is responsible for overseeing the implementation of this policy, in conjunction with all our divisions and units, to ensure the correct application of risk management and internal control models in accordance with the risk vision and tolerance established by the Board.

Three Lines of Defense Model

To manage the Central Bank’s risks, we use a three lines of defense model, which helps to clarify the processes and prevent duplication and overlap in risk management:






Operational Risks

BCCh 21

Within the framework of corporate risk management, operational risk management follows international guidelines such as the International Standard ISO 31000, Basel III, COSO ERM, and NIST CSF. The operational risk model facilitates the application of the institutional risk vision and includes the evaluation of the impacts on its objectives, equity, and reputation, in addition to the environmental impacts of its operations. These risks are related to the operation of large-value payment systems, information management for the development of monetary and financial policies, legal compliance, the management of digital risk generated by new technologies, operations associated with cash management, and other relevant activities of the institution.

In 2024, as in previous years, environmental, social, and governance (ESG) risks were among the operational risks addressed.

Some of the ESG issues identified in 2024 were:

Environmental	Social	Governance
		
Waste management	Work and safety conditions for our people	Legal and ethical conduct
Energy efficiency	Responsible supply chain management	Transparency management

The Bank's institutional risk preparedness and prevention mechanisms include a Risk Awareness and Culture Plan at the corporate level, aimed at raising awareness, training, and educating everyone in the organization. This plan also includes a more specific awareness program on cybersecurity.

Strategic Risks

BCCh 22

Strategic risk management corresponds to the identification of high-impact threats that could affect the fulfillment of the institution's mandate or strategic objectives.

The various categories include financial, operational, legal, digital, reputational, environmental, and geopolitical risks. These risks are monitored through tools such as press analysis, surveys, and publications of national and international institutions.

Financial Risks

This refers to potential losses that the Central Bank may face due to adverse movements of factors that influence the value of its assets or liabilities, which are classified in categories associated with liquidity, credit, and market risks.

NIIF S1

Category	Description	Horizon	Measures taken
Liquidity risk	<p>Inability to convert foreign currency reserve assets at a reasonable transaction cost and at an adequate speed to provide the resources to implement policy decisions.</p>	Short and medium term.	<p>Implementation of exposure and risk metrics in normal/stress scenarios and associated alerts, built with internal and external models.</p>
Credit risk	<p>Possibility of experiencing losses due to a counterparty's inability, unwillingness, or lateness in meeting a financial obligation.</p>	Short and medium term.	<p>Implementation of exposure and risk metrics at the individual and aggregate levels in business-as-usual scenarios, built with internal and external models.</p>
Market risk	<p>The possibility of experiencing losses in the value of assets due to adverse movements in the price determinants, namely, the currency (exchange rate) or interest rates.</p>	Short and medium term.	<p>Implementation of exposure and risk metrics in normal/stress scenarios and associated alerts, built with internal and external models.</p>

In addition, the Bank has prepared documents, such as the Financial Risk Manual, that contribute to the adequate management of this risk, and there are committees that periodically review the evolution of the risks and the new tools available for their quantification.

Milestones in corporate risk management

In 2024 we promoted several initiatives aimed at strengthening the financial and nonfinancial risk control environment, including the following:

- 1

The Board approved the revised Risk Vision, Tolerance, and Culture Statement, based on a preventive and proactive approach to risk management aligned with the highest standards of central banking worldwide.
- 2

We incorporated artificial intelligence and machine learning tools to implement a regulatory compliance support model for market conversations.
- 3

In financial risk, the metrics for controlling the liquidity risk of the International Reserves were strengthened, and the approach to credit risk was revised for both individual and consolidated measurements.
- 4

We strengthened the institutional crisis management model through a corporate plan that promotes the development of internal capabilities in key areas such as communications and operational and technical
- 5

We incorporated new information security standards, critical for the financial system, which will strengthen the institution's operational resilience.
- 6

We completed our recertification of ISO 22301:2019 for Business Continuity Management Systems, reinforcing the Bank's capacity to ensure operability in crisis situations, and ISO 27001 for Information Security, which covers the areas that handle the most sensitive information in our institution.

International collaboration on risk management

We participate actively in regional and global collaboration initiatives related to financial and operational risk management.

1. Bank for International Settlements (BIS): We are part of the Consultative Group on Risk Management (CGRM) and in 2024 contributed to the development of a report on the adoption of artificial intelligence in central banking. We also participate in the Global Cybersecurity Risk Group (GCRG).

2. International Operational Risk Working Group (IORWG): In 2024 we collaborated in the creation of models to strengthen technological and security risk management (ICT Risk Management).

3. Center for Latin American Monetary Studies (CEMLA): We coordinated meetings with central banks in Spain, Mexico, Costa Rica, and Chile to address financial risk management challenges and to organize the annual meeting of the Heads of Financial Risk Management.

These collaborative efforts reinforce capacity building and the adoption of international best practices in risk management.



2.4 Operational Resilience

GRI 3-3

MATERIAL TOPIC: INFORMATION SECURITY AND BUSINESS CONTINUITY

Management approach

We have risk management models that seek to limit and minimize the impact of risks, in both Information Security—including Cybersecurity—and Business Continuity. To this end, principles are established for the proper handling of information, asset risk management, and the direction and management of the operational continuity of critical processes, thereby mitigating the risks of interruption and disruption.

Key numbers

- Five training sessions for senior and middle management on the secure handling of sensitive information.
- A crisis management exercise conducted with the financial market infrastructures, coordinated in conjunction with the Financial Markets Division.
- More than 50 test runs of business continuity and recovery plans, to assess contingencies and resilience.
- An interactive workshop involving all the operational continuity teams of the Bank's divisions, to develop their support networks and share best practices in this area.
- Six targeted internal cybersecurity training sessions, 18 mass communication campaigns, and four lectures, all related to cybersecurity awareness.

Milestones in the year

- Strengthening of the Business Continuity Model, incorporating operational resilience guidelines.
- Improvement of continuity measures for the large-value payment system.
- Development of continuity and recovery tests of critical infrastructure in real time, involving key participants in the financial market.
- Incorporation of new contingency communication measures with the financial market infrastructures.
- Revision of the internal regulatory framework, incorporating international standards and national legal compliance, such as the Personal Data Protection Law.
- ISO 27001:2022 certification of the information security model.

Policies and regulations

- Integrated Risk Management Policy.
- Cybersecurity Policy.
- Information Security Policy.
- Business Continuity Policy.

Future challenges

- Maintain the institution's position as a state-of-the-art Central Bank.
- Integrate best practices and keep the Bank's internal systems up to date with global developments.

The Bank's operational resilience guarantees the continuity of its operations and the protection of assets in the face of high-risk scenarios, in line with international standards. The approach strengthens the Bank's capacity to respond to and recover from disruptive situations.

Information security is key, as the Bank handles sensitive data. To this end, we apply strict privacy, integrity, and availability standards, backed by its Information Security Policy and ISO 27001:2022 certification.

In addition, the business continuity model, certified under ISO 22301:2019, establishes specific governance mechanisms to manage critical processes, minimize disruptions, and strengthen crisis resilience.

2024 Milestones

Business continuity:

- Incorporation of operational resilience guidelines in the Business Continuity Model. 42
- Improvement of continuity measures for the large-value payment system, integrating external stakeholders.
- Execution of real-time tests for the continuity and recovery of critical infrastructure, with the participation of key players in the financial market.
- Implementation of new contingency communication measures for financial market infrastructures and other external stakeholders.
- Strengthening of internal and external capabilities through practical interactive workshops.

Information security:

- Revision of the internal regulatory framework to integrate international standards and comply with national regulations, such as the Personal Data Protection Law.
- Certification of the information security model under ISO 270001:2022.
- Intensification of training and awareness in the secure handling of sensitive information.

2.5 Ethics and Transparency

GRI 3-3

MATERIAL TOPIC: ETHICS AND TRANSPARENCY

Management approach

Through our institutional culture, we promote compliance with the law and the ethical behavior of all our staff. This implies the permanent monitoring of possible critical situations.

Governance

These responsibilities are carried out mainly through the Ethics and Conduct Committee, the Office of the General Counsel, the Compliance Officer, and the Access to Information Unit of the Institutional Affairs Division.

Políticas y normativas

Basic Constitutional Act N°18,840.
• Law on Access to Public Information.
• Law N° 20,730, which regulates lobbying and the management of special interests.
• Law N°20,880 on Probity in Public Service.
• Institutional Transparency Policy.
• Communications Policy.
• Internal Regulations, Standards, and Procedures.

Hitos del año

• Training of a large share of the Bank's staff on the main ethical and compliance aspects governing the institution.
• New anonymous whistleblower channel, incorporating the exceptions established in the Karin Law.
Integration of two new e-learning modules aimed at people joining the Bank and those who have been employed for over a year.
• Annual internal communication campaign on the contents of the Central Code.

Desafíos futuros

• Keep the Bank's ethical management tools up to date in light of cultural and organizational changes.
• Continue to strengthen collaboration and interaction between the different areas of the Bank to prevent ethical conflicts.


Cifras destacadas

• 650 people trained in ethics, representing 85% of the Bank's staff.
• 20 meetings and training sessions related to the implementation of the law on workplace harassment, sexual harassment, and violence in the workplace, known as the Karin Law.


We are governed by the principle of publicity and transparency enshrined in Article 8 of the Chilean Constitution. As an autonomous constitutional body, there is a special transparency regime established in the Basic Constitutional Act of the Central Bank of Chile.

Principles and Values


Beyond the legal framework, at the Central Bank we promote an internal culture of excellence and commitment of all our employees to achieve the institutional objectives for the benefit of the country. For new employees joining the organization, there is an induction process to communicate our values.




Commitment



Excellence



Probity and Transparency



Respect and Diversity

In addition, there are briefings on the use of tools to manage issues such as transparency of information, access to public data, regulation of lobbying, ethical management of information, and attention to citizen consultations.

How did we address the implementation of new regulations and legislation in 2024?

BCCh 1

- Karin Law (Law 21,643 on workplace harassment, sexual harassment, and violence in the workplace):** We adapted internal regulations and the Whistleblower Channel to make them compatible and align them with the new legal framework. This process entailed the revision of codes and policies.
- Personal Data Law (Law 21,719):** To adapt to the new legislation, we worked with all areas of the Bank to implement significant changes in systems operation, guarantees, and data protection.
- Law for strengthening the resilience of the financial system and its infrastructures (Law 21,641):** This law includes a set of legal modifications that represent important improvements to increase our capacity to manage the liquidity of the financial system in Chile, both in normal times and in times of financial stress.
- Fintech Law (Law 21,521):** We reviewed the new changes in order to establish an agenda associated with this regulation.
- Cybersecurity Law (Law 21,663):** Our legal and technology areas worked in coordination to adapt internal processes to the requirements of the new law.

Ethics and Conduct Committee

The purpose of this internal body is to advise the Board and Senior Management on the promotion and safeguarding of ethics. Its responsibilities include:

- Promote and safeguard our employees' compliance with the Standards of Conduct, Probity, and Values, and the Personnel Rules and Regulations.
- Propose changes to improve internal regulations in matters of employee conduct, probity, and institutional values.
- Recommend dissemination plans on ethical culture and compliance with established standards.

We have two regulations that guide and safeguard ethics:

- [Norma de Conducta, Probidad y Valores](#): Standard of Conduct, Probity, and Values: defines the obligations, prohibitions, disqualifications, incompatibilities, and conflicts of interest applicable to all our personnel.
- [Reglamento de Personal](#): Personnel Rules and Regulations: establishes the behavioral guidelines for our staff, aligning their conduct with our institutional principles and the rules established in the regulations.

Members

In 2024, the committee had the following five members:



General Manager



General Counsel



Comptroller and Auditor General



Corporate Risk Division Director



Personnel Director



Transparency Policy

The Transparency Policy, in force since 2021 and consolidates the various mechanisms used to account to the public for the fulfillment of our mandate.

Its guidelines were developed using the [Código de Transparencia de Bancos Centrales del Fondo Monetario Internacional](#) as a reference.

In 2024 we implemented a process to update internal regulations related to transparency and access to information. Thus, we updated the Bank's Transparency Policy and Regulations to comply with the Lobbying Law, as well as the Communications Policy in relation to criteria for meetings with market players



In addition, we have other means to reinforce our commitment to transparency and the proper handling of ethical concerns.

Contacto Central

Channel on our website for requests for information, complaints, Platform for managing requests for access to information, suggestions and commendations.

Ley de Transparencia

Platform for managing requests for access to information, suggestions and commendations. In accordance with current regulations.

Agenda de la Alta Administración

Public record of the activities of the Bank's executives. Manages compliance with the Communications Policy.

Plataforma reuniones con actores de mercado

Manages compliance with the Communications Policy.

Conflicts of interest

GRI 2-15

In compliance with [Ley N° 20.880 sobre Probidad en la Función Pública y Prevención de Conflictos de Intereses](#), we regulate the obligation of our Board Members and the General Manager to publicly declare their interests and assets in the following instances:

- Before taking office.
- In the mandatory annual update.
- In voluntary updates.



- On termination of office, within a period of 30 days.

Reporting Channel

GRI 2-26;SASB FN-AC-510a.2

We have specific reporting channels for the Bank's employees and suppliers to report complaints on ethical matters. All these mechanisms ensure the confidentiality of the person providing the information and establish verification procedures, with the sole exception of reports related to cases of workplace harassment, sexual harassment, or violence in the workplace, which cannot be made anonymously under current labor laws.

Additionally, the Compliance Officer, all managers, and the Personnel Area are always available to address concerns or requests on ethical issues affecting Bank staff members.

The specific mechanisms for handling ethical complaints, guaranteeing accessibility and confidentiality, are as follows:

• For Bank personnel:

- o Reporting channel accessible through the Bank's intranet.
- o In writing, directly to the divisional director or his or her superior.
- o Complaints related to cases of workplace harassment, sexual harassment, or workplace violence must be communicated to the People Manager or the Compliance Officer, in addition to the Whistleblower Channel.

• For suppliers:

- o Reporting channel accessible through the Bank's website.

Ethics training

GRI 205-2

Our ethics management is based on various internal regulations and a training plan designed to disseminate guidelines and orientations at all levels of the organization.

These regulations are initially taught during the induction process and are reinforced through training and lectures, which have an informative and preventive focus. This ensures that all Bank personnel understand and apply the institutional ethical principles.

In 2024, we conducted training sessions on the main aspects of internal regulations, which covered more than 85% of our staff.

Digital dissemination tools

Our stakeholders can access a wide range of informative content on our [website](#), including:

Transparencia Activa Updated documents on internal functioning (Law N°20,285).	Ley de Lobby Information on the management of special interests (Law N°20,730).
Declaraciones de Intereses Registration of the assets and interests of the Board and General Manager.	Buenas Prácticas Board meeting schedule and minutes from past meetings.

Publication of historical records

In 2024, we continued to advance on our voluntary policy of disclosing past minutes, with the publication of the last period of the schedule for the disclosure of the historical records, corresponding to the years 1996 to 2003. This initiative contributes to institutional transparency, accountability, and access to pertinent information for citizens and economic agents.

To date, there are 4,500 minutes available to the public through the website ([Repositorio Digital](#)).

Main ethics and transparency indicators

BCCh 20

Categorías	2022	2023	2024
Inquiries submitted and handled via Central Contact	4,002	4,647	3,719
Average number of days to respond to requests in the framework of the Transparency Law	8	10	7
Number of requests for information submitted under the Transparency Law	106	135	98
Meetings governed by the Lobbying Law	125	196	190

The organizational structure established in the Basic Constitutional Act that governs the Bank guarantees the autonomy to meet our price stability and financial stability objectives.

We have a firm commitment to sound governance, and in 2024 we continued to implement policies and practices aimed at strengthening our transparency, ethics, accountability, and integrity.

We have robust risk management and updated sustainability policies aligned with international standards.

03


A STATE-OF-THE-ART INSTITUTION

CONTENTS

- 3.1 MT: Monetary and Financial Stability
- 3.2 National and International Financial
Market Operations
- 3.3 MT: Financial Accessibility

Progress on the 2023-2027 Strategic Plan

As an institution, we are committed to the people of Chile, which is why we work to contribute to generate a sustainable macroeconomic environment, strengthen contact with different audiences, and expand financial education, helping people make more informed decisions.

<div>PRIORITY 1</div> <div>Strengthen the avant-garde nature of monetary and financial policies.</div> <div></div>	<div>OBJECTIVE</div> <div>Enhance analytical capacity for decisionmaking, focusing on the interaction between policy and the use of unconventional tools.</div>	<div>1.1 Strengthen the monetary and financial policy framework that provides the foundation for policy decisions.</div>	<div>Progress in 2024</div> <div><div>1. Publicamos el documento Marco de Implementación de Requerimiento de Capital Contracíclico.</div><div>2. We held the 2024 Annual Conference to discuss the causes and implications of medium- and long-run interest rates.</div><div>3. We strengthened the financial regulation framework through the implementation of the Resilience Law and measures to contribute to the development of the securitization market.</div><div>4. We supported the development of the bank resolution framework and deposit insurance in Chile.</div></div>
		<div>1.2 Increase the inclusion of Big Data.</div>	<div><div>1. We incorporated microdata analysis into the IPoM, such as measuring investment spillovers.</div><div>2. We completed the development of new statistics that support policy implementation, such as indicators for land use and coverage, disposable income, online sales, and business demographics and sales by segment.</div><div>3. We worked on various collaborative projects on topics related to bank intervention, credit shocks, international prices, etc.</div></div>
		<div>1.3 Promote the development of payment systems.</div>	<div><div>1. We reported on recent trends related to the use of payment methods, financial market infrastructures, and their development in the third Payment Systems Report, published in August.</div><div>2. We issued a new regulation for card issuers and operators.</div><div>3. We implemented the operational capacity and regulations necessary for the incorporation of new actors in the RTGS system; and we prepared a report that includes an analysis of the possible changes to be implemented in the system.</div></div>



As the Central Bank of Chile, our mandate is to ensure the stability of the currency and the normal functioning of internal and external payments. To fulfill this mandate, the organization performs the following main functions:

- Definition of monetary policy aimed at achieving the inflation target of 3% in a two-year horizon.
- Conduct and implementation of financial policy; monitoring of risks to financial stability and prudential regulation in various areas.
- Definition and application of the countercyclical capital requirement (CCR), with the objective of strengthening the banking system as a whole, in the face of possible complex and disruptive episodes that could have a significant impact on the economy.
- Implementation of monetary policy; regulation and operation of payment systems; management of international reserves; and performance of fiscal agency services for the sovereign wealth funds.
- Issuance of banknotes and coins.

3.1 Monetary and Financial Stability

GRI 3-3

MATERIAL TOPIC: PRICE AND FINANCIAL STABILITY

Management approach

We analyze the local and international macroeconomic environment and its impact on inflation, so as to make interest rate decisions that maintain price stability.

We monitor and evaluate the risks that could affect financial stability and the smooth functioning of the internal and/or external payment systems.

We also work on the formulation, evaluation, and promotion of policies, regulations, and other initiatives aimed at promoting the development and efficient and safe functioning of the national financial system, the capital market, and the payments system, thereby contributing to safeguarding financial stability.

We coordinate policies for managing critical financial situations, including regulating and monitoring the financial system in order to mitigate vulnerabilities, prevent the amplification of the effects of a shock, and strengthen its resilience.

Governance

- Monetary Policy Division
- Financial Policy Division

Policies and regulations

- Law N°18,840: Basic Constitutional Act of the Central Bank of Chile.
- General Banking Law
- Compendium of Financial Regulations (CNF)

Milestones in the year

- Resolution of significant macroeconomic imbalances that accumulated in 2021 and 2022.
- Reduction of the monetary policy rate to 5% (325 basis points over the year).
- Revision of the countercyclical capital requirement policy framework for the banking system.

Key numbers

- Inflation reached 3.7% in March 2024..

Future challenges

- Maneuver through a complex inflationary period, marked by new shocks. Although the origin and magnitude are different from previous shocks, their scope must be carefully analyzed, which reinforces the need for caution in the conduct of monetary policy.
- Implement new tools conferred by the Resilience Law to strengthen the capacity to react to stress events.

Monetary policy

Safeguarding the stability of the currency implies preventing its value from deteriorating due to high or unstable inflation. To accomplish this mandate, we implement monetary policy actions aimed at maintaining price stability in the economy and protecting the purchasing power of the currency. We have an inflation target of 3% in a two-year horizon, and the instrument used to achieve that objective is the monetary policy rate.

Inflation

Inflation is the sustained and generalized increase in prices in the economy. When it is high and unstable, it reduces the purchasing power of money, such that a given amount of money will buy fewer goods and services. It also generates uncertainty, which has a negative impact on the economic decisions of individuals and organizations.

How is it measured?

Inflation is measured through the Consumer Price Index (CPI), prepared by the National Statistics Institute (INE), which records the monthly change in prices of a representative basket of goods and services. Given that some products have highly variable prices, such as food and oil-related goods, the Central Bank calculates core inflation indicators (CPI without volatility), which exclude these items in order to more accurately reflect medium-term inflation trends.

Why is it important to keep inflation low?

Low and stable inflation favors job growth, protects people's monetary income, especially for those living in vulnerable contexts, and creates conditions for sustained economic growth.

How do we control it?

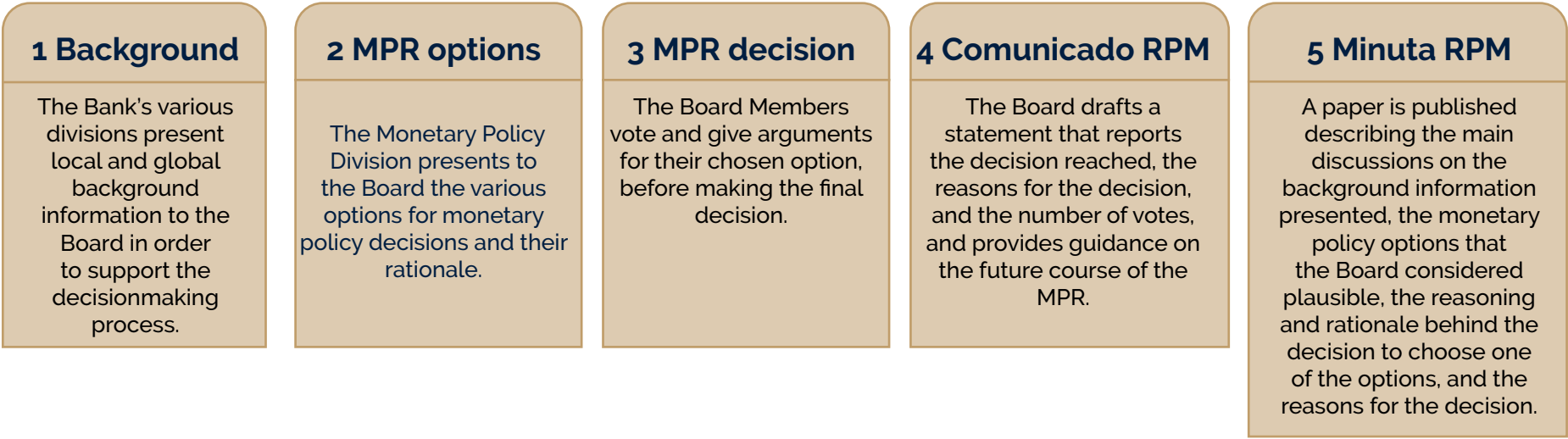
The main instrument for keeping inflation low and stable is the monetary policy rate (MPR), which is determined at each Monetary Policy Meeting (MPM). This tool influences the entire economy, operating through the banking system to determine the behavior of demand (consumption and investment) and inflationary pressures.



In 1999, we adopted a monetary policy framework with medium-term inflation targets and a flexible exchange rate. This approach helps individuals and businesses make economic decisions with the assurance that prices will remain under control over time.

Monetary policy rate (MPR)

The MPR is the main instrument of monetary policy. It is the rate at which the Central Bank lends to commercial banks, and it thus affects all rates in the financial system. The level of the MPR is defined by the Board at its Monetary Policy Meetings (MPM), which are held eight times a year. The process of determining the MPR is presented below:



In addition, the Bank publishes the Monetary Policy Report (IPoM), which summarizes the Board's analysis and assessment of the domestic and international macroeconomic scenario, as well as projections of the main economic variables for the next two years. The main forecasts are for inflation and gross domestic product (GDP). The report also includes projections for the international scenario and, at the local level, for demand, investment, foreign trade, and savings.

The report further provides an estimate of the monetary policy path for the next two years, which is valuable information to help markets and individuals form or adjust their expectations. The IPoM is published four times a year. In March, June, and December, it is presented to the Senate Finance Committee, and in September, it is presented to the full Senate.

When warranted by macroeconomic developments, the Board may convene special monetary policy meetings to adjust decisions in accordance with the needs of the economic context.

How does the MPR operate?

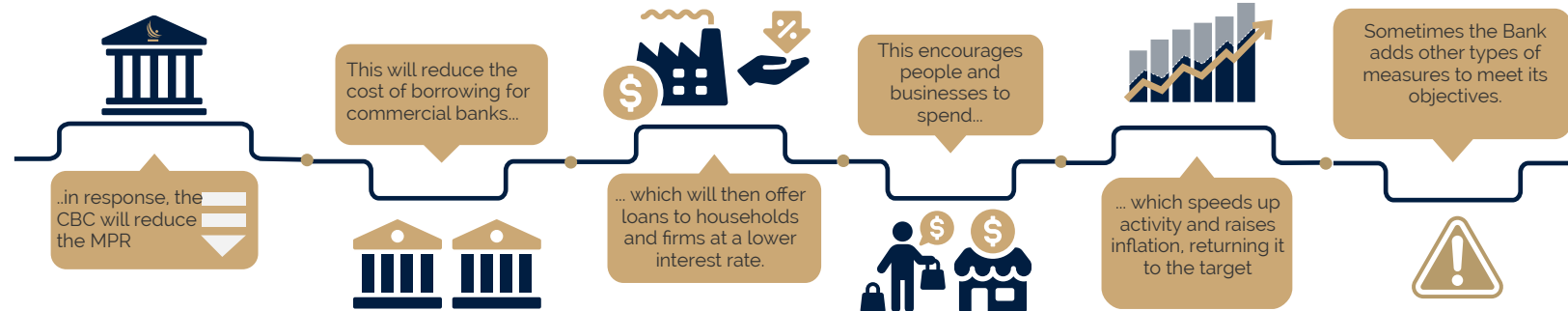
An example of how the MPR operates: expansionary monetary policy



Assume a shock that threatens the growth outlook and undermines local agents' confidence.

The less dynamic activity will cause a drop in inflation, moving it away from

3%...



In practice, a change in the monetary policy rate modifies the cost of borrowing for commercial banks and, through them, for individuals and businesses. This leads to changes in consumption and investment decisions, which affects economic activity and inflation.

Inflation and the monetary policy rate in 2024

In terms of monetary policy, the greatest achievement of the period was resolving the large macroeconomic imbalances caused by excessive spending during the pandemic, coupled with a significant set of internal and external shocks.

This was reflected in the fact that, at the beginning of 2024, annual inflation had moved away from the double digits reached in 2022 and was approaching the 3% target, in both headline and core measures. In subsequent months, it was affected by new shocks of a very different magnitude and origin from the previous ones. The current account of the balance of payments returned to levels around historical averages, and the output gap closed significantly.

In 2024, the Bank’s Board reduced the monetary policy rate by 325 basis points, from 8.25% to 5.0%. There were reduction decisions in seven of the eight monetary policy meetings. The Board voted to pause the reductions in July, maintaining the rate at 5.75%. Inflation and monetary policy rates over the course of 2024 were as follows:

Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Inflation	3.8	4.5	3.7	4.10	4.1	4.2	4.6	4.7	4.1	4.7	4.2	4.5
MPR	8.1	7.25	7.25	6.36	11.25	11.25	5.75	5.75	5.53	5.4	5.2	5.1

Financial policy

Our second objective is to ensure the normal functioning of internal and external payments, a key factor in maintaining financial stability. To achieve this, our Financial Policy considers measures aimed at reducing systemic risks in the financial sector, to contribute to stability and confidence in the economic system.

Financial policy functions

Financial Policy is underpinned by rigorous processes that support decisionmaking in the areas under our responsibility. Therefore, we issue and manage financial regulation, prepare reports requested by other financial sector regulators, and assess the impact of possible legal or regulatory changes when consulted.

Institutional framework

Achieving financial stability requires joint and coordinated action between the Central Bank, the Ministry of Finance, the Financial Market Commission (CMF), the Superintendency of Pensions (SP), and other authorities of the financial system. One of the main coordination bodies is the Chilean Financial Stability Board (FSB), complemented by permanent communication and consultation between the Central Bank and sectoral regulators. Some of these interactions are formalized in legislation, such as the requirement to issue prior reports before approving certain regulations.

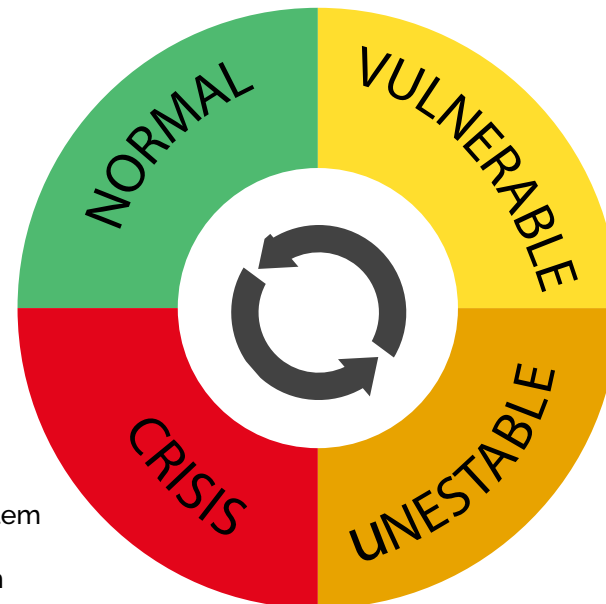
Policy actions and scenarios

Ex-ante or preventive

- Active, forward-looking monitoring
- Identification of risks
- Generation of regulations
- Prior assessment reports
- Policy tool management
- Risk warning

Crisis management

- Liquidity tools to safeguard financial system stability
- Exercise of limitations and restrictions on foreign exchange operations
- Lender of last resort



Ex-post or mitigative

- Active, forward-looking monitoring
- Evaluation of the potential impact of materialized risks
- Regulatory decisions
- Risk warning
- Activation or deactivation of the countercyclical capital requirement
- Liquidity tools to safeguard financial system stability
- Exercise of limitations and restrictions on foreign exchange operations

Technical coordination and exchange of information among the institutions that contribute to the objective of preserving the stability of the financial system



Financial Stability Board

Somos asesor permanente del Consejo de Estabilidad Financiera (CEF), una instancia de coordinación e intercambio de información entre The Central Bank is a permanent advisor to the Chilean Financial Stability Board, which was created by the Finance Ministry to coordinate and share information among supervisory bodies. The Board meets regularly to consolidate and analyze the information on activities subject to supervision and regulation, in order to adequately manage systemic risk, among other matters.

The FSR is composed of the Minister of Finance, who serves as chairs, the President of the Financial Market Commission, and the Superintendent of Pensions.

Financial Policy Meetings and the countercyclical capital requirement

As of 2022, the Central Bank holds Financial Policy Meetings (FPM), where the Board decides on possible changes to the countercyclical capital requirement (CCR), applicable to the banking system. Unlike other specific capital charges, the CCR has a broad scope covering the entire banking system, and its objective is to prospectively assess the vulnerabilities and risks of the financial system. The activation or deactivation of the CCR seeks to mitigate the amplification of systemic financial risks, balancing the costs of higher capital requirements with the benefits of greater resilience.

Financial Stability Report

The Central Bank's projections are fundamental for identifying and communicating potential vulnerabilities and risks to the authorities, financial system entities, and the general public. These projections, which are themselves a policy action, actively contribute to the stability of the financial system by providing information, risk analysis, and alerts on certain trends that deserve greater attention from authorities, regulators, and market agents.

Since 2004, these risks have been reported in the Financial Stability Report (FSR), which is published every six months and submitted to the Senate Finance Committee.

Financial policy research

To contribute to the monitoring of financial stability, we track and study the financial situation and decisions of households, firms, and the government, as well as the components of the financial system (intermediaries, markets, and infrastructure) and the interconnections between them.

The Financial Policy Research Agenda provides technical support to key products such as the Financial Stability Report (FSR), the Payment Systems Report, and internal analyses used for regulatory decisions and the application of tools aimed at strengthening financial stability.

In 2024, the main initiative developed was the update of the RCC implementation framework and the definition of a neutral level for this macroprudential policy tool, whose objective is to increase the resilience of the banking system.

3.2 Operations in national and international financial markets

Our main instrument for keeping inflation aligned with the target is the monetary policy rate (MPR). To operationalize this instrument, we have a series of tools for managing the liquidity of the financial system, to ensure that the opportunity cost of money is consistent with the established MPR.

We use these tools to influence the overnight interbank lending rate, seeking to keep it close to the MPR.

In addition, we manage the international reserves, which are another policy tool, and we act as Fiscal Agent, under instructions from the Finance Ministry. In this framework, we make debt placements in the local market and manage part of the sovereign wealth, thereby contributing to the country's sound financial management.

Market operations

Liquidity and debt management

Monetary policy influences the supply of resources in order to bring the interbank interest rate in line with the monetary policy rate (MPR).

Thus, we use open-market operations (OMOs) as key tools to inject or extract liquidity from the banking system in the short and medium term. Within the framework of OMOs is debt management, whose main objective is the daily management of the banking system's liquidity, through the administration of maturities (liquidity injection) and debt issuance (liquidity contraction).

Currently, debt management is carried out through the issuance of Central Bank discount notes (PDBC) with terms ranging from seven to 360 days.

PDBC at month-end (CLP trillions)

Month	2023	2024
January	39.890	37.870
February	42.010	35.510
March	41.015	30.610
April	42.890	28.700
May	43.620	26.530
June	43.210	22.470
July	42.050	25.440
August	47.150	21.800
September	48.910	22.200
October	41.550	23.060
November	42.050	24.440
December	40.979	22.680



Special operations

With the expiration of the FCIC, only the bank bond portfolio remains as a remnant of the special operations carried out in 2020-2021. It is being wound down as the component instruments come due.

Conditional Financing Facility for Increased Loans (FCIC)

The objective of the FCIC was to secure the flow of credit to households and businesses, especially small and medium-sized enterprises.

On 1 April and 1 July 2024, stages 1, 2, and 3 of the FCIC matured, respectively, and were paid in full by the banks. The expiration of the Facility was managed in advance by the organization through the Collateral Replacement Program, implemented as of January 2023, and the issuance of liquidity deposit notes (PDL).

The repayments were made without causing tension in the money market.

International reserve management

International reserves are liquid foreign currency assets held by the Bank to support monetary policy and financial stability.

The management of international reserves has changed over the years in line with the development of financial markets, the incorporation of new technologies, and the international regulatory framework. Thus, the Board has developed, in conjunction with the Bank's management, a series of rules, procedures, and practices that seek to ensure the best standards for international reserves management.

2024 Results

At year-end 2024, the balance of international reserves was USD 44.4211 billion, down USD 1.9320 billion from 2023. This reduction is explained by a decrease of USD 2.5112 billion in the cash portfolio, offset by an increase of USD 573.0 million in the investment portfolio and USD 6.1 million in other assets.

The contraction in the cash portfolio is due to a lower stock of dollar-denominated deposits held at the Central Bank by the commercial banks. The increase in the investment portfolio, in turn, is mainly explained by a positive performance of the liquidity portfolio in a context of falling short-term interest rates in the United States.

External portfolio managers

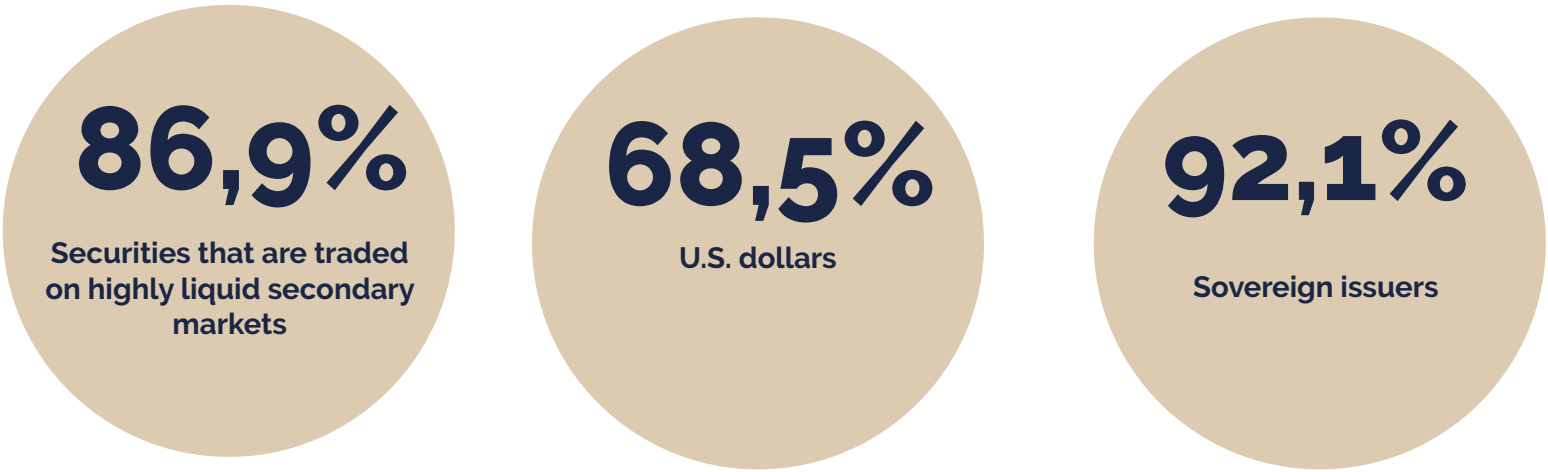
A share of our investment portfolio is administered by external portfolio managers: Allianz Global Investors and BNP Paribas Asset Management.

Both firms were brought on in November 2021, with a mandate of USD 600 million each. In 2024, they managed a long-term global government fixed-income mandate with a structure equivalent to the internally managed portfolio.

Main indicators (millions of US dollars)

Categories	2023	2024
Investment portfolio	\$38,651.7	\$39,224.7
Cash portfolio	\$3,688.5	\$1,177.3
Other assets	\$4,012.9	\$4,019.1
International reserves	\$46,353.1	\$44,421.1

The liquidity of the reserves was ensured by investing in asset classes and issuers whose securities are traded on deep markets. At year-end 2024, total international reserves were invested as follows:



The investment portfolio is distributed among different types of risk, as follows²:

Category	2023	2024
By type of issuer		
Sovereign risk	84.5%	92.1%
Supranational risk	2.1%	3.7%
Agency risk	0.6%	2.1%
Bank risk	12.8%	2.0%
Government-related risk	0.0%	0.1%
By risk rating		
AAA credit rating	6.1%	12.4%
A- to AA+ credit rating	93.9%	87.6%



Distribution of reserves by currency (percentage)

Categorías	2023	2024
United States dollars	73.0%	68.5%
Canadian dollars	0.0%	5.2%
Australian dollars	2.6%	4.2%
Euros	4.2%	2.6%
Other	20.2%	19.5%

²No incluyen la porción de otros activos y las operaciones de moneda vigentes.

Returns

The total return obtained from international reserve management in 2024, excluding the other assets portfolio, was 1.65% measured in U.S. dollars, while the differential return relative to the benchmark was –23 basis points.

[You can read more about our international reserve management in the second section of the Appendices chapter of this Integrated Annual Report](#)

Complementary liquidity lines

The Bank has signed various agreements to strengthen its access to international liquidity, which as serve as precautionary buffers that are complementary to the international reserves.

Complementary line	Amount (USD billion)	Expiration
IMF Flexible Credit Line (FCL)	13.800	August 2026
FLAR liquidity lines	1.250	n/a
Fed FIMA Repo Facility	28.000	n/a
Renminbi/peso (RMB/CLP) swap line	6.800	August 2026

In August 2024, with the consent of the Finance Ministry, we renewed the Flexible Credit Line from the International Monetary Fund (IMF) for USD 13.8 billion, replacing the previous line contracted in August 2022 (USD 18,500). At the end of 2024, the total liquidity available was close to USD 66.0 billion (20% of the gross domestic product).

Fiscal Agency

Sovereign wealth fund management

Since 2007, at the request of the Finance Minister, the Bank has acted as fiscal agent in the management of all or part of the fiscal resources held in the Economic and Social Stabilization Fund (ESSF) and the Pension Reserve Fund (PRF). This involves managing the portfolios to meet the objective defined by the Finance Ministry: to obtain monthly returns consistent with the benchmark indexes, within the established risk parameters and limits.

CBC sovereign wealth fund management and performance

At year-end 2024, the market value of the ESSF and PRF portfolios managed by the Bank as fiscal agent was USD 3.618 billion and USD 4.371 billion, respectively,³ which was invested in line with the benchmarks established in the current investment guidelines.

ESSF portfolio structure (31 December 2024; USD million)

Category	2023				2024			
	USD	Other (1)	Total	%	USD	Other (1)	Total	%
Sovereign bonds and Treasury notes	3,018	1,868	4,886	81.0%	1,814	1.115	2,929	80.9%
Inflation-indexed sovereign bonds	234	0	234	3.9%	145	0	145	4.0%
U.S. agency mortgage-backed securities (2)	911	0	911	15.1%	545	0	545	15.1%
Total	4,162	1,868	6,030	100%	2,503	1.115	3,618	100%

(1) Includes euro, yen, and renminbi.

(2) MBS.

Source: J.P. Morgan N.A.

³The market value of the ESSF at year-end 2024 was USD 3.618 billion, of which USD 3.074 billion was managed internally by the Bank and USD 545 million by delegated external managers. The market value of the PRF at year-end 2024 was USD 9.378 billion, of which USD 4.371 billion was managed by the Bank (USD 3.812 billion internally and USD 560 delegated), while USD 5.007 billion was managed by external portfolio managers supervised directly by the Finance Ministry, under equity, corporate bond, and high-yield bond mandates.

PRF portfolio structure
(31 December 2024; USD million)

Categoría	2023				2024			
	USD	Other (1)	Total	%	USD	Other (1)	Total	%
Sovereign and quasi-sovereign (government-related) bonds	878	2,045	2,923	70.9%	999	2,094	3,093	70.7%
Inflation-indexed sovereign bonds	309	375	684	16.6%	336	383	719	16.5%
U.S. agency mortgage-backed securities (2)	516	0	516	12.5%	560	0	560	12.8%
Total	1,704	2,420	4,123	100%	1,894	2,477	4,371	100%

(1) Includes the euro, renminbi, yen, pound sterling, Canadian dollar, Australian dollar, and other currencies.

(2) MBS.

Source: J.P. Morgan N.A.

In 2024, the ESSF resources managed by the CBC (internally managed and delegated portfolios) generated an absolute return measured in United States dollars of -0.10%, which implies a differential return of -3.9 basis points⁴ relative to the benchmark.⁵ The PRF resources managed by the CBC generated an absolute return measured in United States dollars of -2.66%, with a differential return attributable to portfolio management of -13.5 basis points relative to the benchmark⁶.

⁴ Includes performance waivers, which are granted by the Finance Ministry for periods when the portfolios are adjusted per instructions from the owner of the resources, for example, in the event of contributions and withdrawals. The absolute returns do not consider performance waivers, measuring the return for the entire period.

⁵Taking only the ESSF resources managed internally by the Bank (excluding the delegated MBS portfolio), the absolute return and the differential attributable to the fiscal agent in 2024 were -0.38% and -2.7 basis points, respectively.

⁶Taking only the PRF resources managed internally by the Bank (excluding the delegated MBS portfolio), the absolute return and the differential attributable to the fiscal agent in 2024 were -3.20% and -14.9 basis points, respectively.

Main developments in sovereign wealth fund management⁷

In accordance with the instructions of the Finance Ministry, we completed the selection process for hiring an external administrator for the PRF's Corporate Bond mandate, selecting the firm BlackRock Institutional Trust Company, N.A. This mandate was implemented in April 2024.

In November 2024, we accepted new performance guidelines for the investment of PRF resources, which incorporated the Low Carbon Equity asset class into the benchmark. In this context, and in line with the Finance Ministry's instructions, the CBC carried out a selection process, with the support of an external consultant, to hire an external manager for the Low Carbon Equity mandate, whereby Amundi Asset Management was chosen. At year-end 2024, the mandate was in the implementation phase.

Debt placement and management in the local market

Since 2004, at the request of the Finance Minister, the CBC represents and acts in the name and on behalf of the Treasury of Chile in the placement and management of bonds issued by the Treasury.

In 2024, auctions were held for peso-denominated bonds with maturities in 2027, 2029, 2030, 2033, 2040, 2050, and 2056; and UF-denominated bonds with maturities in 2028, 2030, 2033, 2044, 2050, and 2055. In addition, peso-denominated bills with maturities of 9 and 10 months were auctioned, and repurchase transactions were carried out with cash and Treasury bond swaps. All Treasury bonds were issued in accordance with article 104 of the Income Tax Law.

Fiscal agency fees

In 2024, the Treasury paid the Bank sovereign wealth fund management fees of USD 993,400 for the ESSF and USD 1,244,820 for the PRF, equivalent to 2.5 and 3.3 basis points, respectively, of the average market value of the resources directly managed by the CBC.⁸ The fees received for debt placement and management in the local market in 2024 were USD 242,682,278. These amounts are consistent with the Central Bank's Basic Constitutional Act, which stipulates that the Bank shall not finance the Treasury.

⁷ Through Official Communication N°1.314, dated 28 August 2024, the Finance Ministry instructed the Central Bank to terminate the contractual relationship with the portfolio manager Western Asset Management Company, LLC, responsible for managing an MBS mandate for the ESSF and the PRF. In this context, the assets managed by that company were transferred during the period to the MBS portfolios managed by BNP Paribas Asset Management USA, Inc.

⁸ The fiscal agency fees for the ESSF and PRF are associated with direct expenses and costs incurred by the Bank in the management of the funds and do not include other costs, such as those associated with external portfolio management, custody services, and middle office functions.

3.3 Financial Accessibility

MATERIAL TOPIC: FINANCIAL ACCESSIBILITY

Management approach

We ensure maximum availability and efficiency of the RTGS system, thereby minimizing credit and liquidity risks in transactions. This contributes to the fulfillment of our mandate to maintain the normal functioning of payments.

Governance

- Financial Markets Division
- Financial Policy Division

Policies and regulations

- Basic Constitutional Act of the Central Bank of Chile
- Regulations and compendiums

Key figures

- With respect to the retail payment clearing houses managed by CCA, the average daily volume of transactions settled in the RTGS System was 65 payments in 2024, with an average daily value of CLP 614,115 million.
- For the Large-Value FX Clearing House, the average daily volume of transactions settled in the RTGS system was 45 payments in USD and 13 payments in CLP in 2024, with an average daily value of USD 542 million and CLP 332,291 million.

Milestones of the year

- Start-up of operations of the Retail Payments Clearing House (CPBV) managed by CCA, which clears and facilitates the settlement of online electronic fund transfers (EFTs), as well as batch clearing of direct credit and debit transactions.
- Start-up of operations of the Large-Value Payments Clearing House to process interbank peso/dollar spot transactions (CCAV FX), managed by Combanc.
- Start-up of operations of the Amex CPBV de Amex, operated by CCA.
- Implementation of ISO 20022 Phase 1 messaging standard for local market payment messages.

Future challenges

- Continue to develop payment infrastructures and systems involving the implementation of other CPBVs under development and evaluate a next phase of the regulatory framework for CPBVs.
- Continue improving the specialized infrastructure of the foreign exchange market and the implementation of the Law that Strengthens the Resilience of the Financial System and its Infrastructure, which will allow the incorporation of nonbank participants to the RTGS System, and which imposes challenges in terms of adaptability and security.
- Implement ISO 20022 Phase 2 in the RTGS System focused on third-party payment messages, notifications, statements, and contingency messaging. November 2024.

What is the payment system and how does it work in Chile?

Payment systems consist of a set of instruments, procedures, and rules for transferring funds between two or more participants, including both system operators and participants.

Large-value payment systems (LVPS)

LVPSs are financial market infrastructures that are generally operated by central banks insofar as they allow for large-value payment transfers, which result from the aggregate processing of all payments in the economy.

In Chile, the Central Bank directly operates the Real-Time Gross Settlement (RTGS) system, which is an electronic platform through which its participants transfer funds among themselves in local currency and dollars.

As in past years, the Bank coordinated business continuity exercises in 2024, in conjunction with participants of the large-value payment system and financial market infrastructures.

Real-Time Settlement System in CLP	Real-Time Settlement System in FX	Availability
The RTGS sub-system in domestic currency settled an average of 1,702 transactions per day in, with an average daily value of CLP 33 trillion. This represents a decrease in the average daily value of 16.93% over the last year.	The RTGS sub-system in USD settled an average of 70 payments per day in 2024, with an average daily value of USD 2.207 billion. This represents an increase of 34.74% over the last year.	In 2024, the availability of the RTGS System and the SOMA System (which provides intraday credit) was 99.87% and 99.80% respectively.

Payment Systems Report

Through this initiative, the Bank communicates the evolution and main recent trends in the use of means of payment, financial market infrastructures, future developments, and related policies. This report also includes the Payments Agenda as part of our 2023-2027 Strategic Planning.

The Payment Systems Report (PSR), which we have been publishing annually since 2022, discloses our performance in monitoring our mandate and the outlook for developments, strengthening communication with the public. In 2024, the third edition was published.

2024 Milestones in the Payment Systems

In 2024, our main accomplishments in this area included the following:

1. Revision of payment card regulation

In July, we updated the Bank's payment card regulation to adapt to industry developments. Among the main changes, payment service providers (PSPs) that settle payments to affiliated merchants will be incorporated into the CMF's perimeter and supervision at an earlier stage, ensuring greater safeguards for the continuity of the payment chain. In addition, a regulatory framework for cross-border acquiring is incorporated, as are new business models for prepaid cards that allow payments between clients of the same issuer.

2. Strengthening of financial market infrastructures

Two new clearing houses were incorporated to expand the country's financial market infrastructure network, with standards comparable to those of advanced countries: namely, a Low-Value Clearing House (CPBV), specialized in electronic fund transfers (EFT), and a Large-Value Clearing House (CCAV FX) to process peso-dollar spot transactions. These improvements have generated significant liquidity savings for system participants, optimizing efficiency and security in transactions.

3. Publication of the Second Report on Central Bank Digital Currencies (CBDC)

This report delves into the possible models for issuing and implementing a CBDC in Chile, evaluating its complementarity with existing means of payment, the effects on financial inclusion, and the regulatory and technological challenges. It also highlights the importance of a gradual and coordinated implementation, to ensure that any future CBDC will strengthen the stability and efficiency of the country's payment system

4. Migration to ISO 20022 messaging

The migration of the Real-Time Gross Settlement (RTGS) system to the ISO 20022 messaging standard is progressing according to plan. The first phase of the process was successfully completed in the third quarter of 2024, while the second and final phase is scheduled for completion in the second half of 2025. This transition will strengthen efficiency, accuracy, and security in the payment system, aligning it with the best international standards.

5. Implementation of the Resilience Law

Progress was made in the development of regulatory frameworks to facilitate the connection of new nonbank institutions to the RTGS system, in the context of the implementation of the Resilience Law. This initiative seeks to strengthen stability by promoting greater competition and financial inclusion in the payments ecosystem.

6. Continuity tests for the RTGS Contingency System

In September, we conducted continuity exercises in the RTGS Contingency System in order to guarantee the operation of our critical services, thus minimizing downtime and ensuring the continuity of the payment chain.



3.4 Sustainable Cash Cycle

Cash life cycle

CBC 3

One of our objectives at the CBC is to guarantee the normal functioning of internal and external payments, which includes the management of the banknote and coin cycle. We currently issue five denominations of banknotes: 1,000, 2,000, 5,000, 10,000, and 20,000; and four denominations of coins: 10, 50, 100, and 500.

The Central Bank's Basic Constitutional Act establishes that the CBC has the sole authority to issue banknotes and coins, which are the only means of payment that are legal tender, with free circulation throughout the national territory. The Bank issues currency in accordance with demand and distributes it to commercial banks, which act as a wholesale supplier. The banks, in turn, distribute banknotes and coins to their customers, including businesses, services, and individuals.

Both the cash in circulation received by commercial banks and the cash returning from businesses and users is transported by means of cash-in-transit companies.

When banknotes reach the end of their useful life, they are separated and withdrawn from circulation by commercial banks and sent to our facilities. There, they are authenticated, counted, and destroyed through an automated, secure, and efficient process. Individuals can also go to the Central Bank to replace damaged banknotes at the Public Teller Window.

Coins in 2024

In 2024, there was a gradual reduction in the surplus coins accumulated by commercial banks in 2023. This was a result of initiatives implemented by the Central Bank in conjunction with the banks, including the promotion of interbank sales, reduction in supply, receipt of surplus coins, and the frequent collection of coins in poor condition to encourage their recirculation.

In addition, deliveries to the regions were consolidated through the expansion of new distribution channels. As a result, 51% of the coins delivered to commercial banks were distributed outside the Metropolitan Region. This approach allows a more comprehensive view of the market and is more effective from a logistical standpoint, even reducing the costs associated with transportation.

Banknotes in 2024

With regard to banknotes, deliveries increased compared to last year, with a notable rise in the distribution to the regions. However, the overall demand for banknotes and coins by banking institutions in 2024 remained below the historical levels observed between 2017 and 2019, which is similar to the trend in 2023.

Collaboration with commercial banks and international challenges

As the Central Bank, we maintain a constant flow of communication with the treasuries of commercial and retail banks through regular meetings and working groups. This has facilitated a more comprehensive understanding of the cash market, bank forecasts, and changes in their operating models.

Cash flow forecasting has become more complex due to increased uncertainty in global and local scenarios. These factors have posed significant challenges for the Bank in terms of supply and inventory management, in order to ensure the availability of cash as a means of payment in Chile.



Main cash cycle indicators

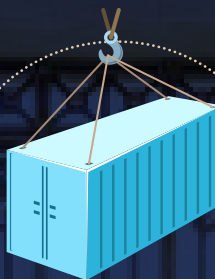
CBC 5

30 million coins
minted in Chile.



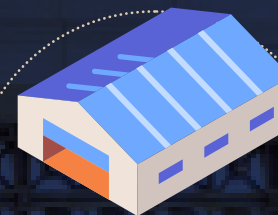
PRODUCTION

13 containers
of coins



TRANSPORT

274 million banknotes
distributed to banks via
cash-in-transit companies
66% in Santiago
34% in regions



STORAGE AND DISTRIBUTION

219 million coins distributed
to banks via cash-in-transit
companies 49% in Santiago
51% in regions



CASH CB

2.6 million banknotes
7.2 million coins exchanged for
the public



PROCESSING AND DESTRUCTION

100% of withdrawn
polymer and cotton
banknotes are
processed for new
uses as plastic
wood or energy for
cement production,
respectively



52,3 toneladas de
monedas descartadas
convertidas en otros
objetos

WITHDRAWAL

The CBC withdraws
315 million
deteriorated
banknotes from the
banks



USE



ACCESS

The banks distribute the
cash through their network
of branches and automated
teller machines (ATMs)

People use
banknotes and coins
to buy goods and
services

Public Teller Window

In 2024, our Public Teller Window continued providing service primarily for the general public and small retail businesses that use cash in their daily transactions.

We provide services such as the exchange of worn or damaged banknotes, breaking large bills into smaller denominations (locally referred to as "sencillar"), and special case management for severely damaged bills and coins.



Public Teller Window
CBC 3

Item	2022	2023	2024
Number of banknotes (million)	1.8	2.2	2.6
Total amount of different denominations (CLP million)	4,064	4,760	5,259.7
Number of people served to exchange banknotes	41,300	29,108	29,677
Number of coins (million)	14.1	5.4	7.2
Total amount of different denominations (CLP million)	2,557	789	984.9
Number of people served to exchange coins	13,893	11,754	10,615

Treasury Division Laborator

The Central Bank receives daily special cases of coins and banknotes with such a high level of damage that they cannot be visually inspected or authenticated. Examples include currency that has been accidentally stained, contaminated, water damaged, burned in a fire, or any other situation that requires a detailed and in-depth analysis. These cases are sent to the Treasury Division's Laboratory to be examined by specialized personnel.

In 2024, the lab received and analyzed 1,352 cases, of which a total amount of CLP 1,754.737,213 was validated and paid to the affected persons, equivalent to approximately USD 1.8 million.



2024 Payments Study

While there are a significant number of statistics for digital means of payments, there are no objective data on the number and value of transactions made in cash for all segments of the population or for all markets.

To address this gap, in 2024 we conducted a Payment Behavior Study between April and September 2024, to meet this growing need for information. The objective was to learn about and monitor the behavior of individuals over 18 years of age residing in private urban households throughout the country with respect to the use of cash and other means of payment in their daily transactions.

The study was carried out in two stages: the first stage involved a face-to-face survey similar to the shorter National Survey on Cash Use and Preferences (ENUPE); and the second stage entailed a Transaction Record of the payments made in a given period (Payment Diary).

As in similar studies, the transactions and payments included in this study are for products and services considered to be non-routine.

As for the results, the first Payments Study carried out in Chile reveals the pattern of behavior of the principal means of payment used in Chile through measurements of actual transactions. Thus, debit cards continue to hold the lead in terms of use and payment preference, while cash is the second most widely used means of payment.

Main results

1. Debit cards and cash are the most preferred means of payment used by individuals. The preference for using debit cards in everyday life continues to rise, while cash, although falling, continues to play a significant role with respect to other means of payment:

- (a) Transaction records (daily) indicate that debit cards are used in 47% of all transactions, while cash accounts for 31%, followed distantly by electronic transfers (10%) and credit cards (6%) (figure 1).
- (b) Transactions carried at value (CLP) stand at 44.9% and 13.8% for debit cards and cash, respectively (table 1).

(c) Cash is kept in wallets by more than 90% of people, with an average of CLP 28,000, which is comparable to the amount reported in similar studies conducted by the European Central Bank, Germany and Canada.

(d) In terms of perceptions of frequency of use (ENUPE), debit cards continue to lead with 71% of frequent use (83% in the previous survey); while cash is at 63%, also down from the last survey (79%). Indeed, after increasing in 2022, driven by the excess liquidity generated during the COVID-19 pandemic, cash use has returned to levels on the order of 60% in terms of usage preferences (figure 2).

2. The Payments Diary showed that 60% of the transactions made were for amounts under CLP 10,000, where cash is mostly used for amounts under CLP 5,000, and in more traditional channels such as open-air markets, family businesses, and transportation. Debit card use increases as the payment amount rises and in more digitized areas such as small businesses, retail stores, and fuel stations.

3. With respect to how people obtain cash, the trends are similar to previous years. ATMs continue to be the main source of cash for people (72%), followed by the Caja Vecina outlets (41%). Average withdrawals were CLP 77,000 at the ATM and CLP 41,000 at the Caja Vecina. People who use Caja Vecina report using it more frequently than people who use ATMs.

4. Another finding of the Payments Study is that there are significant differences between actual and perceived use of payment methods, especially for other methods besides debit cards and cash. For example, actual debit card use is 3 percentage points higher than its perceived use, whereas in the case of digital wallets, actual use is 30 percentage points lower than perceived use (the largest difference found in the study).

5. In terms of long-term outlook, a significant majority of respondents (70%) consider that they would be affected if cash were no longer accepted, and they do not plan to stop using it in the near future.

Figure 1.
Means of payment used in transactions
Which means of payment?

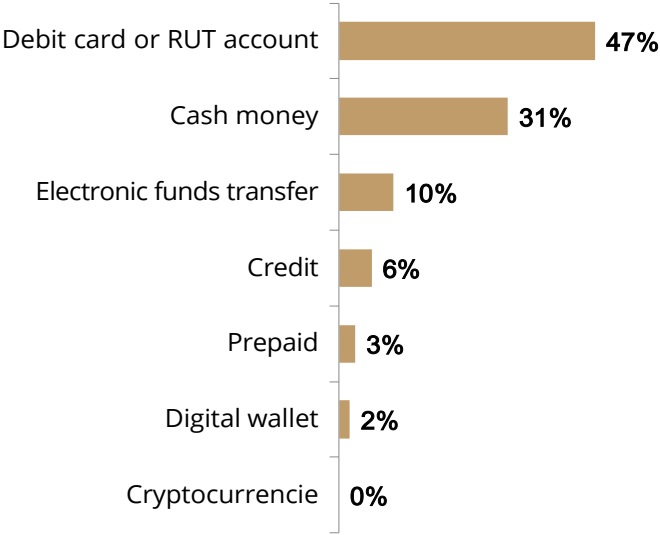
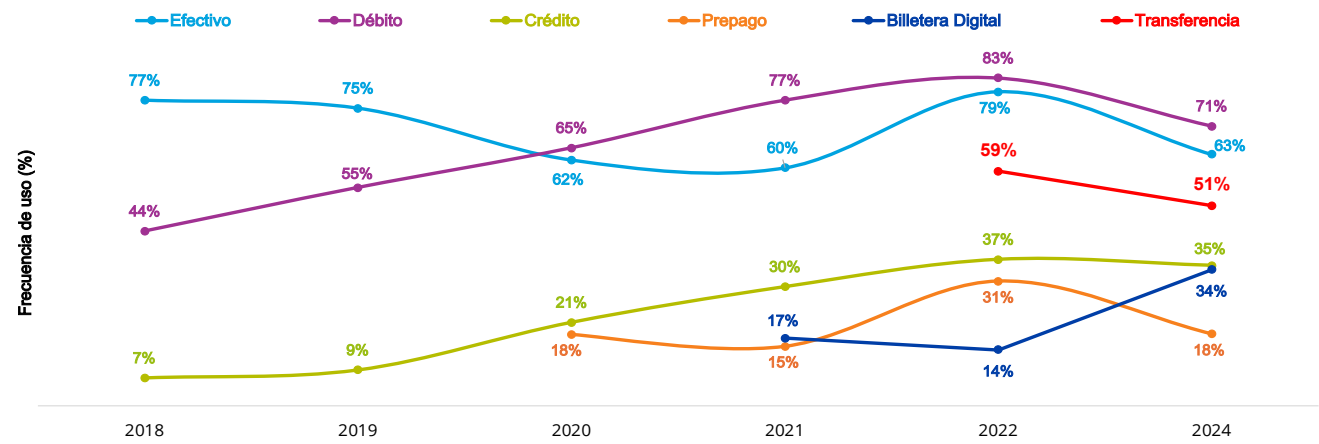



Table 1.
Main means of payment: Payment diary

Cash	% of total transactions	31.4%
	% of total amount	13.8%
Debit card	% of total transactions	47.1%
	% of total amount	44.9%

Figure 2.
Frequency of use
 How often would you say you use the following means of payment? (Category: more than once or up to 5 times per week + every day; base: those who have the means of payment)



The background of the slide is a photograph of an office environment. In the foreground, a woman with long dark hair, wearing a black and white patterned blouse, is seated at a desk with multiple computer monitors. She is looking towards the camera. In the background, other employees are visible working at their desks. The office has large windows on the left side, letting in natural light.

In 2024 we gradually closed macroeconomic imbalances, bringing inflation closer to our 3% target, with a 325 basis point reduction in the MPR.

We implemented policies and regulations aimed at maintaining the soundness and stability of the financial system.

We have integrated new tools to deepen the analysis and information that contribute to monetary and financial policy decisions.

04

KEY INFORMATION FOR AN ADAPTIVE ORGANIZATION



CONTENTS

- 4.1 Financial Knowledge
Production and Contribution (MT)
- 4.2 Data Use and Governance
- 4.3 Cybersecurity (MT)
- 4.4 Innovation
- 4.5 Digital Technology and Transformation

Progress on the 2023-2027 Strategic Plan

Iniciativas		Avances 2024	
Initiative 2.1 Promote work with a corporate vision and creative spirit.	Initiative 2.2 Promover la descentralización de la gestión.	Initiative 2.3 Promover el uso y análisis de datos en todo el quehacer del Banco.	<ul style="list-style-type: none">• We created the Innovation Working Group to facilitate the evaluation, prioritization, and allocation of resources to the different innovation initiatives.• We are developing 10 innovation initiatives that were submitted through an App specially designed to motivate new ideas.• We continued analyzing the institution's processes to identify efficiencies and improve agility.• We configured and enabled access to Microsoft Copilot - Web, closing the year with 300 users.• We started the applied exploration of generative AI in the field of source code generation (GitHub) and in Office personal productivity (Microsoft Copilot-Work), and we developed an innovation workshop that provides an innovation toolkit for agile methodologies.• We finalized the development of a Generative AI proof-of-concept: Chatbot PIB_ IMACEC (DED).
			<ul style="list-style-type: none">• We launched the Regulatory Chat and generated a management base for internal regulations, seeking to detect interrelationships between regulations, responsibility assignments, identification of Committees, etc.
			<ul style="list-style-type: none">• We held six talks and implemented tools to disseminate analytical methodologies being used in the Bank.• We completed the four pilot projects defined for data exploitation in non-intensive areas

PRIORITY 2

Promote integration and efficiency as a hallmark of the organization.



OBJECTIVE

Adapt the organizational model to develop an institution that works collaboratively in search of greater efficiency.

4.1 Financial Knowledge Production and Contribution (MT)

GRI 3-3

MATERIAL TOPIC: FINANCIAL KNOWLEDGE PRODUCTION AND CONTRIBUTION

Management approach

The production and dissemination of quality economic and financial knowledge involves the production of studies, statistics, research, and publications that contribute to analysis, transparency, and informed decisionmaking by various stakeholders.

The risks of inefficient management are related to outdated economic analysis, loss of institutional credibility, and weakening of the response capacity for these groups.

Governance

This topic material is managed by the Statistics and Data Division.

Hitos del año

- Incorporation of regional statistics on "Annual Business Demographics."
- Implementation of the Household Finance Survey.

One of our main functions is the compilation and publication of the main macroeconomic statistics at the national level, including monetary and exchange rate statistics, balance-of-payment statistics, and the national accounts.

Statistics are prepared and published on a daily, weekly, quarterly, and annual basis. These include the calculation of indexed systems, such as the Unidad de Fomento (UF) and the observed dollar, as well as statistics on the foreign exchange market, interest rates, monetary aggregates, international reserves, securities markets, foreign debt, etc.



Central Bank Statistics

National Accounts		External Sector	
Monthly Economic Activity Index (IMACEC) Quarterly National Accounts National Accounts by Institutional Sector Securities Market Statistics Annual National Accounts Regional GDP Benchmark Compilation		Balance of Payments and International Investment Position External Debt Foreign Trade in Goods Foreign Direct Investment	
Monetary and Financial Statistics		Derivatives Repository (SIID-TR) and Exchange Rate Statistics	
Interest Rates Loans, Deposits, and Investments Monetary Aggregates Balance Sheet of the Central Bank of Chile		Derivatives Markets for Currencies, Interest Rates, UF, and Spot Exchange Rate Observed Dollar and Other Exchange Rates and Parities	
Monetary and Financial Statistics			
Economic Expectations Survey (EEE) Bank Credit Survey (ECB) Household Financial Survey (EFH) Price Determinants and Expectations Survey (EDEP) National Survey on Cash Use and Preferences (ENUPE) Financial Operators Survey (EOF)			



Regional statistics

Regional statistics make it possible to analyze economic trends at the local level and understand their specific characteristics. They are thus an essential tool for making better public policy decisions.

Consequently, one of our priorities is to generate new statistics that expand the available information on the regions and to expand the dissemination plans.

To read more about this topic, see Chapter 4: A connected and approachable Bank

Experimental statistics

BCCh 26

Experimental statistics are intended to provide timely information for economic analysis and decisionmaking, as well as to monitor key variables for our work. This set of statistics is not covered by international standards. Furthermore, because they have a higher frequency, they may be revised more frequently than traditional statistics. In addition, these indicators seek to accelerate the statistics production cycle and receive feedback from users in the early stages of their development.

Annual Business Demographics (DAE)

In 2024 we published experimental statistics on annual business demographics. This includes information by region, economic activity, and firm size, with information since 2005, which was collected through the records of the Chilean Internal Revenue System (SII).

In 2024, we continued to publish the experimental statistics reported in previous years:

- Intercompany commercial credit indicators (ICCE)
- Housing market values (VMV)
- Daily retail sales index (IVDCM)
- Regional mobility indicators
- Internet job posting index (IALI)
- Regional sales indicators (ICVR)
- Firm dynamics (IDE)



Household Finance Survey (EFH)

In the second half of 2024, we conducted the fieldwork for the VI Household Finance Survey, in which we interviewed more than 4,600 households in all regions of the country.

Since 2007, we have conducted this survey every three years, gathering unique information that allows us to understand the financial behavior of Chilean households in areas such as savings, investments, and debts. This source of information is essential for our research and monitoring of the financial stability of Chilean households and for studying their financial situation.

The EFH 2024 results and anonymous database will be available to the public in the fourth quarter of 2025.

For more information about the survey and its results, please visit the following [link](#)



Dissemination of statistics

In 2024, we used digital media to disseminate the Bank's statistics, created a chapter in the Statistical Database (SDB) related to capital markets, and expanded the availability of statistics on financial derivatives markets on the website www.siid.cl.

Natural Capital Committee

CBC 23

The Natural Capital Committee's mission is to advise and propose actions to the President of Chile on issues related to the measurement, valuation, valorization, protection, restoration, and improvement of Chile's natural capital, in order to promote the integration of nature and biodiversity into the design and implementation of Chile's sustainable development. Currently, this committee is composed of representatives from the Ministry of the Environment, the Ministry of Finance, the Ministry of Economy, and the National Council of Science, Technology, Knowledge, and Research for Development (CTCI). The Central Bank acts as a technical advisor to the Committee, without voting rights.

In 2024, we were external advisors on the NatCap project in the Bueno River Basin.

Development of natural capital statistics

The development of new natural capital statistics is one of the initiatives of the 2023–2027 Strategic Plan.

In 2024, the pilot project began in the regions of Ñuble and Biobío using satellite images. Within this framework, agreements were negotiated with public institutions and forestry companies to obtain geospatial data, and a contract was signed with Google Earth Engine.

This is the first product to be scaled up nationally, which will enable the Bank to implement the United Nations System of Environmental-Economic Accounting.

Research

We made significant progress in terms of research, modeling, and microdata to meet the challenges of the new international and local environment. To this end, we implemented new methodologies and extensions to existing forecasting schemes, as well as high-frequency tools and indicators to adequately monitor the economic environment.

In addition, we are working on a research agenda aimed at improving and updating the analytical framework, which will contribute to the monitoring of financial stability.

Research agenda

We have a research agenda for the next five years that allows us to prioritize research efforts, seek synergies, and reduce duplication of efforts among researchers.

In this regard, we designed and approved a plan for collaboration with third parties on research involving administrative microdata, and significant progress has been made in its implementation.

Call for Pilot Research Projects 2024

We issued a public call for Pilot Research Projects 2024, from the Monetary Policy Division, the Financial Policy Division, and the Statistics and Data Division, with the objective that external co-authors develop research projects in conjunction with Bank professionals, contributing to economic and financial analysis in collaboration with the academic world.

Four research projects were awarded in December.

Publications

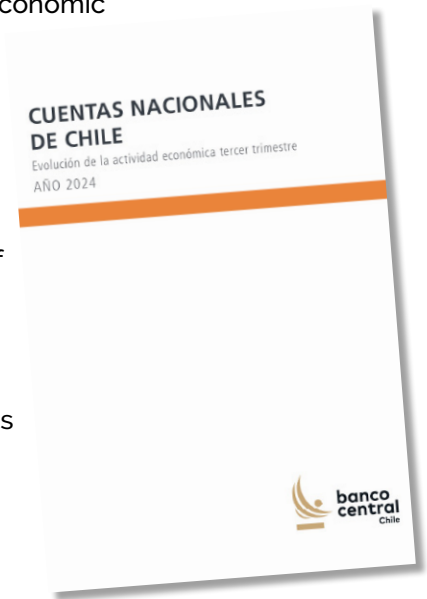
In 2024, 25 Central Bank papers were accepted for publication in academic journals such as the American Economic Review, Journal of Finance, Quarterly Journal of Economics, Journal of International Economics, AEJ Macroeconomics, European Economic Review, Journal of Monetary Economics, and Emerging Markets Review.

This group of publications reflects our effort to deepen understanding of issues related to monetary and financial policy.

In addition, the Bank's researchers published a number of working papers (CBWP), which cover a balance of monetary and financial policy topics.

Finally, the Statistics and Data Division published a range of papers in 2024, including the following titles:

- "Fuentes y métodos de información para la compilación habitual de las Cuentas Nacionales por Sector Institucional (CNSI)" [Sources and Methods of Information for the Regular Compilation of National Accounts by Institutional Sector].
- "Improving Greenhouse Gas Emissions Data."
- "Evaluación de Servicios Ecosistémicos de Regulación y Soporte: Una Revisión y Hechos Estilizados para Chile" [Assessing Ecosystem Services Regulation and Support: A Review and Stylized Facts for Chile].
- "Emparejamiento de datos provenientes de Registros Administrativos y Encuesta de Hogares en Chile" [Matching of Data from Administrative Records and Household Surveys in Chile].
- "Índices de Concentración del Mercado de Derivados Financieros en Chile" [Concentration Indexes of the Financial Derivatives Market in Chile].
- "Assessing Physical Risk Impact of Climate Change: A Focus on Chile."



Participation in environmental work

BCCh 24

Our environmental agenda is part of the initiatives we have in place to adapt to the new context and emerging challenges. Although the Bank has no explicit mandate regarding sustainability or climate change, we recognize that climate change and decarbonization policies have an impact on the macroeconomy and financial stability.

We have therefore integrated the environmental approach into our economic analysis tools, and we generate and publish environmental statistics.

In 2024, we collaborated in the following environmental work initiatives:

• **Green Taxonomy Advisory Board**

Participation: Member

Participation as a member of the Green Taxonomy Advisory Board in the review of different reports prepared for the implementation of this taxonomy, within the scope of competence of the Central Bank of Chile.

• **NGFS Monetary Policy WS**

Participation: Member and participation of various panels.

Publication of the “Climate Macroeconomic Modeling Handbook,” on which we were lead coordinators in conjunction with the Bank of Canada.

• **NGFS TF Nature**

Participation: Member and chair of the CF Implementation group.

Publication of the Conceptual Framework (CF) and launch of the second phase of the group, which we chair, with the formation of the Implementation Practices subgroup.

• **NGFS EN Data**

Participation: Member and chair of Subgroup on the Emission Data.

Publication of “Improving Greenhouse Gas Emissions Data: NGFS Information Note,” on which we were the lead coordinators, in the Subgroup on Emission Data.

Participation: Member and chair of the Subgroup on Exploring Nature-related Data.

We chair the Subgroup on Exploring Nature-related Data, which worked on the analysis of nature-related methods and data and their use in various areas of the financial industry.



• NGFS Research Network

Participation: Member

We attended the NGFS 2nd Research Network Meeting in Beijing.

• BIS-CCA Research Network

Participation: Member

We are a member of the OECD Expert Group on Natural Capital, which is preparing the guide "Measuring Natural Resources in the National Accounts: A Compilation Guide" for the 2025 update of the System of National Accounts.

• OECD Expert Group on Natural Capital

Participation: Member

We are a member of the OECD Expert Group on Natural Capital, which is preparing the guide "Measuring Natural Resources in the National Accounts: A Compilation Guide" for the 2025 update of the System of National Accounts.

• Sechi Encuentro Anual 2024

Participation: Organizer and presenter

We organized, jointly with the World Bank, the session on Macroeconomic Impacts of Climate Change and Environmental Degradation. Three of our own papers were selected for presentation at this session.

For more information, visit: <https://www.sechi.cl/encuentro-anual/encuentro-2024/>

• XX RIDGE Forum: Environmental Degradation and Sustainable Growth Sessions

Participation: Organizer

Both sessions were held in December 2024.

For more information, visit: <https://www.bcentral.cl/web/banco-central/contenido/-/detalle/xx-ridge-forum>

4.2 Data Use and Governance

We recognize the strategic importance of data for decisionmaking and economic analysis, so we continue to develop platforms that allow us to use and process large volumes of information. The result of this work can be incorporated into monetary and financial policy analysis and decisions.

In 2024, significant progress was made to enhance data use and strengthen governance:

Technology platforms

Cloudera

This distributed computing platform facilitates the use of large databases and adds new approaches to monetary and financial policy analysis and decisions. We closed the Big Data project phase with the loading of information on electronic receipts and invoices.

We also integrated the platform with the Bank's technological infrastructure and with data analytics software. We are currently calculating the experimental statistics for regional sales and purchase indicators, with significant reductions in processing times.

Key agreements

In 2024 we continued to sign agreements with organizations and companies for accessing information and collaborating in the generation and analysis of new data. Over the course of the year, we signed new agreements for information flows with:

- Celulosa Arauco y Constitución S.A.
- Caja Vecina - BancoEstado
- Chiletrabajos
- CMPC
- Fundación Luksic
- Universidad Adolfo Ibáñez

We also signed new information flow agreements with the Civil Registry and Identification Service, the Superintendency of Pensions, and the Financial Market Commission (CMF).



International collaboration

In 2024 we collaborated with various international associations and organizations, including the following:

- Chair of the BIS Irving Fisher Committee on Central Bank Statistics (IFC)
- Co-chair of the CEMLA Financial Information Forum.
- Central Bank Data Collaboration Group (CB-DCG)
- OTC Derivative Regulator's Forum
- Global Legal Entity Identifier
- NGFS Subgroup on Exploring Nature-related Data. 95
- OECD Working Party on Financial Statistics (WPFS)
- National Accounts Technical Assistance to the Central Bank of Honduras and the Central Bank of Ecuador.
- Peer review of financial accounts with the Bank of Spain.



4.3 Cybersecurity (MT)

GRI 3-3

MATERIAL TOPIC: CYBERSECURITY

Description

The Central Bank plays a key role in protecting the financial system, ensuring that information is secure and always available. To this end, it implements advanced cybersecurity measures that safeguard the integrity of data and operations.

If this aspect is not properly managed, our institution could face risks such as cyber-attacks, theft of sensitive information, and operational failures. This could weaken market confidence, generate economic losses, and affect the country's financial stability.

Governance

- This material topic is managed by the Technology Division.

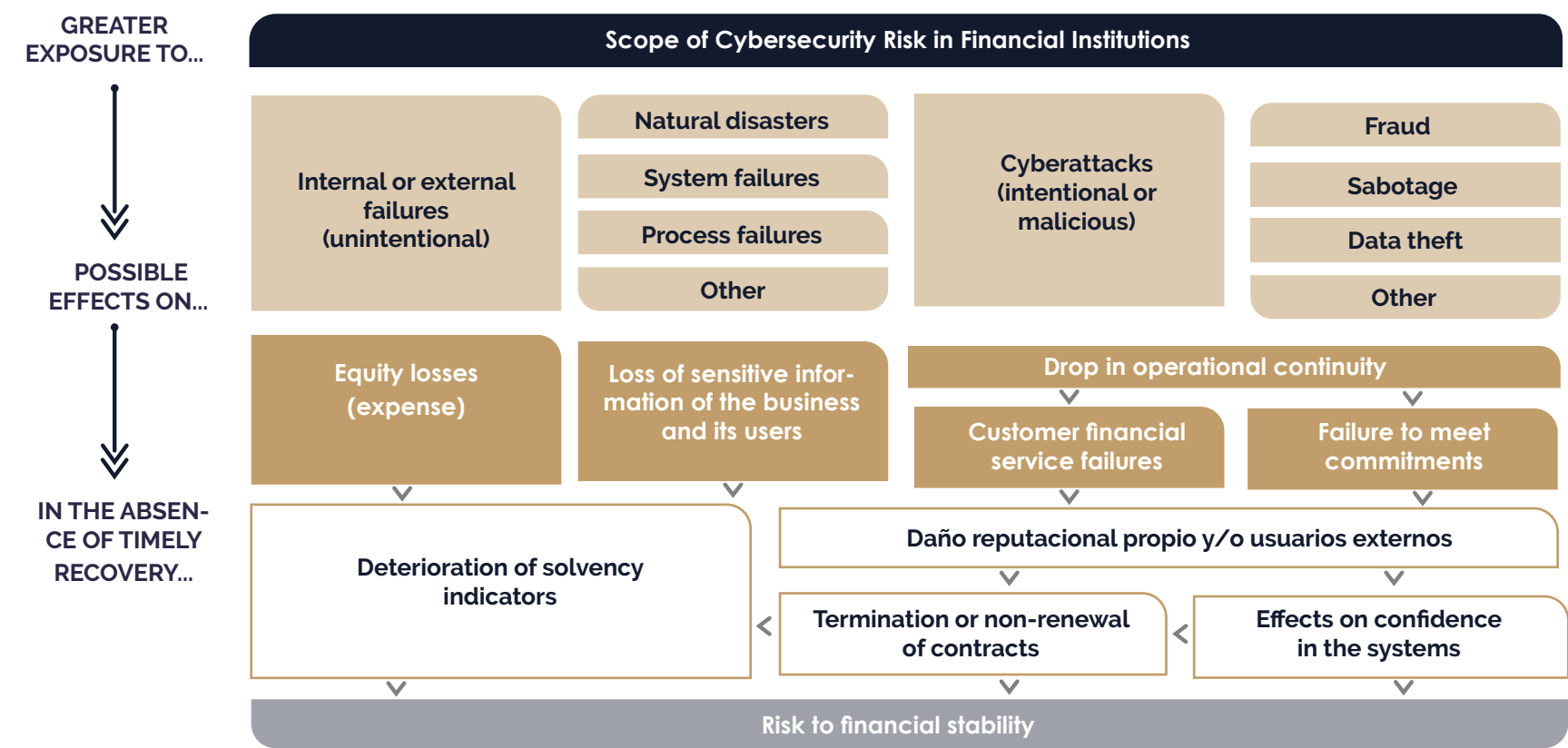
Technological advances have made online crimes more sophisticated, requiring governments and institutions to pay increasing attention to cybersecurity and its proper management. As a Central Bank, we have focused on managing this issue through operational continuity, anticipation of contingencies, and incident response and recovery.

Milestones in the year

- Strengthening of identity and access security (IAS), through the implementation of continuous improvements focused on automation and integration; creation of working groups with the main areas that administer identity and access in the Bank.
- Strengthening the secure development process to ensure that all of the organization's applications and systems are securely designed and developed from the outset.
- In addition to traditional phishing exercises, we conducted more realistic cyberattack simulations to assess the resilience of our defenses and the responses of our employees and incident responders.
- Deployment of a new security solution on all our servers, which has improved protection against malware, ransomware, and other advanced threats.

Cybersecurity and financial stability

The following diagram, prepared by one of our economists for a research project, reviews the best innovation practices for cybersecurity and how it can affect financial stability.



Strengthening of cybersecurity and incident response

In 2024, we began renovating the storage platform for user folders and files, integrating new functionalities designed to mitigate the impact of possible cybersecurity incidents, such as ransomware, by controlling the immutability of stored data.

We also updated our network security equipment (firewalls), incorporating new capabilities, optimizing processing, and improving the analysis of network traffic.

Modernization of infrastructures

This year we implemented several technological renovation and updating projects focused on preventing technological obsolescence, incorporating new functionalities, and strengthening the operational continuity of services.

These initiatives also included the strengthening of cybersecurity controls.

Of particular note were the modernization of the server virtualization platform, the updating of communications equipment in the data centers, and the overhaul of the load balancers, all of which are key elements in guaranteeing the efficient operation of our main services.

Cybersecurity culture and training

En 2024 we maintained the #AwarenessToProtect program, which focused on providing the Bank's staff with the necessary tools to detect anomalous situations that could lead to a cybersecurity incident. For example, fraudulent messages could be generated by cybercriminals and delivered through different communication channels, aimed at obtaining sensitive information that could later be used to perpetrate a cyberattack.

We also disseminated recommendations and best practices in the use of technological tools, both in the work environment and in the personal environment, in order to prevent the occurrence of cybersecurity incidents that could affect the Bank, its personnel, and their families.

6

Specific training
courses

18

Internal
communications

4

Talks

3

Gamifications

Incidents

In 2024, three low-risk cybersecurity incidents were recorded, related to phishing, social engineering, and brute force attacks, all of which were successfully blocked. In response to these events, we conducted talks and awareness campaigns associated with these scenarios.

These proactive measures mitigated risks and improved resilience and performance, in line with our cybersecurity strategies. They demonstrate our team's readiness to strengthen security and protect our assets

4.4 Innovation

Innovation is the core element for achieving our goal of being a cutting-edge Central Bank. Having the ability to adopt, update, and transform processes according to current needs and future vision, in a constantly evolving context, requires us to change perceptions and modes of operation in order to stay one step ahead.

Governance

The 2023-2027 Strategic Plan includes initiatives aimed at promoting innovation under a framework of defined risks. In 2023, a working group was formed, led by the Technology Division, the Personnel Area, and the Technology Observatory, which reports its progress to a Sponsor Committee with the participation of the Corporate Risk Division Director and the Chief Technology Officer.

In 2024, the working group focused on the generation of new training opportunities in innovation and the establishment of an Innovation Committee to evaluate and prioritize the initiatives emerging from the different areas. In addition, meetings were held regularly with various units to identify the technological needs of the organization.

Innovation management

To strengthen technological innovation, we integrated a management model based on ISO 56002, which supports the Bank's areas in the presentation, evaluation, and prioritization of initiatives.

This model fosters a culture of innovation that combines strategic, technological, and organizational processes to meet current and future challenges.

The Bank's Board has encouraged the entire organization to critically evaluate its processes and technologies, seeking excellence in the implementation of new products and services.

1. We collaborated with the Central Academy to develop technical courses on AI and to implement an innovation workshop.	2. We contracted a service to measure the Bank's digital maturity and designed a survey that will be published for our staff in early 2025.	3. We created the Innovation Committee to facilitate the evaluation, prioritization, and allocation of resources to the different innovation initiatives and explorations proposed in the organization.
4. We enhanced the exploration and research environment to cover the increased organizational demand.	5. We initiated the applied exploration of generative artificial intelligence in the areas of source code generation and personal productivity.	6. We made improvements in the application through which Bank employees can propose innovation ideas.

4.5 Digital Technology and Transformation

Digital transformation allows us to optimize processes and adapt to a highly changing environment. We can thus enhance our ability to respond to new demands.

In this line, our approach integrates advanced technologies, people, processes, and operations, creating synergies that improve operational efficiency and promote collaborative work.

In 2024, we carried out the following project:

Technology Observatory

The Technology Observatory is a key element in the identification and analysis of disruptive technologies applicable to payment systems and means of payment.


Focused on innovation and the adoption of new technologies, the Observatory works under three macro objectives:

1. **Facilitar la coordinación interna.**
2. **Fortalecer redes externas y fomentar la cooperación.**
3. **Promover el desarrollo del conocimiento en tecnologías disruptivas.**

In 2024, the Observatory concentrated its efforts on two main lines of action, consistent with the 2023-2027 Strategic Plan:

- **Innovation in payment systems: exploration and adoption of advanced technologies in payment ecosystems.**
- **Research in central bank digital currencies (CBDCs): development of knowledge and analysis on the impact and opportunities of these digital currencies.**

These initiatives reinforce our commitment to digital transformation and technological innovation, strengthening our leadership in an increasingly dynamic and challenging environment.

A photograph of a call center environment with several employees wearing headsets and working at computers. The employees are seated at long wooden desks arranged in rows. They are using desktop computers with large monitors. Some employees are looking at their screens, while others are looking towards the camera. The background is a plain white wall.

In our role of compiling and publishing macroeconomic statistics, during the past year we continued to incorporate experimental and regional statistics, with greater public accessibility.

We also implemented innovations that strengthen cybersecurity, data management, and our ability to respond to external threats.

We remain focused on fostering an organizational culture that incorporates innovation, adaptability, and continuous learning.

05

PREPARING FOR THE FUTURE

CONVERSATORIO: MUJERES EN ECONOMÍA Y FINANZAS

Panel 3 "EL VALOR DE LAS MUJERES EN EL BANCO
CENTRAL DE CHILE"

CONTENTS

5.1 Our People


5.2 Talent Attraction and Retention (MT)

5.3 Workplace Conditions and Well-being (MT)

5.4 Intellectual Capital, Training, and
Development (MT)

5.5 Diversity, Inclusion, and Equity (MT)

Progress on the 2023-2027 Strategic Plan

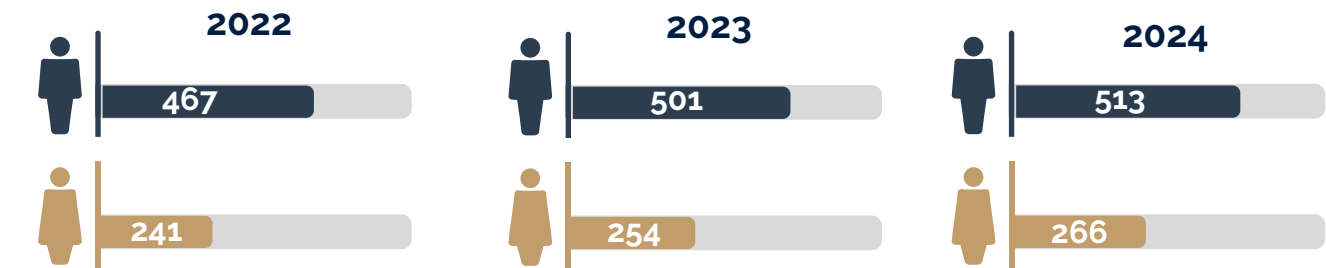
FOCO 3		OBJETIVO		Initiatives	Progress in 2024
<p>Potenciar el desarrollo de las personas del Banco</p> 		<p>Atraer y desarrollar talentos de manera planificada y sostenible, promoviendo el desarrollo adaptativo en la organización.</p>		<p>3.1 Attract, develop, and inspire talented people, with a strong sense of purpose, characteristic of the Central Bank.</p>	<p>Validation of the design of different career development plans that include development, compensation, training, and performance subsystems.</p>
				<p>3.2 Promote adaptive capacity in people, valuing diversity and ensuring work-life balance.</p>	<p>Launch of the "Harmony and Collaboration" campaign with the slogan "With Harmony and Collaboration #DoublyGood."</p> <p>The Bank's STEM women's program participated in workshops with public and private institutions and reported on global issues and progress in internal newsletters.</p>

5.1 Our People

Our mandate is fulfilled through the work and technical expertise of the people who make up our organization, with a focus on a culture based on commitment, excellence, integrity, and transparency.

Staff

GRI 2-7



Staff by position and gender

Job category	Men		Women	
	N°	%	N°	%
Board	3	60%	2	40%
Senior management	7	64%	4	36%
Middle management	96	67%	47	33%
Professional and administrative	367	64%	210	36%
Service personnel	40	93%	3	7%
Total	513	66%	266	34%

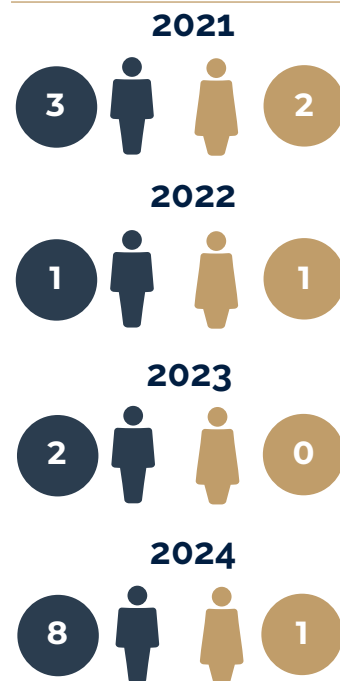
Laboral formality

GRI 2-7

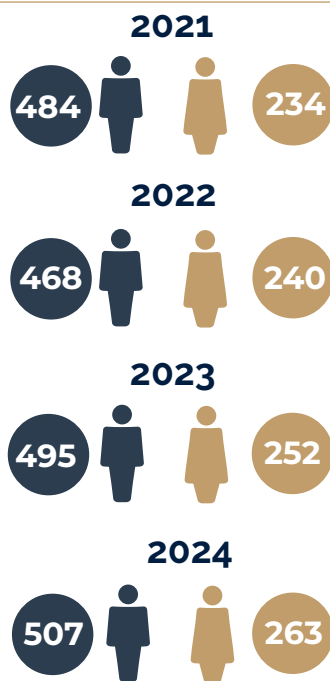
Permanent employees



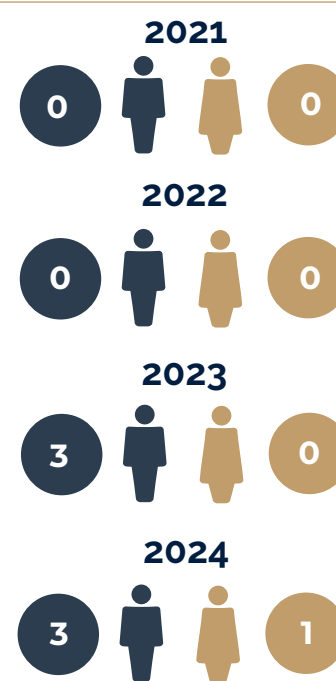
Temporary employees



Full-time employees



Part-time employees



External personnel

GRI 2-8

The main functions performed by external workers—contracted through supplier companies—are cleaning, security, service desk, food service, and infrastructure maintenance.

External personnel

Indicator	2021	2022	2023	2024
Number of external workers	327	331	295	291

5.2 Talent Attraction and Retention (MT)

GRI 3-3

MATERIAL TOPIC: TALENT ATTRACTION AND RETENTION

Management approach	Governance	
Attracting new talent and retaining people through specific strategies are essential factors for the fulfillment of our mandate and the continuity of the Bank in a dynamic and demanding environment.	• Personnel Area.	
Policies and regulations	Milestones in the year	Future challenges
•Recruitment and Selection Procedures •Recruitment and Selection Policy	• Revision of the Recruitment and Selection Procedures. • Revision of the Recruitment and Selection Policy.	Strengthen the employer brand in order to reach people who meet the Bank's current requirements. Promote internal mobility so that our people can continue to contribute their talents in new ways.
Key numbers		
• 79 new hires • 7.4% turnover rate • 87 student interns		

New hires, by age range
GRI 401-1

Age range	2023			2024		
	Men	Women	Total	Men	Women	Total
Under 30 years	23	14	37	31	13	44
30-50 years	37	15	52	19	10	29
Over 50 years	8	5	13	4	2	6
Total	68	34	102	54	25	79

Hiring rate, by age range

Age range	2023			2024		
	Men	Women	Total	Men	Women	Total
30-50 years	3,0%	2,0%	5,0%	4,1%	1,7%	5,8%
Over 50 years	5,0%	2,0%	7,0%	2,5%	1,3%	3,8%
Total	1,0%	1,0%	2,0%	0,5%	0,3%	0,8%
Total	9,0%	5,0%	14,0%	7,1%	3,3%	10,4%

In 2024, we had 79 new hires and a turnover rate of 10.4%.

In 2024 there was a decrease in the total number of new hires compared to the previous year. Additionally, the majority of new hires are in the 30 to 50 year age range, promoting the incorporation of experienced people

Turnover, by age range
GRI 401-1

Age range	2023			2024		
	Men	Women	Total	Men	Women	Total
Under 30 years	6	5	11	9	6	15
30–50 years	25	12	37	30	5	35
Over 50 years	7	4	11	4	2	6
Total	38	21	59	43	13	56

Turnover rate, by age range
GRI 401-1

Rango de edad	2023			2024		
	Men	Women	Total	Men	Women	Total
Under 30 years	1,0%	1,0%	2,0%	1,2%	0,8%	2%
30–50 years	3,0%	2,0%	5,0%	3,9%	0,7%	4,6%
Over 50 years	1,0%	1,0%	2,0%	0,5%	0,3%	0,8%
Total	5,0%	3,0%	8,0%	5,6%	1,7%	7,4%

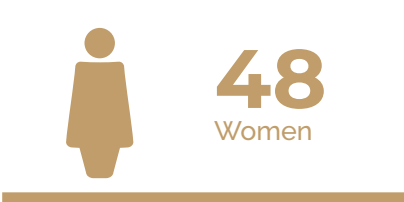
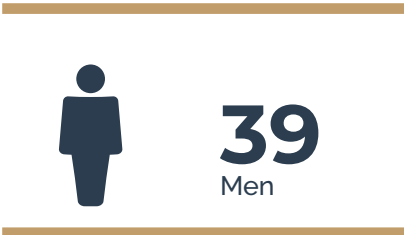
In the period there was a decrease in turnover and in the turnover rate, compared to 2023. Although the decrease is seen across the board, the turnover rate for women was sharpest between the two periods, reflecting the retention of female talent in the organization.

Internship program

CBC 9

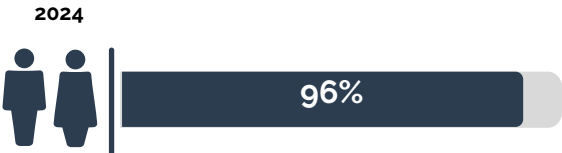
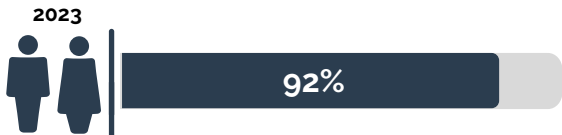
The internship program, Tu Práctica es Central, approaches, identifies, and evaluates the performance and potential of trainees who meet our standards and expectations.

Through the program, we also prepare and update annually a Talent Inventory, that is, a repository of potential candidates previously interviewed by the Personnel Area, who meet the general guidelines established for their functions.

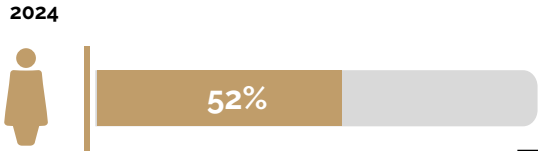
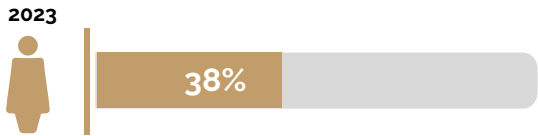


Talent Inventory

Students who were included in the Talent Inventory



Women in the Talent Inventory



Participation in job fairs

These forums allow us to strengthen our employer brand, while reducing the time and costs of the recruitment and selection processes.

En 2024, we attended five job fairs:

- Diego Portales University
- Catholic University of Chile
- University of Chile
- University of Santiago
- Andrés Bello University



Annual compensation ratios

GRI 2-21

We have implemented a compensation plan that establishes the respective criteria for performance-based compensation, with targets established for each period for the different areas and positions.

Indicator	2023	2024
Total annual compensation of the highest-paid person (CLP)	246,961,464	259,786,308
Median total annual compensation for all of the organization's employees* (CLP)	43,513,572	44,958,786
Total annual compensation ratio	5.68	5.78
Percentage increase in total annual compensation of the highest-paid person	15.36%	4%
Median percentage increase in total annual compensation for all of the organization's employees*	6.90%	2.9%
Ratio of the percentage increase in total annual compensation	2.22%	37.93%

*Excluding the highest-paid person.

Ratio of entry-level pay to local minimum wage in 2024

GRI 202-1

Minimum wage	Men		Women	
	Starting salary (CLP)	Ratio	Starting salary (CLP)	Ratio
CLP 500.000	\$848,629	1.7	\$848,629	1.7

5.3 Workplace Conditions and Well-being (MT)

MATERIAL TOPIC: WORKPLACE CONDITIONS AND WELL-BEING

<div>Management approach</div> <p>Este tema aborda la promoción de condiciones laborales seguras, equitativas e inclusivas, junto con iniciativas orientadas a la salud física, mental y emocional que impactan en el bienestar de las personas.</p>	<div>Governance</div> <p>Las relaciones laborales son coordinadas con el Sindicato a través de la Gerencia de Personas. Las temáticas relacionadas con salud y seguridad son coordinadas por la Gerencia de Seguridad.</p>
<div>Policies and regulations</div> <ul style="list-style-type: none"> • Comprehensive Safety Policy • Occupational Health and Safety (OHS) Management System Manual • Hybrid work standards 	<div>Milestones in the year</div> <ul style="list-style-type: none"> • ISO 45001 certification • Revision of the OHS Internal Regulations
<div>Key numbers</div> <ul style="list-style-type: none"> •100% of personnel are covered by the Occupational Health and Safety Management System • 77% of staff in hybrid mode • 0.4 recordable occupational injury rate 	<div>Future challenges</div> <p>Maintain good labor relations, based on the collective bargaining agreement, and promote work-life balance through the delivery of benefits and the consolidation of new work models.</p>

Work environment

CBC 15

Great Place to Work

This survey highlights the work environment as a cross-cutting factor for job satisfaction and productivity.

In 2024, three work focuses were defined in relation to the diagnosis made with the GPTW 2023 survey.

During the year, a new climate measurement strategy was developed, aimed at measuring the levels of health and effectiveness of organizational practices, in order to have an impact on capabilities and enablers in line with our objectives.

The aim is to generate competencies for the required performance, promote organizational practices and effectiveness, and generate strategic adherence through all the people in the institution.

In addition, measures will be implemented to strengthen the attraction of talent.

Indicator	2023
Staff participation rate	80%
Result (%)	83%

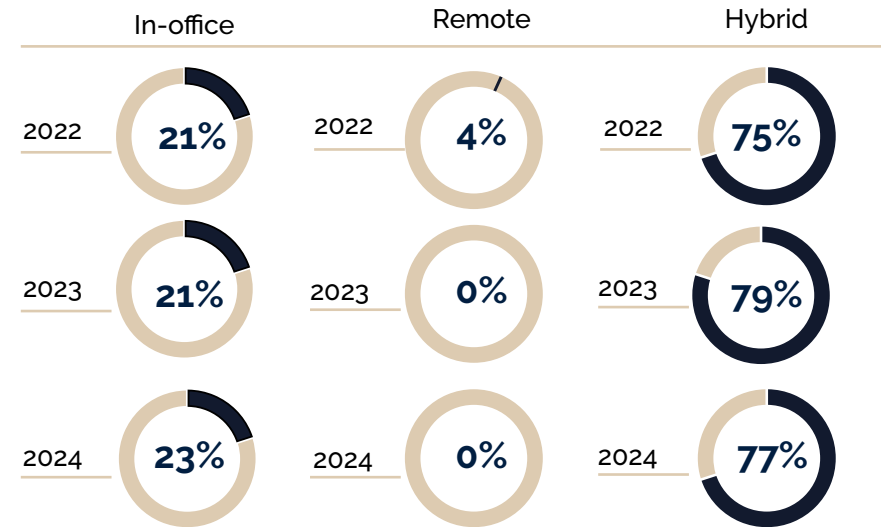


Flexible work and hybrid model

CBC 6

Given the new contexts of today's jobs and people's interests and needs, especially in relation to balancing work and family life, at the Central Bank we strive to offer a flexible model focused on self-management, leadership, and teamwork.

Job mode



Some initiatives that have been developed in this area include:

- Virtual talks focused on quality of life and work-life balance for all the Bank's employees.
- Survey to capture perceptions regarding telework and work-life balance in the hybrid modality.
- Communication campaign on "Harmony and Collaboration," through which we seek to promote the development and practice of healthy work habits.





Benefits

GRI 401-2

The CBC provides benefits for our direct employees, to reward them for the hard work they do every day for our organization and for the country. All of the benefits are provided for our full-time staff.

- Education allowance
- Quality-of-life and quality -of-education grants
- Christmas baskets
- Gift cards
- Annual vacation bonus
- Marriage of civil union bonus
- National scholarships
- International scholarships

Parental leav

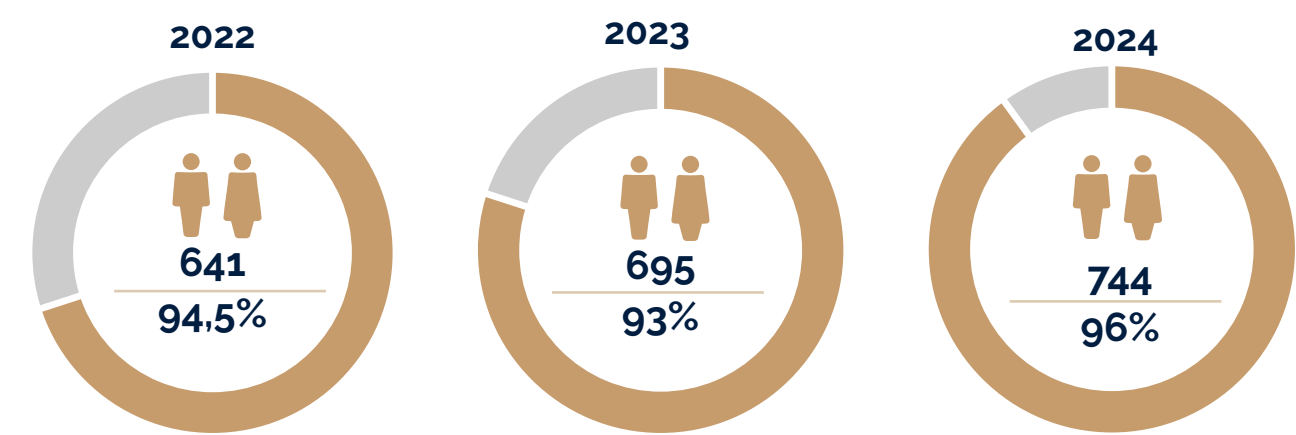
GRI 401-3

Indicator	2023			2024		
	Men	Women	Total	Men	Women	Total
Employees eligible for parental leave	498	252	750	510	264	774
Employees who took parental leave	0	6	6	0	6	6
Employees who returned to their jobs after parental leave	0	6	6	0	6	6
Employees who returned to their jobs and stayed for 12 months after parental leave	0	5	5	0	6	6
Job return rate	0	100%	100%	0	100%	100%
Retention rate	0	83%	83%	0	100%	100%

Unionization

GRI 2-30

The Central Bank’s Union plays a key role in improving the working conditions of the institution's employees by facilitating agreements with management that balance work and family needs. The benefits of the Collective Bargaining Agreement are extended to non-unionized employees (not including those in executive positions). This strengthens the commitment to a fair and transparent labor relationship.



Health and safety management system

GRI 403-1, 403-4, 403-8

We have a certified Occupational Health and Safety Management System (OHSMS), which takes a comprehensive approach to protecting our personnel and complies with regulatory standards that promote a safe work environment.

This system is based on the following guidelines:

1. Zero occupational accidents
2. Zero occupational illnesses
3. Reduction of the criticality of operational risks
4. Compliance with the Occupational Health and Safety Work Program
5. Execution of test plans and emergency drills

Through our Security Policy for the Bank's staff and facilities, we implement concrete actions to protect the life, physical integrity, and health of all employees, third parties who provide services, and visitors to our facilities.

Our Comprehensive Safety Policy focuses on the adequate protection of those who work at the Bank, through risk prevention and reduction strategies that are aligned with the ISO 45001:2018 international certification standards and the guidelines established by Law 16,744.

The OHSMS covers 100% of our direct and external personnel and applies to all activities and operations of the institution.

We ensure the participation of the Bank's staff in the Health and Safety Management System through various initiatives. These include meetings of the Joint Health and Safety Committee (JHSC), initial coordination for projects in different facilities, training and dissemination sessions on risk assessment, and incident analysis and investigations. In addition, we promote clear occupational health and safety (OHS) policies and objectives and appoint staff representatives to strengthen this commitment.

Identification of health and safety risks

GRI 403-2

The Bank's Occupational Health and Safety Management System (OHSMS) implements a comprehensive methodology for hazard identification, risk assessment, and the definition of controls.

This process guarantees the continuous and periodic identification of the hazards to which the Bank's employees are exposed, with the support of multidisciplinary work teams that are trained to lead its implementation. Risk management is structured in the following stages

1. Hazard identification

-Risk assessment: Risks are evaluated by applying the methodology based on the formula $RA = (Probability \times Consequence)$ and are classified into:
Intolerable risk
Significant risk Tolerable risk

2. Operational control

3. Risk control

4. Risk reassessment

We document and update the results of the hazard identification, risk assessment and definition of controls through a matrix available in each work area. Based on this data, action plans are implemented, controls are monitored according to the magnitude of the risks, and the effectiveness of the measures implemented is verified.

Investigation and management of occupational incidents

GRI 403-2

To address operational incidents, we have a structured procedure that includes the following stages:

- Investigation is conducted by the head of the area involved, in conjunction with the Joint Health and Safety Committee: interviews and statements from the affected person.
- The root cause is analyzed using the risk matrix.
- Corrective actions are established.
- Once the investigation report is completed, it is sent to the Occupational Safety and Health (OSH) area for evaluation and follow-up.



Health and safety training

GRI 403-5

To foster a preventive approach to health and safety risks, we conduct training and courses that address these issues. In 2024, eight courses were held (including defibrillators, teleworking, OSH Management System, and conflict resolution), in which 708 people participated.

Course	Participants in 2023	Participants in 2024
First response to health emergencies	34	20
Defibrillator course	14	27
Telework health and safety management	80	500*
ISO 45001 OSH Management System	44	39
Dramatization: Risk Prevention in the Office	-	42
Behavioral observation	-	29
Conflict resolution	-	30
Communicating	-	31

*Renovation.

Health promotion

GRI 403-3, 403-6

The CBC offers in-person and telehealth first aid services, managed by a health professional, as well as medical care coverage for the Bank's employees through membership with the Chilean Mutual Health Association (ACHS).

We also have a health and preventive medicine program, with a professional dedicated exclusively to monitor and promote physical health for all people, through a variety of tests and specialized feedback. The program addresses the areas of sports medicine, preventive medicine, vaccination, and healthy eating. This benefit is available to 100% of our staff.

Additionally, we have a professional nutritionist, responsible for food contracts, who is in charge of promoting healthy, safe, and informed eating, with an emphasis on self-care, sustainability, and responsibility for the environment. The food service offers vegan, sugar-free, and gluten-free alternatives.

Along the same lines, we encourage participation in health programs through preventive health, physical, nutritional, and self-care services:

- Sports medicine: Program dedicated to promoting physical health, with a focus on sports.
- Preventive medicine: Program that seeks to promote preventive health care, providing a variety of examinations and feedback from a specialist.
- Vaccination program: Aimed at people who are not part of the national vaccination programs.
- Healthy food service: Provision of the main nutritional indicators of each option on the menu.

Main health and safety indicators: Direct personnel
GRI 403-9, 403-10

Indicator	2022		2023		2024	
	Number	Rate	Number	Rate	Number	Rate
Fatalities resulting from work-related injuries	0	0	0	0	0	0
High-consequence work-related injuries (excluding fatalities)	0	0	0	0	0	0
Recordable work-related injuries	1	0,14	4	0,55	3	0,4
Fatalities resulting from work-related illnesses	0	0	0	0	0	0
Cases of recordable work-related illnesses	0	0	0	0	1	0,13

The main injuries due to work-related accidents among direct personnel are due to falling and stumbling during the workday.

Main health and safety indicators: External personnel
GRI 403-9, 403-10

Indicador	2022		2023		2024	
	Number	Rate	Number	Rate	Number	Rate
Fatalities resulting from work-related injuries	0	0	0	0	0	0
High-consequence work-related injuries (excluding fatalities)	0	0	0	0	0	0
Recordable work-related injuries	3	0,42	11	3	2	0,28
Fatalities resulting from work-related illnesses	0	0	0	0	0	0
Cases of recordable work-related illnesses	0	0	0	0	0	0

The main injuries due to work-related accidents among external personnel are due to cuts with sharp objects and blows from falling objects.

5.4 Intellectual Capital, Training, and Development (MT)

GRI 3-3

MATERIAL TOPIC: INTELLECTUAL CAPITAL, TRAINING, AND DEVELOPMENT

Management approach

Intellectual capital management has a direct impact on strengthening institutional capacity to respond efficiently to economic, financial, and technological challenges.

Governance

- This material topic is managed by the Personnel Area team.

Policies and regulations

- Strategic Talent Planning.

Hitos del año

- Development of the program "Exercising Leadership from Your Role"
- Development of the course "Advanced Data Use" in the Central Academy digital curriculum.

Desafíos futuros

Strengthen people's technical, relational, and leadership skills in order to deploy our value proposition with equal opportunities for all.

Cifras destacadas

- 38.9 average number of training hours for men and 40.4 for women
- 156 participants in the Leadership Academy
- 23 participants in the Mentoring Program
- 6 people received national scholarships and 2 received international internships.

At the Central Bank, we recognize that the professional and personal growth of our staff is essential to fulfill our institutional objectives. Our comprehensive training and development strategy encompasses a variety of programs, from specific training to leadership development and academic continuity, always with a focus on excellence and equity.

Training programs

GRI 404-2

Our training programs seek to equip people with the tools and skills necessary to meet current and future challenges. Initiatives include:

- **English program**

The program delivers the necessary English-language tools for use in the work context.

84 participants in 2024

- **Specific programs by unit**

These programs are designed to deliver specific adaptive capabilities, aligned with the current responsibilities of each position.

227 participants in 2024



Leadership Academy

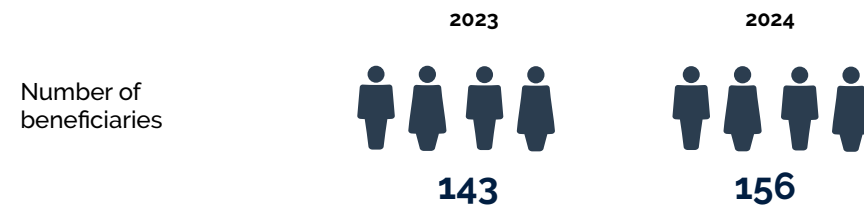
BCCh 10

The Leadership Academy is one of our flagship programs, aimed at strengthening the competencies of those in strategic positions.

This program develops critical skills to lead effectively, fostering leadership aligned with the Bank's values.

In 2023, the program benefited 143 people, representing 18.9% of the total staff. In 2024, participation increased by 9.1%, reinforcing our commitment to leadership development.

Number of beneficiaries



% beneficiaries relative to the total Bank staff



Average hours of training, by job category and gender
GRI 404-1

Job category	2023		2024	
	Men	Women	Men	Women
Senior management	13,5	17,75	21,42	17,25
Middle management	34,63	39,51	33,56	33,26
Professional and administrative	47,58	52,68	44,76	44,36
Service personnel	21,96	5,17	20,53	3,5

In 2024, the gap in training hours between men and women in middle management narrowed, reflecting efforts to equalize training opportunities.

The difference in training hours between men and women in professional and administrative positions was also reduced considerably in 2024 vis-à-vis 2023, due to efforts to offer a more equitable distribution of topics and training sessions.

Human rights training for security personnel
GRI 410-1

In line with our commitment to human rights, 78% of our security personnel received formal training in policies and procedures related to security and human rights in 2024.

Security personnel trained
GRI 404-1

Indicador	2023	2024
Total number of security personnel	22	23
Number of security personnel who received formal training or specific procedures on human rights and their application to security	22	18
Percentage of security personnel who received formal training or specific procedures on human rights and their application to security	100%	78%

Intellectual capital and continuing education

CBC 5

We encourage the academic development of our employees through a scholarship and internship program. This program, based on internal competitions, allows those who meet the requirements to access graduate or postgraduate studies both in Chile and abroad, as well as funding opportunities for international internships.

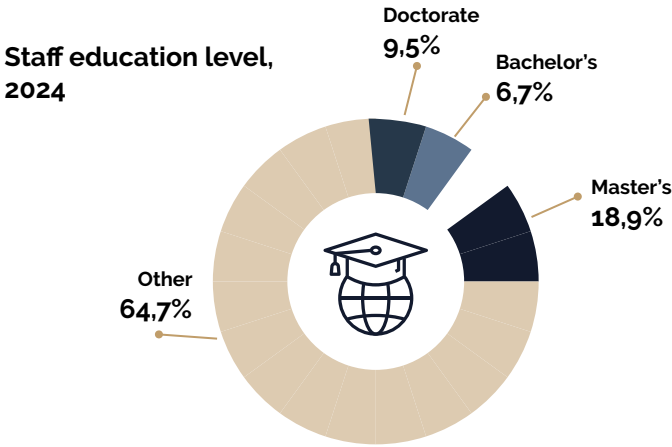
Employees benefiting from scholarships

Category	2023		2024	
	Men	Women	Men	Women
National scholarships	11	1	4	2
International scholarships	0	0	3	2
International internships	1	1	1	1

Furthermore, the academic level of our people reflects the Bank's high standard of excellence, with significant percentages of professionals who have attained Bachelor's, Master's and Doctoral degrees.

Educational level of personnel, by gender

Categoría	2023		2024	
	Hombres	Mujeres	Hombres	Mujeres
Bachelor's	4,9%	6,3%	4,1%	2,5%
Master's	17,3%	18,9%	12,7%	6,2%
Ph.D.	6,3%	2,7%	8,0%	1,4%



Performance evaluation

GRI 404-3

Every year, we conduct a performance evaluation process, which in 2024 included everyone with a permanent contract who started before 2 July.

In this process, each person works with his or her manager to define clear goals, in line with his or her professional development and the achievement of institutional objectives. Progress is evaluated at mid-year and a final evaluation is carried out between December and February of the following year.

Number of people who received a performance evaluation

Categoría	2023		2024	
	Hombres	Mujeres	Hombres	Mujeres
Senior management	6	4	7	4
Middle management	91	42	93	46
Professional and administrative	334	180	355	182
Service personnel	20	3	6	14
Total	451	229	461	246

Percentage of people who received a performance evaluation

Category	2024	
	Men	Women
Senior management	2%	2%
Middle management	20%	19%
Professional and administrative	77%	74%
Service personnel	1%	6%



5.5 Diversity, inclusion, and equity (MT)

GRI 3-3

MATERIAL TOPIC: : DIVERSITY, INCLUSION, AND EQUITY

Management approach

Having different points of view is essential for the creation of solutions that meet the diverse needs of the community.

Governance

This material topic is managed by the Personnel Area team.

Policies and regulations

- Recruitment and Selection Procedures
- Sustainability Policy

Key numbers

- 34% women in the organization
- 15% of the staff is under 30 years old
- 140 women in STEM areas.

Future challenges

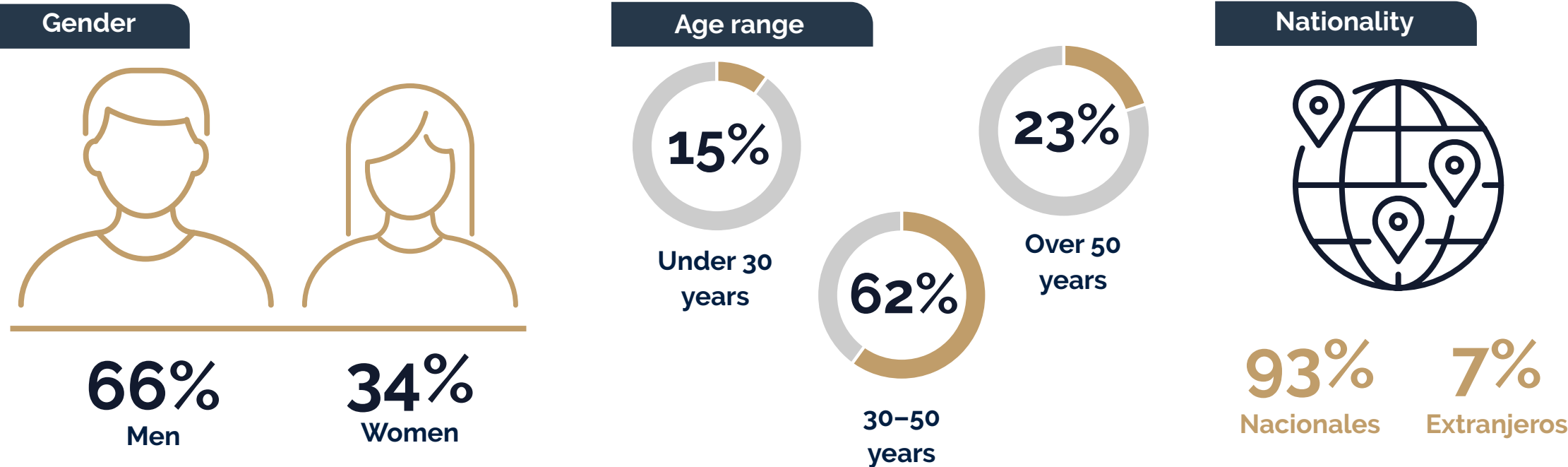
Continue to encourage leadership positions to be filled equally by men and women, while also continuing to work to include new age groups and broaden the Bank's diversity.

Diversidad en Banco Central de Chile

GRI 405-1, SASB FN-AC-330a.1

At the Central Bank of Chile, we want to empower diverse teams that contribute with different perspectives to the fulfillment of our objectives and mandate.

Our work is connected to the context of our country, so we encourage the incorporation of people of different genders, ages, and nationalities in our institution, seeking to reflect the people for whom we work.





**140 women in
STEM areas**

Women's leadership

As part of the 2023-2027 Strategic Plan, we are working to increase the participation of women in Science, Technology, Engineering, and Mathematics (STEM) areas in the Bank's technology and economic areas.

Great Place to Work for Women 2024

CBC 17

In August 2024, we were ranked third in the Best Places to Work for Women survey, which highlights our work to foster an inclusive environment and reduce gender gaps.



Mentoring program

CBC 8

This leadership program has a gender focus and targets professionals, senior professionals, and new managers. It serves as a crucial incubator for developing the new leaders of our organization.

Every year, an equal number of women and men are invited to participate as mentees in the program.

23 participants in 2024
52% women participants

Main milestones in the promotion of gender equity

Our efforts in gender equity are reflected in the promotion of initiatives that encourage equal participation at all levels of the organization.

In 2024, we led projects aimed at strengthening this program, such as the STEM Women's Roundtable, the STEM Ambassador Training Program, the STEM Women's Internship, and a Mentoring Program.

With the enthusiastic participation of Bank employees, talks and meetings were held with public and private entities to share experiences, knowledge, and best practices in this area. In addition, some STEM ambassadors participated as mentors in the mentoring program with the Faculty of Economics and Business of the University of Chile.

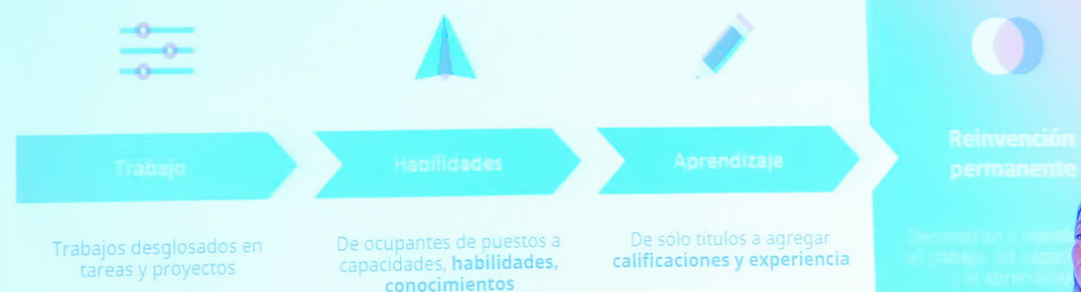
The development of the program has been communicated in six editions of the newsletter STEMos Conectadas, which reports on the latest advances and trends in related topics, presents interviews with outstanding women from the Bank's staff, and communicates the different activities carried out on a monthly basis.

Gender pay gap GRI 405-2

Job category	Average base salary of men (CLP)	Average base salary of women (CLP)	Ratio
Senior management	20,114,006	19,328,929	96%
Middle management	8,265,416	7,283,824	88%
Professional and administrative	3,888,875	3,671,165	94%
Service personnel	1,440,274	1,262,860	88%

Although there is still a salary gap in the senior management category, it is relatively small compared to other hierarchical levels, with women earning 96% of what men earn.

El futuro del trabajo: el lugar de trabajo del mañana



Merger

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The attraction and retention of talent, professional development, and employee wellness are essential to strengthen our institutional mission.

In 2024, we implemented inclusion, diversity, and wellness programs that seek to improve the work environment and optimize organizational performance in the face of future challenges.

06

COMMUNITY CONNECTIONS



CONTENTS

- 6.1 Stakeholders
- 6.2 Regional Work
- 6.3 Collaboration
- 6.4 Main Digital Dissemination Channels
- 6.5 Financial Education
- 6.6 Cultural Outreach and Heritage

Progress on the 2023-2027 Strategic Plan

As an institution, we are committed to the public, not only in communicating clearly and effectively what we do, but also in offering the best of ourselves. This includes working in a sustainable environment and strengthening financial education initiatives. We intend to continue to move forward in providing tools that enable people to make more informed economic and financial decisions geared toward their well-being.

Initiatives		Progress in 2024	
4.1 Incorporate the concept of sustainability in all aspects of our work, with the full commitment of the entire organization and its members, reflecting the Bank's Sustainability Policy.		1. We approved and published the update of the Bank's Sustainability Policy.	
		2. We carried out various instances of internal training to strengthen the knowledge of these issues.	
		1. We increased our presence in regional media to strengthen our relationship with the different areas of the country.	
4.2 Make institutional communications more effective, expanding the dialog with stakeholders and incorporating.		2. In social media, we significantly increased the number of posts, making the work of the different areas of the Bank visible and generating new content, following the new digital standards.	
		3. We strengthened our relationship and links with stakeholders, including analysts, economic journalists, former Bank authorities, former economic authorities, and news media editorial committees.	
4.3 Share the Bank's work with the community, increasing confidence in the fulfillment of our mandate.		1. We successfully held the 20th Economics Up Close school contest, with the participation of 1,939 students and teachers.	
		2. We launched the "City of Opportunities" publication for teachers.	
		3. We held the IV International Seminar on Financial Education, where we launched the digital game "Acción Inflación" with plans to increase its use in schools.	
		4. 472 teachers successfully completed the "City of Opportunities" online course, exceeding the number of graduates in previous years.	
		5. We gave talks at universities and professional institutes and a workshop on macroeconomic statistics at an economics department, with plans for further expansion.	
		6. Launch of the Regional Statistics App, with good media coverage.	

PRIORITY 4

Strengthen the commitment and ties to the community.



OBJECTIVE

Mantener el posicionamiento como una institución valorada y confiable, que construye un vínculo más cercano con la ciudadanía.

6.1 Stakeholders

GRI (2-28, 2-29)

At the CBC, we define our stakeholders as all individuals or organizations that could affect or be affected by our work in fulfilling the Central Bank's institutional mandate.

The main objectives of our stakeholder relations are as follows:

- Position the Bank's objective and purpose.
- Strengthen its corporate reputation.
- Raise awareness on the institution's role and functions.
- Reinforce our employee's commitment.
- Attract talent.
- Increase confidence in the Bank's work.

We have a [Communication Policy](#), which is oriented toward accountability to society and is based on the provision of equal access to timely information. It is guided by ten principles:

<div>1</div> <div>Proper dissemination of the Bank's monetary policy actions.</div>	<div>2</div> <div>Transparency in reporting on its management.</div>	<div>3</div> <div>Formal communication with the market.</div>	<div>4</div> <div>Simultaneous, equitable, formal, and timely information.</div>	<div>5</div> <div>Inflation target, monetary policy, and clear and transparent forecasts.</div>
<div>6</div> <div>Communication of financial policy.</div>	<div>7</div> <div>Provision of statistical information.</div>	<div>8</div> <div>Clarity in the way we communicate.</div>	<div>9</div> <div>Dissemination of research conducted by members of the Bank.</div>	<div>10</div> <div>Contribution to the economic and financial education of Chileans</div>

To strengthen the transparency of our activities and promote a better understanding of economic and financial phenomena, we use various channels and platforms to maintain an effective connection with our stakeholders and the country.

Nuestros grupos de referencia



Authorities

- Executive branch
- Legislative branch



Sector institucional

- Financial Market Commission (CMF)
- National Economic Prosecutor's Office
- Competition Tribunal (TLC)
- Judicial branch
- Finance Ministry
- National Statistics Institute (INE)
- Internal Revenue Service (SII)



Academic sector

- Universities
- Economics and business administration departments
- Professional institutes
- Technical training centers
- Think tanks
- Schools



Private sector

- Trade bodies (ABIF, CPC, SOFOFA, CNC, CChC)
- SMEs



Social sector

- Citizens
- Media
- NGOs
- Civil society



Sector financiero

- Banks
- Mutual and investment fund managers
- Pension fund managers
- Insurers
- Compensation funds
- Stockbrokers
- Credit unions
- FinTechs



Communications sector

- Opinion leaders
- Media (newspapers, TV, radio, digital media)
- Economic journalists
- Social media influencers



Opinion leaders

- Analysts
- Economists
- Academics
- Media editors
- Former CBC authorities
- Former Finance Ministry authorities
- Journalists



International sector

- Central banks in other countries
- Bank for International Settlements
- World Bank
- Inter-American Development Bank
- Center for Latin American Monetary Studies (CEMLA)
- International Monetary Fund
- Organization of Economic Cooperation and Development (OECD)
- Other international organizations



Stakeholder relations plan

In 2024, the Board developed various initiatives with specialized stakeholder groups, including:

Stakeholder	Meetings	Participants
Former CBC authorities	2	12
Former Ministers of Finance and the Economy	1	6
Analysts and economists	5	35
Editorial committees and journalists	10	84

In addition, we interact with the media through the following channels:

- Annual cycle of talks/training with the Association of Economic and Financial Journalists (AIPEF).
- Board press conferences following policy reports and press points in the regions.
- Board interviews with national and regional media and publication of columns.
- Responses to press requests.

6.2 Regional Work

As an autonomous institution, we recognize the importance of informing society about our activities in fulfillment of our constitutional mandate. Since 2003, we have held regional meetings with local authorities, academics, unions, businesspeople, and other relevant actors, with the aim of strengthening ties with the communities.

At these events, we disseminate key reports such as the Monetary Policy Report (IPoM) and the Financial Stability Report (FSR), together with other studies and data of regional interest prepared by the Bank.

In 2024, the Bank's Board conducted activities in 14 of the country's 16 regions, one more than in the previous year. During each visit, the Board members participated in various activities with local stakeholders. The main milestone this year was the expansion of the audience outreach to include students from professional institutes and technical training centers.

Regional deployment of reports in 2024

CBC (28)

Report	Presenter	Region	Regional partner	Date	Participants
December 2023 IPoM	Pablo García	Magallanes	CPC Magallanes y SOFOFA	04 January	42
	Luis Felipe Céspedes	Antofagasta	Asociación de Industriales de Antofagasta	10 January	50
	Alberto Naudon	Los Lagos	Universidad Austral	10 January	60
March 2024 IPoM	Luis Felipe Céspedes	Los Ríos	Coopeuch	15 April	100
	Claudio Soto	Atacama	Corproa	16 April	73
	Alberto Naudon	Maule	FEN Universidad de Talca y Junta de Adelanto del Maule	17 April	110
	Rosanna Costa	Arica y Parinacota	Asinda y SOFOFA	23 April	60
May 2024 FSR	Alberto Naudon	Biobío	Universidad del Desarrollo	09 May	32
	Luis Felipe Céspedes	Valparaíso	Universidad Federico Santa María	14 May	120
June 2024 IPoM	Rosanna Costa	Antofagasta	AIA	25 May	105
	Alberto Naudon	Valparaíso	Mutual Seguros y CRCV	02 June	80
	Claudio Soto	La Araucanía	Universidad Autónoma	04 June	120
	Luis Felipe Céspedes	Los Lagos	Multigremial Osorno y SOFOFA	17 June	60
September 2024 IPoM	Enrique Orellana	Valparaíso	Pontificia Universidad Católica de Valparaíso Valparaíso (Facultad de Ingeniería)	05 Sept.	120
	Claudio Soto	Los Ríos	Universidad Austral	10 Sept.	60
	Enrique Orellana	Valparaíso	Pontificia Universidad Católica de Valparaíso (Facultad de Negocios y Economía)	12 Sept.	65
	Rosanna Costa	La Araucanía	CorpAraucanía		80
	Luis Felipe Céspedes	Ñuble	CorÑuble y Municipalidad de Chillán	24 Sept.	120
	Elías Albagli	Biobío	Universidad San Sebastián	25 Sept.	54
	Alberto Naudon	Coquimbo	Universidad La Serena	25 Sept.	100
November 2024 FSR	Claudio Soto	Biobío	Universidad del Desarrollo	02 October	13

Regional activities of the Board in 2024

The Bank's Board Members and senior managers participated in the following activities in the regions of Arica and Parinacota, Antofagasta, Atacama, Maule, Ñuble, Biobío, La Araucanía, Los Ríos, Los Lagos, and Magallanes.

- 3 regional feedback workshops.
- 10 academic lectures.
- 7 direct stakeholder engagement meetings.

Regional feedback workshops

As part of the 2023-2027 Strategic Plan, we periodically hold listening workshops in the regions to understand the vision of local stakeholders with respect to the Bank's work and its links with the territories. The inputs obtained are used to improve or update our actions at the national and local levels. Subsequently, also on a regular basis, we develop feedback workshops, where Bank authorities meet face-to-face with regional stakeholders to transmit the information gathered in the workshops and the actions derived from it.

In 2024, a cycle of listening workshops was held, beginning in November and ending in early January 2025. These workshops were held remotely with people from the regions of Árica y Parinacota, Tarapacá, Antofagasta, Atacama, Metropolitana, Maule, Ñuble, La Araucanía, Los Ríos, Los Lagos, Ausén, and Magallanes. We also organized in-person events in the regions of Coquimbo, Valparaíso, and Biobío.

These events were attended by 116 people.



Regional statistics

CBC 27

Regional statistics provide information on economic developments at the local level, contribute to the understanding of their particular economic phenomena, and help the different areas of our country understand the impact of these phenomena in order to make more informed public policy decisions.

Main regional statistics

Statistic	Description	Average monthly users
Regional GDP	Quarterly gross domestic product by region, volume at chained previous year prices, spliced series, 2018 benchmark (billions of chained pesos).	777
Regional household and NPISH consumption	Consumption of households and NPISH by region, volume at chained previous year prices, 2018 benchmark (billions of chained pesos).	134
Regional sales	Regional sales by sales region and purchase region (amount in billions of pesos and invoices in thousands of units).	294
Electronic sales receipts issued in service stations	Mobility indicator analysis, which is based on the number of electronic sales receipts issued by a sample of around 500 service stations that report their sales daily through a collaboration agreement with the Chilean IRS.	60
Annual business demographics	Includes indicators of current, new, exiting, and high-growth companies, survival rates, and other variables.	s/i ¹
Regional indicators ²	Analysis of regional variables, including output, employment, demographics, economic indicators, financial indicators, mobility statistics, and gender statistics.	1,785

¹Not available, as the series was published in December 2024.

²Compendium of indicators sourced from other agencies.

In 2024, we incorporated a special Regional chapter in the Statistical Database (SDB), which includes indicators on economic activity, employment, demographics, economics, finance, mobility, and gender. We also developed a user-friendly PowerBi display on the [statistics website](#), en la que los usuarios pueden ver de manera gráfica las distintas estadísticas regionales.

A fines de 2024, iniciamos la publicación de la Demografía Anual de Empresas (DAE) con información desde el 2005. En base a la información del capítulo de estadísticas regionales en la Base de Datos Estadísticos, desarrollamos un dashboard para su visualización.



Launch of the Regional

In August 2024, we launched the new Regional App. This mobile application provides access to detailed statistics for each region, allows the selection of frequent indicators, provides personalized notifications, and includes interactive graphs. The following variables are included in the App:

- Population
- Life expectancy
- GDP and per capita consumption
- Regional GDP by economic activity
- Regional consumption by component
- Unemployment rate
- Economic indicators
- Balances in checking and demand accounts of natural persons
- Debt 90 days past due or more, by type of loan
- Issue of electronic receipts at service stations

6.3 Collaborations

National collaboration

Journalist training seminar

Since 2003, the Central Bank organizes an annual Journalist Training Seminar in conjunction with the Economics and Finance Journalist Association of Chile (AIPEF), to discuss economic and financial topics related to our work.



International collaboration

Affiliations and associations

GRI 2-28

Our mandate is formulated in the context of the national economy, and its fulfillment requires consideration of external developments. To this end, an active and regular liaison with other central banks and international organizations is indispensable. Since 2021, we have had an International Relations Policy, which guides our work in this area, based on criteria of value contribution and public information.

Main associations

Organization	Date of affiliation	Organizational purpose	Progress in 2024
Latin American Integration Association (ALADI)	Founding member since 1980	Promotion of expanded regional integration in order to ensure the region's economic and social development.	Activities related to the operation and maintenance of the agreement and the operating system.
World Bank	1945	Search for sustainable solutions to reduce poverty and generate shared prosperity in developing countries.	CBC Governor attended two meetings (spring in April and annual in October). The Bank participated in joint activities for cooperation and technical dialogue, dissemination, knowledge, seminars, conferences, and peer-to-peer meetings.
Bank for International Settlements (BIS)	2003	Support for the pursuit of monetary and financial stability of central banks through international cooperation.	In February, Councilor Alberto Naudon assumed the chairmanship of the Irving Fisher Committee (IFC) of the BIS. Governor participated in the CCA Americas Regional Group meeting. Special invitation to the Governor to participate in meetings of the Central Bank Governors Group (CBGG). Governor participated in the BIS podcast "Women, Central Banking, and Chile's Macroeconomic Landscape" in March. In February, the CBC co-organized the workshop "Carbon Content Measurement for Products, Organizations, and Aggregates: Creating a Sound Basis for Decision Making" in Germany.

Inter-American Development Bank (IDB)	1959	Financial and technical support to national and subnational governments and other entities in the region.	Governor participated in the 59th Meeting of the Network of Central Banks in a panel discussion with the President of the IDB in Washington, DC, and presented in a session on digital payments related to the joint BIS-IDB Project FuSSE.
Center for Latin American Monetary Studies (CEMLA)	1952	Promotion of a better understanding of monetary and banking issues in Latin America and the Caribbean.	The CBC co-organized the V Meeting of Heads of Financial Risk Management in Central Banking, in a hybrid format and attended by 58 representatives
Latin American Committee on Macroeconomic and Financial Issues (CLAAF)	2008	Identification and analysis of trends and events that may affect the proper functioning of financial markets in Latin America, helping to generate responses to them.	We participated in 20 online meetings and the in-person at the Annual Meeting in Sydney.
Financial Stability Board (FSB)	Participation on the Standing Committee on Assessment of Vulnerabilities (SCAV) and the Regional Consultative Group for the Americas (RCG).	Strengthening financial systems and increasing the stability of international markets.	Within the framework of the Regional Constitutive Group for the Americas, the CBC participated in the traditional spring and fall meetings, hosting the latter.
Group of Thirty	1978	Deepening the understanding of global economic and financial issues and exploring their international implications.	No specific activities were carried out in 2024.
International Banking Research Network (IBRN)	2015	Improving policy discussion through analytical work using data. Investigation of causes, channels, and consequences of transmission mechanisms through internationally active banks	No specific activities were carried out in 2024.

Latin American Reserve Fund (FLAR)	2022	Helps the region's economies address problems arising from the imbalances in their external sector and facilitates the regional integration process.	In 2024, CBC authorities participated in the Board of Directors meetings and also took part in technical discussion forums, academic events, and the exchange of best practices, such as: -XIX Annual Economic Studies Conference -Regional Forum on Instant Payments -Annual FLAR Conference on International Reserves
Fondo Monetario Internacional (FMI)	1945	Promotion of international monetary cooperation to ensure the stability of the international monetary and financial system.	A CBC delegation led by the Governor participated in the official meetings and held bilateral meetings with the authorities of the IMF and other institutions. In May, the Governor and the Board met with IMF Managing Director Kristalina Georgieva in Santiago.
The International Network for Exchanging Experience on Statistical Handling of Granular Data (INEXDA)	2018	Exchange of experiences in the statistical management of granular data for research purposes.	We participated in the online full group meeting and 3 online meetings of the Working Group on Statistical Disclosure Control (SDC).
Central Bank Data Collaboration Group (CB-DCG)	2023	Sharing the experiences of different central banks in the use, storage, and exploitation of data.	We participated in 20 online meetings and the in-person at the Annual Meeting in Sydney.
International Operational Risk Working Group (IORWG)	2019	To promote the practice of operational risk management in the central banking industry, creating opportunities for each member to lead and influence the group's work.	In 2024, the Director of the Corporate Risk Division participated in the 18th IORGQ Conference in Rome, Italy.
Network for Greening the Financial System (NGFS)	2021	To help strengthen the global response required to meet the objectives of the Paris Agreement, and to enhance the role of the financial system in managing risks and mobilizing capital for green and low-carbon investments.	Monetary Policy Division Director Elias Albagli was appointed Co-Chair of the Modeling and Analytical Approaches Group within the Monetary Policy Workstream and was also appointed Chair of the Conceptual Framework Implementation Group within the Task Force on Natural-Related Risks for the 2024-2026 work cycle.

Official Monetary and Financial Institutions Forum (OMFIF)	CBC is not a member, but maintains relations with the organization since 2010..	Forum that provides a neutral platform for public and private sector participation on issues related to sovereign wealth funds, pension funds, regulators, and treasuries.	CBC was awarded first place in the 11th version of the Genfer Balance Index (GBI), moving up from 15th to take the top position.
Organization for Economic Cooperation and Development (OECD)	2010	Design of policies that promote prosperity, equality, opportunities, and well-being for all.	The CBC supported the preparation of the Economic Surveys publication, a periodic review of the economies of member and non-member countries that provides a comprehensive analysis of economic developments, reviews the key economic challenges, and discusses recommendations for addressing them.
Network for Greening the Financial System (NGFS)	2022	Under the aegis of the IFC, this group brings together central bank statisticians and academic experts to analyze long-term historical monetary and financial data relevant to decisionmaking.	In 2024, the group published the BIS Central Bank Total Assets Data Set, which tracks the evolution of central bank balance sheets globally, currently covering 52 economies, with data since the creation of central banks for most countries, including Chile.





6.4 Main Digital Dissemination Channels

BCCh (14)

In 2024, we conducted outreach to both internal and external audiences, using a variety of channels.

Digital dissemination indicators

Channel or platform	Description	Target audience	Users			
			Indicator	2022	2023	2024
Central Bank social media	Accounts on Instagram, LinkedIn, and X that contribute to public awareness.	General public	Instagram likes	n/a	825.726	980.517
			LinkedIn likes	n/a	2.513.548	2.514.436
			X likes	n/a	n/a	1.020.842
Sitio web	Sitio que incluye noticias y blogs informativos sobre la gestión del Banco.	General public	Visits	6.837.582	7.683.084	11.346.034
			Users	1.737.872	2.111.178	1.962.233
Intranet	The Bank's main means of internal communication.	Internal staff	Visits	n/a	n/a	11.346.034
Central en tu Vida (website)	Site with all the educational resources, material, and news from the CBC's financial education program Central en tu Vida (Central in your life).	General public	Users	41.606	52.720	61.974
			Visits	125.059	201.289	298.430
Central en tu vida (social media)	Social media accounts dedicated to economic and financial education (Instagram, Facebook, and X).	General public	Users	16.137	18.729	20.433

Library	Online platform that makes available specialized literature on economics and finance	Researchers, academics, students, and the general public.	Visits	27.562	63.501	52.962
			Users	145.583	12.989	9.395
Digital repository	Online platform that makes available the publications published by the Bank and digitized works from its Library.	Researchers, academics, students, and the general public	Visits	163.471	184.168	343.214
			Users	118.409	218.111	172.851

We also organized workshops, seminars, conferences, events, and meetings with the aim of disseminating the knowledge generated in the institution and strengthening links with stakeholders. Nearly 3,500 people participated in these events, either in person or online.

Main conferences and events in 2024

CBC (25)

Date	Event	Participants ³
03-Jan	Meeting by the Governor with specialized journalists.	30
15-Jan	Workshop on Macroprudential Policy and the CCyB.	85
17-Jan	Graduation ceremony for teachers who completed the City of Opportunities course.	261
01-Mar	Women Leaders discussion workshop with Janet Yellen, U.S. Secretary of the Treasury, and a group of prominent Chilean women.	22
26-Mar	Women and Economics discussion workshop, aimed at business administration students (to promote the presence of women in economic fields).	178
10-May	Seminar to present two chapters of the Global Financial Stability Report (GFSR).	60
18-Jul	Launch of the Economics Up Close school contest.	180
07-Aug	Seminar on trends in the use of means of payment, as part of the release of the third Payment Systems Report (ISiP).	603
11-Sep	Banking Workshop, given by Spanish economist Rafel Repullo.	120
07-Oct	RCGA Meetings: The FSB's Regional Advisory Group for the Americas held its second meeting of the year in Chile.	96
21-Oct	Course Local Projection Methods for Applied Economics.	60

³Includes both on-site and remote participants.



28-Oct	IV Financial Education Seminar.	75
29-Oct	Launch of vol. 30 of the Central Banking series: "Heterogeneity in Macroeconomics: Implications for Monetary Policy."	30
04-Nov	XXVIII Annual Conference.	987
26-Nov	IMF Global Financial Stability Report, final version, "Steadying the Course: Uncertainty, Artificial Intelligence, and Financial Stability."	60
04-Dec	Natural Capital Workshop: Use of geospatial data in Chile.	125
05-Dec	Santiago Macroeconomics Workshop (University of Chile and CBC).	40
09-Dec	Award ceremony for the Economics Up Close school contest.	623
19-Dec	RIDGE Forum Workshop	90

Discussion workshops led by the Governor

CBC 7

Rosanna Costa led 6 discussion workshops for internal staff, to promote various topics of interest to the Bank.



Activity	Date	Participants
Geopolitical discussion with expert Fernando Wilson.	02 January	25
Internal discussion on innovation, within the framework of the 2023-2027 Strategic Plan.	09 July	281
Talk on AI, within the framework of the Strategic Plan, featuring Martin Hilbert.	25 November	240
Workshop on labor harmony held for internal staff, with a presentation by Professor Álvaro Espejo.	11 November	273



*Includes both on-site and remote participants..

6.5 Financial Education and Inclusion

GRI 3-3

MATERIAL TOPIC: FINANCIAL EDUCATION AND INCLUSION

Management approach

We recognize the role of the public in the Chilean economic system, which is why we promote financial education and inclusion initiatives, following OECD recommendations, which indicate that policies along these lines promote the development of healthy financial markets and support financial stability. Financial inclusion and education contribute to the fulfillment of our institutional mandate.

Governance

- Institutional Affairs Division: Manages financial education initiatives since 2004, including the Central en tu Vida program since 2013.
- Financial Policy Division: Works on financial inclusion through regulations and standards that facilitate access to financial services and digital payments.
- Other areas of the CBC: Promote the simplification of the content of our reports (IPoM and FSR) and the Know Your Banknotes Program, focused on the use and handling of cash.

Policies and regulations

- Communications Policy

Cifras destacadas

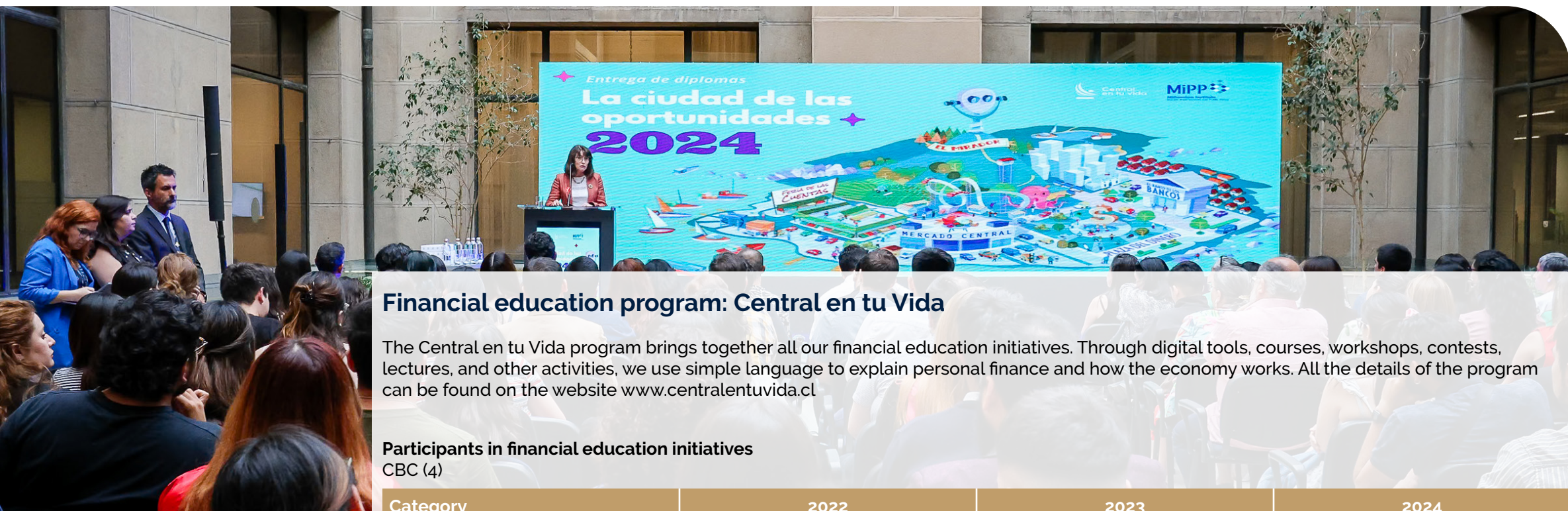
- 1,702 participants in the Know Your Banknotes remote workshop.
- 1,939 participants in the Economics Up close contest.
- 472 teachers and student teachers completed the City of Opportunities course.

Hitos del año

- Launch of the open course on economics and finance for the general public, "Aprende Central" (Central Learning).
- Launch of the digital game "Acción Inflación."
- Publication of the financial education manual "La Ciudad de las Oportunidades" (The City of Opportunities).
- Organization of the IV International Seminar on Financial Education, with three keynote speakers from the New York Federal Reserve, CAF, and the Bank of Canada, who shared their experiences and studies related to fun methodologies for teaching financial and economic subjects.

Desafíos futuros

- Increase the reach of the Central en tu Vida program to include lower low socio-economic sectors.
- Increase the educational offer and coverage of our school workshops.
- Develop financial education content in line with to new trends and technologies, such as financial digitalization, Fintech, sustainable finance, and artificial intelligence.



Financial education program: Central en tu Vida

The Central en tu Vida program brings together all our financial education initiatives. Through digital tools, courses, workshops, contests, lectures, and other activities, we use simple language to explain personal finance and how the economy works. All the details of the program can be found on the website www.centralentuvida.cl

Participants in financial education initiatives CBC (4)

Category	2022	2023	2024
In-person workshops for 3rd and 4th grade students	192	276	246
Online workshops for middle school students	309	125	176
In-person workshops for high school students	1.157	1.337	2.712
Online workshops for high school students	1.597	1.764	2.221
Social program	60	540	300
Finance for Everyone talks	943	384	45*
Economics Up close contest	1.613	1.819	1.939

*The decrease relative to 2023 is explained by the change to in-person sessions.





Know Your Banknotes Program

CBC (29)

With 19 years of experience, the Know Your Banknotes program is aimed at a range of audiences, in particular those who handle cash in their daily activities. Its objective is to provide training on the security features of paper money, prevent counterfeiting, and promote the care and reliable use of this means of payment. Details of the program can be found at www.billetesymonedas.cl

Know and Protect Your Banknotes Program Initiatives in 2024

Initiative	Participants 2024
Know Your Banknotes e-learning course	1,733
Protect Your Banknotes e-learning course for Chile and OCN Peru	142
Workshops for CBC employees' children	119
Seminars for forensic experts	59

Main program indicators

Website users	2022	2023	2024
Public queries	1,800	2,415	2,149
Website visits	332,686		277,526

Acción Inflación: New digital game

In 2024 we launched Acción Inflación (Inflation Action), a free online financial education game that is open to the public, aimed especially at teachers and high school students. This educational tool teaches everyday economic and financial concepts, as well as how the Bank's decisions influence people's lives.

To learn more about the Acción-Inflación game, visit to the Aprende+ section of [click aquí.](#)





6.6 Cultural Outreach and Heritage

Our cultural heritage collection includes a library specializing in economic and financial matters; a numismatic museum; and one of the most complete collections of Chilean paintings in the country—housed in the heritage building—comprising more than 300 works by a hundred national and international artists living in Chile, dating to the mid-nineteenth and early twentieth centuries.

In 2022, we set up an online platform with all the works, their technical details, and a brief description of each one (coleccion.bcentral.cl). We also mounted a selection of paintings in the building's library, with the aim of increasing the visibility of the pieces and bringing them closer to the internal and general public.



Heritage Day

As has been our tradition since 2004, in 2024 we participated in Chile's Heritage Day celebration, opening the heritage building of the CBC headquarters to the public on Sunday, 26 May. Participants toured the Governor's Office, the Conference Room, the Board Room, and the Numismatic Museum. This year we incorporated innovations such as a Chilean Sign Language interpreter and activities outside the building.

Year	2022	2023	2024
Visits	1,095 in-person 2,100 360° virtual tour	2,100 in-person	2,150 in-person



Numismatic Museum

Inaugurated in 2012, the Numismatic Museum of the Central Bank of Chile reinforces our commitment to the community by exhibiting a selection of our heritage collection of banknotes and coins in an educational and technologically advanced format. It also includes replicas of gold bullion, banknotes from numerous countries, and objects related to our role as the issuer of the currency.

In 2024, the museum received 1,908 visitors, almost 400% more than the 480 of the previous year. As a novelty, during the year, the museum joined city initiatives Museums in Summer and Oh! Stgo; and inaugurated a new educational application: namely, a trivia game on numismatic topics, financial education, and the history of the Central Bank of Chile.

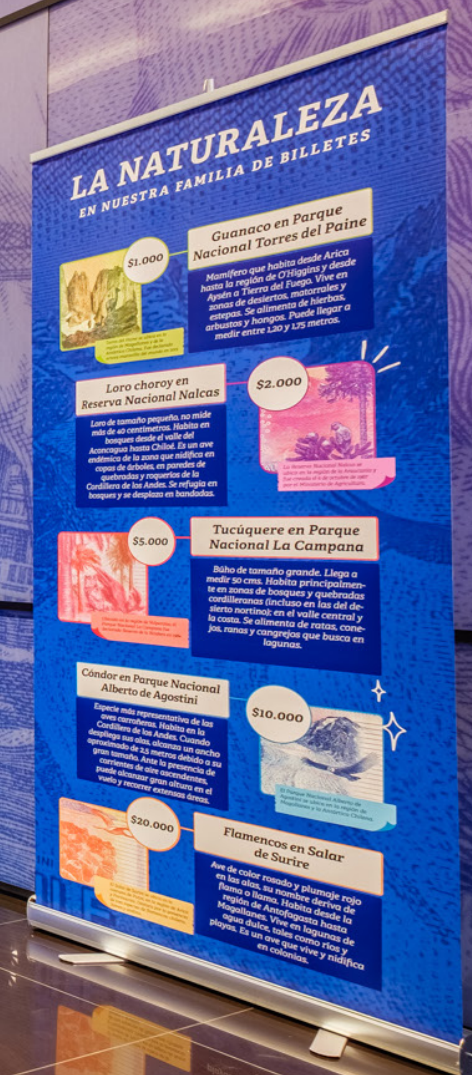
To take a virtual tour of the museum [clíc aquí](#).



In 2024 we expanded our contact with the public, deploying more activities in the regions, organizing seminars and workshops, and increasing our presence in the media.

We have strengthened our stakeholder engagement, our social media content, and our financial education activities.

This work reinforces our commitment to the community, whose confidence in our institution enables us to achieve our mission and objectives.



07

RESPONSIBLE OPERATIONS

CONTENTS

- 7.1 Emissions and Climate Change (MT)
- 7.2 Energy Efficiency
- 7.3 Waste (MT)
- 7.4 Banknote recycling
- 7.5 Responsible Supply Chain

7.1 Emissions and Climate Change (MT)

GRI 3-3

MATERIAL TOPIC: EMISSIONS AND CLIMATE CHANGE

Management approach

Although our emissions are limited, managing them effectively is critical to aligning our organization with the global challenges of climate change.

Failure to address these issues exposes us to reputational risks if we do not meet the growing expectations of our stakeholders.

Governance

This material topic is managed by the Operations Division.

Policies and regulations

- Sustainability Policy
- Infrastructure Policy

Cifras destacadas

- 149 tCO₂e Scope 1 emissions
- 43,708 m³ water consumption
- 19,978 GJ energy consumption

Hitos del año

- We are working on a carbon footprint reportability gap analysis to identify the differences between the Bank's current practices for measuring, reporting, and managing greenhouse gas emissions and best practices or standards.

Desafíos futuros

- Strengthen emissions management and climate analysis to integrate sustainability into our operations and support a resilient and responsible economy.

Climate change and environmental sustainability are key challenges to economic and financial stability. Although the Central Bank's mandate does not explicitly cover these issues, we recognize their impact on the macroeconomy and financial stability. We have therefore incorporated sustainable internal practices, including initiatives such as measuring and managing our emissions.

We are also committed to measuring natural capital in order to provide data for quantifying the contribution of ecosystem services to the economy and thus safeguard and better manage them.

To learn more about this initiative, please review Chapter 6, An Adaptive Organization, of this Integrated Annual Report

Carbon footprint

The following criteria are used to calculate our emissions:

- **Scope 1:** Direct emissions deriving from combustion in stationary and mobile sources, physicochemical processes, and refrigerant gas leaks in controlled sources.
 - o For this scope, we use information associated with the consumption of fixed sources such as boilers and generators, mobile sources such as the Bank's fleet of vehicles, and fugitive sources such as the recharging of air conditioners and fire extinguishers.
- **Scope 2:** Indirect emissions are associated with the purchase and use of energy, whether electricity, steam, heat, and/or cooling.
 - o For this scope, we consider the use of energy (KWh) obtained from the national power grid, through the suppliers Enel, Litoral, and Cerro Dominador. The latter is a solar thermal plant, with which we have contracted the supply of energy to the main junction of the Agustinas building.
- **Scope 3:** Indirect emission resulting from the Bank's activities, but which occur in sources that are not owned or controlled by the Bank.

These indirect emissions include the transportation of banknotes and coins, waste management, and local and international business air travel by the Bank's employees.

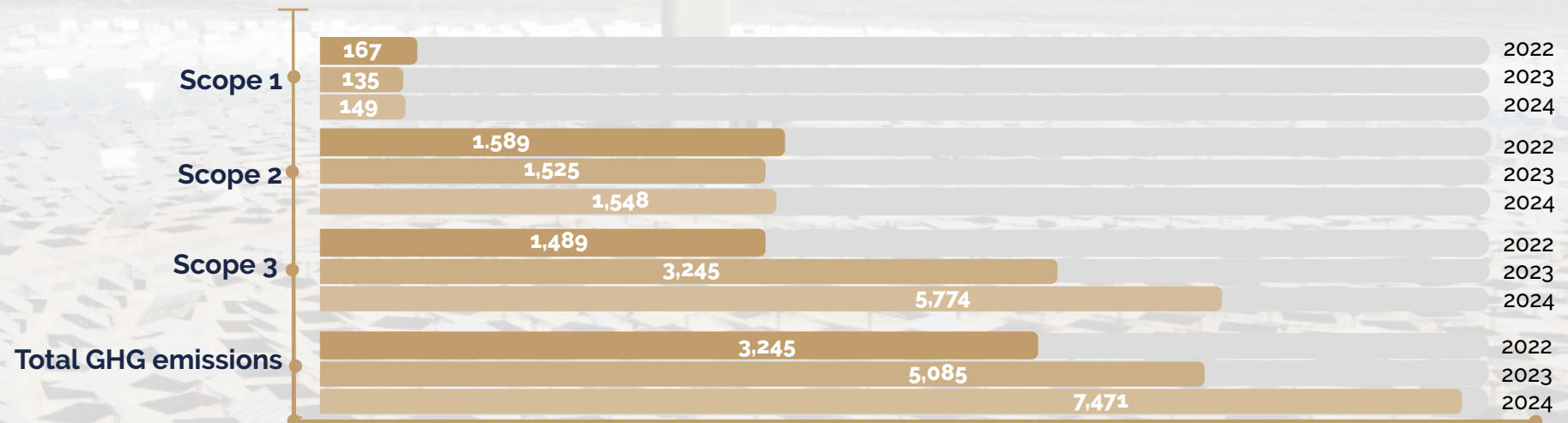
To develop the estimates, we use various methodologies and sources of information, ensuring a rigorous approach based on recognized standards. These include the following:

- IPCC 2006 Guidelines for National Greenhouse Gas Inventories, based on the National Energy Balance Sheet.
- ICAO Carbon Emissions Calculator.
- GHG Reporting: Conversion Factors 2019.
- Data from the Ministry of Energy, average 2020 SEN national power grid.
- Emissions reported in the Cerro Dominador EIS.
- ADEME/Bilan Carbone.
- ENVIRA.es / CO₂ equivalents.

This comprehensive approach allows us to ensure the accuracy and consistency of the estimates made.

GHG emissions (tCO₂e)

GRI 305-1, 305-2, 305-3; CBC 11



Biogenic CO2 emissions (tCO2e)
GRI 305-1

Type of scope	2022	2023	2024
Biogenic CO2 emissions ₃	167	135	149

Emissions ratio
GRI 305-4

Scope	2022	2023	2024	Percent change 2023–2024
Scope 1	0.234	0.180	0.192	7%
Scope 2	2.229	2.033	2.000	–2%
Scope 3	2.088	4.567	7.463	63%

In general, Scopes 1 and 2 do not show major differences year-over-year. However, there was a significant increase in business travel in 2024 in terms of both the number of trips taken and the distance traveled, which is the main factor underlying the significant rise in total Scope 3 emissions.

Water
CBC 2

We recognize the importance of caring for water resources, so we implemented measures to optimize its use and minimize the environmental impact in our daily operations.

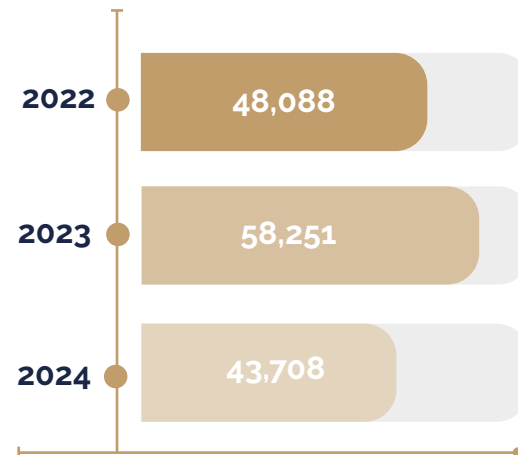
2024, four bathrooms in the Agustinas building were remodeled, as part of a project to replace faucets to promote water efficiency.

Water footprint in food service

The Bank's water footprint measures freshwater consumption in food production. To manage this impact, our Food Service has incorporated this criterion in menu planning and the dissemination of information to users.

To optimize food sustainability, menus prioritize foods with a lower water footprint. In addition, information on the water footprint of the dishes is provided daily on a digital screen in the cafeteria, encouraging a more conscious consumption.

Water consumption (m3)
GRI 303-5



Total water use



Water usage has declined since 2022 as a result of implementation and monitoring measures applied at the Agustinas, Country Club, and Resort facilities.



7.2 Energy Efficiency

CBC 2

At the Central Bank we promote energy efficiency as a key response to the challenges of climate change. In this line, we have implemented several initiatives to optimize the use of energy and move toward more sustainable sources.

Some of the initiatives that we have developed with a focus on energy savings include:

- Installation of three walk-in coolers at the Country Club, which replaced around 25 refrigerators that were operating inefficiently.
- Completion of the changeover to 100% LED lighting. In 2024, this included the replacement of 40 square 60x60 LED DALI light fixtures on the third floor, and 60 on the second floor.

Renewable energy

As part of our commitment to the use of clean energy, we have initiated a study to migrate 100% of the consumption of our Agustinas building to renewable energy. With this change, we estimate that at least 50% of the total energy consumption of our operations and facilities will come from renewable sources in the future.

Scope 2 GHG emissions from renewable and non-renewable energy sources (tCO₂e)

CBC 11

Category	2022	2023	2024
Emissions produced by renewable and non-renewable energy	1,589.24	1,525.00	1,548.26
Simulation by emissions without renewable energy	1,876.27	1,746.00	1,795.51
Reduction (%)	15.3%	12.0%	13.8%

Total energy consumption (Gj)

GRI 302-1

Category	2021	2022	2023	2024
Non-renewable sources	14,958	17,460	17,245	17,406
Renewable sources	0	2,986	2,305	2,572
Total consumption (renewable and non-renewable)	14,958	20,446	19,550	19,978

Energy intensity

GRI 302-3

The energy intensity indicator allows us to evaluate the Bank's efficiency by relating total energy consumption to the surface area used.

The changes observed in recent years reflect the reduction in space requirements and changes in energy usage, mainly as a result of the pandemic and the implementation of the hybrid work model. This approach has enabled us to optimize both resources and our energy footprint.



Intensidad energética	2021	2022	2023	2024
Total fuel/Total area	0.012	0.016	0.017	0.017
Electricity/Total area	0.062	0.07	0.065	0.067
Fuel and electricity/Total area	0.074	0.086	0.082	0.084

7.3 Waste (MT)

GRI 3-3

MATERIAL TOPIC: WAST

Description
<p>Despite our limited impact on waste generation, waste management is a key responsibility that reflects our commitment to today's environmental challenges.</p>
Policies and regulations
<ul style="list-style-type: none"> • Sustainability Policy
Key numbers
<ul style="list-style-type: none"> • 602 t of waste generated. • 358 t of recovered waste, corresponding to 59.5% of total waste.

Governance
<p>This material topic is managed by the Operations Division. In collaboration with the Personnel Area team.</p>
Milestones in the year
<ul style="list-style-type: none"> • We incorporated the recycling of organic waste at the cafeteria and coffee grounds at the Agustinas building.
Future challenges
<ul style="list-style-type: none"> • Optimize waste management by promoting sustainable practices that reduce environmental impacts and promote a circular economy.



Waste management

GRI 306-2

In 2024, 31,030 kilos of organic waste were recovered and sent to an industrial composting plant.

At the Central Bank of Chile, we are concerned about the waste generated in the daily operation of our facilities, as well as the waste associated with the circulation of money.

To ensure proper management of this waste, we work with companies specialized in the collection, disposal, and recycling of various materials, including oil, grease, cardboard, plastic containers, cans, cotton paper, polymer paper, toner, and glass.

Food service initiatives

To reduce the amount of waste sent to landfills, a system was implemented for the segregation and recovery of organic waste from the self-recycling of trays and food production.

A percentage of the resulting compost was returned every six months to the cafeteria users to encourage participation in the initiative.

Coffee grounds

Approximately 20% of the spent coffee grounds from the automatic machines installed in the Bank is recovered. It is packaged in compostable bags and delivered to the Bank's employees for reuse as natural fertilizer, among other uses.

Waste generated (tons)

GRI 306-3

Category	2021	2022	2023	2024
Hazardous	2.02	2.16	0.63	1.03
Non-hazardous	322.63	558.07	544.63	601.08
Total	324.65	560.22	545.26	602.11

Over the years, there has been a steady increase in waste recovery in our organization.

Recycling grew steadily between 2021 and 2022, although it stabilized at around 55 tons in 2023 and 2024. Recycling practices are reaching a stable level, although there is always an opportunity to increase the recyclability of waste from our processes.

Waste diverted from and directed to disposal (tons)

GRI 306-4, 306-5

Category	2021	2022	2023	2024
Valorizados				
Recycling	31.25	64.00	54.36	55.05
Other forms of recovery	155.43	288.14	298.95	303.32
Total recovered waste	186.68	352.15	353.31	358.37
Category				
Biodegradables	66.95	155.93	141.96	147.66
Debris	69.00	49.99	49.35	95.04
Hazardous waste (RESPEL)	2.02	2.16	0.63	1.03
Total non-recovered waste	137.97	208.08	191.94	243.74

Note:

- **Hazardous waste:** waste that may cause harm to health or the environment due to its toxicity, flammability, or corrosiveness.
- **Non-hazardous waste:** waste that does not present significant risks to human health or the environment, such as paper, cardboard, and plastics.

7.4 Banknote recycling

Closing of the banknote cycle and recycling

Banknotes that have reached the end of their useful life and are in poor condition are withdrawn from circulation in order to maintain quality and confidence in the currency, a process that is carried out continuously by commercial banks. Once they are received at the Central Bank, these deteriorated banknotes are authenticated, counted, and destroyed using state-of-the-art equipment.

In our commitment to sustainability, we have been implementing measures since 2017 to minimize the waste generated in the banknote and coin cycle. Thanks to these actions, we have developed processes for recycling the waste resulting from the destruction of money withdrawn from circulation, thereby giving it a new purpose and reducing its environmental impact.

Main waste recycling processes:

- **Polymer banknotes:** Shredded plastic banknotes are transformed into chips, which, when mixed with other polypropylenes, become a wood-like material. This material is used in carpentry to manufacture flooring, roofing, and furniture.
- **Cotton banknotes:** Shredded cotton bills are co-processed to produce a solid alternative fuel for use in the manufacture of cement.
- **Coins:** Coins in poor condition are melted down, and the resulting material is reused to create new objects.

Banknote and coin recycling (tons)
BCCh 3

Category	2021	2022	2023	2024
Polymer banknotes	51.34	43.96	34.17	70.48
Polymer banknotes (co-processed)	34.26	36.28	32.16	—
Cotton banknotes	69.32	204.08	227.57	195.4
Total recycled banknotes	—	284	294	266
Coins	—	41	0	52.3

7.5 Responsible Supply Chain

Supplier management

The relationship with our suppliers is regulated through the Procurement Policy and the Internal Regulations for Purchasing, Expenditure Authorization, Contracts, Subcontracting, and Supplier Evaluation.

During the year, the Supplier Policy was modified to incorporate the obligation to maintain internal protocols to prevent, investigate, and punish the conducts established in Law No. 21,643 on the prevention and punishment of harassment and violence in the workplace, known as the Karin Law.

We currently have 985 companies that provide us with a wide variety of services, including the production of banknotes and coins, technological infrastructure, IT services, food services, security, cleaning, maintenance, infrastructure improvements, help desk, and correspondence.

Number and percentage of suppliers

Type of supplier	2021		2022		2023		2024	
	N°	%	N°	%	N°	%	N°	%
National SMEs	660	76%	678	76%	538	54,8%	570	57,9%
National corporations	99	11%	76	11%	323	32,9%	309	31,4%
International SMEs	79	9%	74	9%	89	9,1%	73	7,4%
International corporations	35	4%	23	4%	32	3,3%	33	3,4%
Total	873	100%	851	100%	982	100%	985	100%



Spending on suppliers (CLP)

GRI 204-1

Type of supplier	2021	2022	2023	2024
National SMEs	16,022,117,053	17,248,807,960	10,488,211,540	11,681,970,579
National corporations	43,015,354,689	57,834,521,708	49,525,918,160	28,595,833,699
International SMEs	5,076,233,423	3,656,851,542	2,118,859,796	3,002,086,714
International corporations	19,733,750,590	17,474,837,030	9,989,068,077	6,806,479,201
Total	83,847,455,755	96,215,018,240	72,122,057,573	50,086,370,093

The number of domestic suppliers and their share of spending increased in 2024. In addition, there has been a steady decline in spending and participation of large international companies in recent years, demonstrating the priority of generating business relationships with domestic companies and SMEs.

Spending on suppliers (%)

GRI 204-1

Type of supplier	2021	2022	2023	2024
National SMEs	19%	18%	15%	23.3%
National corporations	51%	60%	69%	57.1%
International SMEs	6%	4%	3%	6.0%
International corporations	24%	18%	14%	13.6%

Progress in 2024

To optimize supplier management, in 2024 we implemented the Supplier Portal, a platform that allows us to consult with suppliers of goods and services regarding the status of invoices they have issued (paid, rejected, and in the process of payment) and purchase orders pending invoicing.

We also implemented a compliance monitoring tool for our suppliers. Furthermore, we established a procedure in SAP that requires double verification in our systems to ensure security in the entry and modification of supplier data.

We established an External Whistleblower Channel as a communication mechanism so that both suppliers and their employees can report conduct that could imply legal or regulatory non-compliance.

Another key initiative in the works is the simplification of our contractual clauses in order to reduce barriers to entry and encourage greater participation and competitiveness in contracting processes.

Average days to pay suppliers

Type of Supplier	2021	2022	2023	2024
National SMEs	8.02	6.6	5.15	4.32
National corporations	9.62	8.3	6.92	6.57
International SMEs	5.3	7.02	5.46	1.26
International corporations	4.73	6.18	5.97	1.32

Supplier evaluation

During the bidding process, we require key information from the companies, such as financial statements, affiliation with labor security institutions, industry experience, team experience, participation in similar projects, and certifications. Once these requirements are met, we award the bid to the lowest total cost offer, among other factors.

In terms of sustainability, for labor-intensive services, we incorporate certain additional social criteria, such as proof of up-to-date payments of wages and social security contributions, guarantee of an ethical minimum wage, promotion of gender equity, and environmental practices, as appropriate. If a company complies with the technical and financial requirements, but shows weaknesses in these criteria, it could obtain a lower score or even be disqualified, as established in the respective bidding conditions.

Additional social criteria considered for labor-intensive services include guaranteed ethical wages, health and safety talks, up-to-date social security and health contributions, promotion of gender equity, inclusion of socially vulnerable people, and environmental practices. If a company meets the technical requirements, but shows weaknesses in these criteria, it is assigned a lower score or is disqualified.


Once all requirements have been met, with few exceptions, we award the contract to the lowest-priced bid.

Moreover, we have a periodic supplier evaluation system, through which we evaluate their level of compliance and performance of their contractual obligations. Substandard evaluations result in sanctions ranging from a written reprimand to suspension from participating in our purchasing processes.

Supplier evaluation

GRI 414-2

Indicator	2022	2023	2024
New suppliers evaluated, not necessarily under social criteria	s/i	350	218
New suppliers evaluated under social criteria	4	14	25
New suppliers evaluated under social criteria and selected	4	4	5



During the year, we conducted initiatives related to cash flow, which is essential for the proper functioning of the economy, as it ensures the fluidity of payments, trade, and services and thus underpins national financial stability.

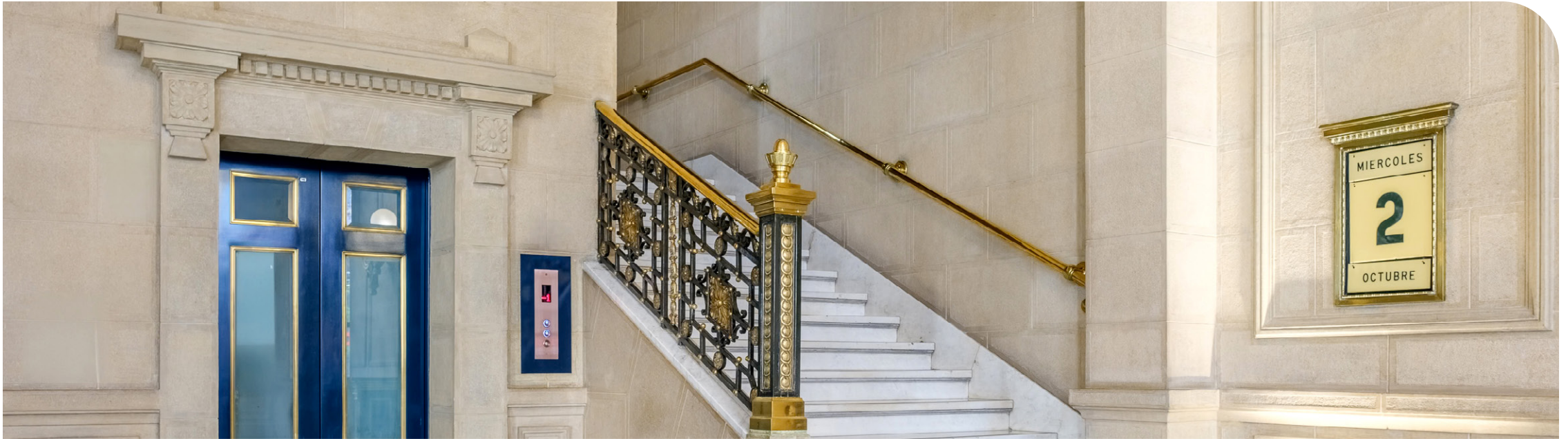
In addition, we undertook energy efficiency and waste management initiatives that are aligned with global sustainability principles.

08

ABOUT THIS REPORT

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- 8.1 About This Report
- 8.2 Materiality
- 8.3 Content Index
- 8.4 Acronyms



8.1 About This Report

GRI 2-2, 2-3, 2-4, 2-5

This is the Central Bank of Chile's fifth Integrated Annual Report, which consolidates information on the organization's economic performance and its environmental, social, and governance (ESG) performance.

The report, which is prepared annually, covers the period from 01 January to 31 December 2024. It uses the Global Reporting Initiative (GRI) 2021 methodology to determine the material topics and report on our management.

To strengthen reportability, we incorporated indicators from the Sustainability Accounting Standards Board (SASB) guidelines applicable to the Asset Management and Custody sector for central banks.

This Report has not been externally assured, and no updates or restatements of information from previous periods were made.

8.2 Materiality

Determination of Material Topics

GRI 3-1

In 2024, we updated our material topics using the double materiality approach, in order to strengthen the sustainability analysis of our management.

To this end, we followed the guidelines of the European Union (EU) Corporate Sustainability Reporting Directive (CSRD), using the European Sustainability Reporting Standards (ESRS).

Double materiality integrates two perspectives: impact materiality, which evaluates the effects generated by the organization on people, the economy, and the environment; and financial materiality, which identifies the sustainability-related risks and opportunities that could affect the institution's ability to generate value.

This approach facilitates a more complete understanding of the material factors affecting the Central Bank of Chile.

The analysis was based on the material issues defined in 2023, updating them through a preliminary study that examined the evolution of global sustainability trends and new international standards, with an emphasis on financial sustainability. The issues were also reviewed and specified in relation to the Central Bank's value chain.

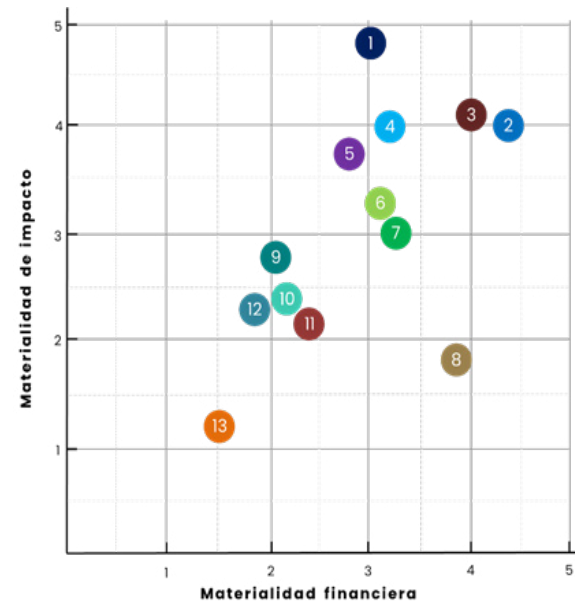
In a second stage, a consultation was carried out with members of the Board and Senior Management, who provided their perspective on the main impacts, risks, and opportunities for the organization.



With the results of this consultation as the main input, the issues were prioritized in a double-entry matrix, which was subsequently validated by the Operations Division and the Institutional Affairs Division, consolidating the process.

Double materiality 2024

GRI 3-2



Material topics

1. Financial and monetary stability
2. Information security and business continuity
3. Cybersecurity
4. Ethics and transparency
5. Financial knowledge production and contribution
6. Financial accessibility
7. Financial education inclusion
8. Talent attraction and retention
9. Emissions and climate change
10. Intellectual capital, training, and development
11. Diversity, inclusion, and gender equity
12. Workplace conditions and well-being
13. Waste

8.3 Content index

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8.4 Acronyms

A	ACC: Audit and Compliance Committee
	AIPEF: Association of Economic and Financial Journalists
B	BDE: Statistics database
C	CBDC: Central bank digital currencies
	CBTC: Central Bank Transparency Code
	CC-VP: special program involving spot purchase and forward sale of bank bonds
	CCAV FX: Large-value clearing house for foreign currency
	CCR: Countercyclical capital requirement
	CEF: Chilean Financial Stability Board
	CLP: Code for the Chilean peso
	CMF: Financial Market Commission
	CNCI: Compendium of Foreign Exchange Regulations
	CNF: Compendium of Financial Regulations
	CPBV: Low-value clearing houses
D	DAE: Annual Business Demographics
	DRF: Financial Risk Department
E	EEE: Economic Expectations Survey
	EFH: Household Finance Survey
	EFT: Electronic fund transfer
	EOF: Financial Brokers Survey
	ESSF: Economic and Social Stabilization Fund
F	FCCIC: Federal Capital Credit Insurance Corporation
	FCIC: Conditional Financing Facility for Increased Loans
	FPM: Financial Policy Meeting
	FSAP: Financial Sector Assessment Program
	FSB: Financial Stability Board
	FSR: Financial Stability Report

G	GBL: General Banking Law GHG: Greenhouse gases GJ: Gigajoules (energy measure)
I	IDIS-TR: Integrated Derivatives Information System IIA: Institute of Internal Auditors IMACEC: Monthly Economic Activity Index INE: National Statistics Institute IPoM: Monetary Policy Report IR: International reserves ITC: Information Technology Committee
L	LCL: Liquidity Credit Line LOC: Basic Constitutional Act of the CBC
M	MCF: Formal Exchange Market MPM: Monetary Policy Meeting MPR: Monetary policy rate
N	NDF: Non-deliverable forwards NGFS: Network for Greening the Financial System
O	OMO: Open-market operations
P	PDBC: Central Bank discount notes PDL: Liquidity deposit notes PRF: Pension Reserve Fund PSP: Payment service provider
R	Repo: Repurchase agreement RTGS: Real-time gross settlement RWA: Risk-weighted assets
S	S&Ls: Savings and loan associations SOMA: Open Market Operations System SP: Superintendence of Pensions STEM: Science, technology, engineering, and mathematics STLL: Short-term liquidity line
T	TIB: Inter-bank interest rate

09

APPENDICES

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9.1 Balance Sheet

9.2 International Reserves

9.1 Appendix 1: Balance Sheet

Balance sheet levels and structure¹

The behavior of the economy and the financial system, and the policies adopted by the Central Bank of Chile (CBC), affect the size and composition of the Bank's balance sheet, which, in turn, affects earnings and losses. In this sense, 2024 was marked by the following events:

- i. On 1 April, the FCIC 1 program matured for a total of CLP 18,170.2 billion, which was paid in full by the banks in the program. This resulted in a reduction in the size of assets of close to 23% (compared to the end of March) and an equivalent reduction in the size of liabilities due to the maturity of liquidity deposits and lower PDBC issuances.
- ii. On 1 July, the remainder of the FCIC program (FCIC 2 and FCIC 3) matured for a total of CLP 10,758.9 billion, which was paid in full by the banks in the program. This resulted in a reduction in the size of assets of close to 19% (relative to the end of June) and an equivalent reduction in the size of liabilities due to the maturity of liquidity deposits and lower PDBC issuances.

As a result of the expiration of the FCIC programs, together with bank bond maturities and valuation effects, in 2024 balance sheet assets contracted 34.2% measured in pesos or, in GDP terms, from 26.7% in December 2023 to 15.9% in December 2024.

The relative composition of assets on the balance sheet also changed. At the end of 2024, 89.2% of assets corresponded to international reserves, versus 54.6% at December 2023. The increase in relative share reflects both the decrease in other assets and an increase in the value of international reserves, due to the fall in international interest rates and the depreciation of the peso against the portfolio currencies. Assets denominated in local currency as a percentage of total assets decreased from 44.5% at the end of 2023 to 9.2% at the end of 2024. del peso respecto a las monedas del portafolio. Los activos denominados en moneda local respecto al total de activos disminuyeron desde 44,5% al cierre de 2023 a 9,2% al cierre de 2024.

¹ The balance sheet is prepared in accordance with International Financial Reporting Standards (IFRS). See the Financial Statements (note N° 2(a))

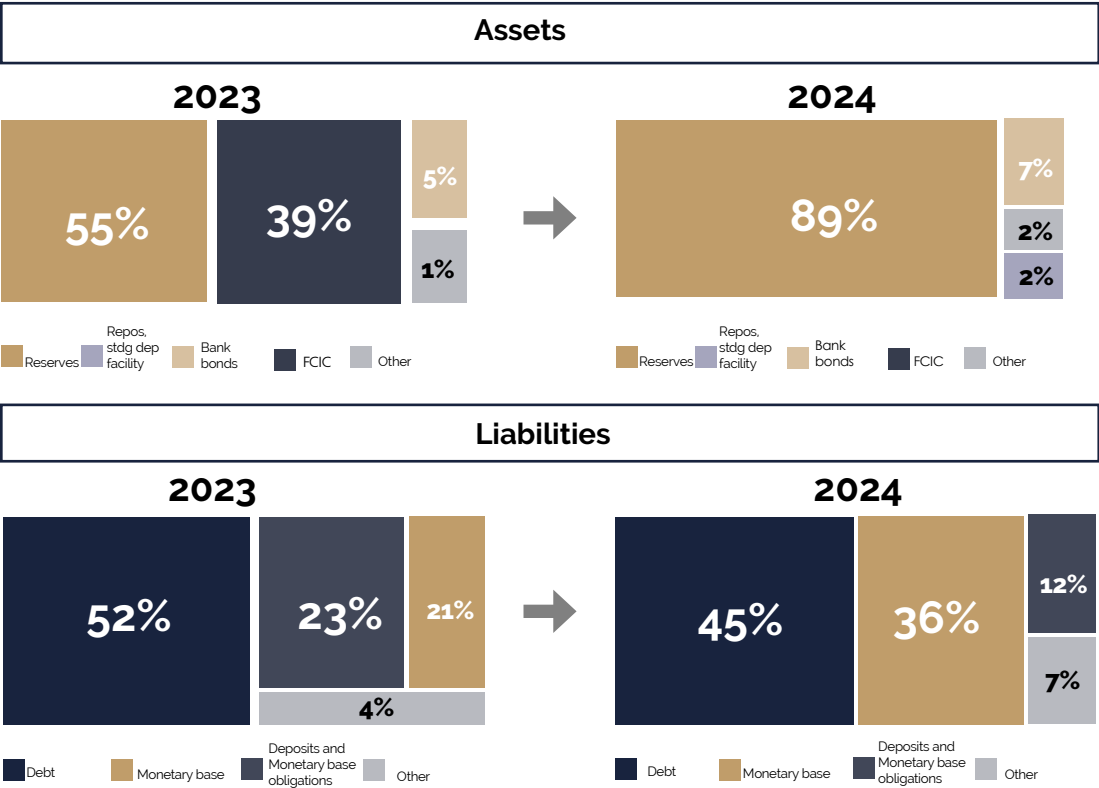
Equivalently, liabilities decreased in terms of GDP from 27.8% in 2023 to 16.1% in 2024. The composition of liabilities on the balance sheet also changed. In particular, the share of CBC notes (short-term debt, mainly PDBC) decreased from 52.1% at year-end 2023 to 45.4% at year-end 2024, the monetary base grew from 21.4% of liabilities to 36.1%, and other monetary policy liabilities decreased from 18.5% to 9.6%.

The increase in the monetary base is explained by an increase in banknotes and coins in circulation and the growth of current account balances (as a share of total liabilities and also in amount), while the decrease in monetary policy notes (mainly PDBC) and other monetary policy liabilities, particularly liquidity deposits, reflects the effect of the expiration of the FCIC2 on liabilities



²With the aim of neutralizing or sterilizing the monetary effects of credit expansion associated with the FCIC programs, the Central Bank issued PDBC, and with the end of the FCIC, the need to sterilize through PDBC also came to an end.

Changes in the Asset and Liability Composition of the CBC Balance Sheet (percent of total assets and liabilities)



As a result of the change in the asset-liability structure, there were changes in the composition of risk and in the income and expense structure. On the asset side, at year-end 2024, the growth in international reserves increased exposure to foreign currency assets, leaving the balance sheet more exposed to exchange rate fluctuations.

On the liability side, in addition to the reduction in the amount of PDBC's, the cost of issuing the notes also declined, especially in the second half of 2024, in line with the movement of the MPR. The lower cost of PDBC's, the higher gains on international reserves, and the depreciation of the peso were the main determinants of the evolution of the Bank's equity in the period.

Table 1.1
Central Bank Balance Sheet
 (billions of CLP and % of GDP, on 31 December of each year)

	Tasas de rentabilidad (%) (1)							
	2023 Balance	% PIB	2024 Balance	% GDB(2)	2023 Interest	Δ value	2024 Interest	Δ value
Assets	75,140	26,7	49,429	15,9	1,7	1,3	2,6	5,9
International reserves	41.003	14,5	44.071	14,1	2,6	3,6	3,1	6,9
Other assets with public sector	305	0,1	300	0,1	0,0	4,9	0,0	4,6
Monetary policy instruments (3)	0	0,0	751	0,2	2,9	0,0	6,1	0,0
Investments in local assets (4)	4,141	15	3,441	1,1	2,7	2,9	2,7	2,3
Credit to financial institutions (5)	28,931	10,3	0	0,0	0,5	0,0	0,5	0,0
Other	761	0,3	866	0,3	0,7	-66,6	4,2	49,3
Liabilities	78,414	27,8	50,108	16,1	7,4	0,2	4,3	0,2
Monetary base	16,791	6,0	18,079	5,8	0,0	0,0	0,1	0,0
Monetary policy notes (6)	40,850	14,5	22,742	7,3	10,6	0,0	6,9	0,0
Other monetary policy liabilities (7)	14,508	5,1	4,795	1,5	8,5	0,0	5,0	0,0
Current accts. and bank reserves in foreign	3,196	1,1	1,080	0,3	0,0	0,0	0,0	0,0
Treasury and other public sector deposits	0	0,0	30	0,0	2,9	0,0	8,5	0,0
Other	3,070	1,1	3,382	1,1	6,1	4,1	6,1	3,1
Equity	-3,274	-1,2	-678	-0,2				
Opening balance	813		-3,706					
Other reserves (10)	-311		-18					
Net result	-3,439		2,303					
Nonfinancial result	-126		-103					
Net interest (8)	-4,846		-1,159					
Changes in value (9)	1,534		3,565					
Capital contributions	0		0					

(1) Implied rates calculated from accounting records of the flow of income/expense (losses/gains from interest or changes in value) over average annual stocks or balances of asset and liability line items.

(2) Nominal GDP, as published in the CBC Statistical Database.

(3) Includes loans to banks guaranteed with risk-free documents (repos), liquidity lines in national currency, and swaps-

(4) Investments in bank bonds.

(5) Includes FCIC1, FCIC2 (FOGAPE), and FCIC3 credit lines.

(6) Includes PDBC and BCU.

(7) Commercial bank deposit lines in the overnight standing deposit facility and term liquidity deposits. The liquidity deposits guarantee the FCIC (note 5).

(8) Interest rate differential between assets and liabilities.

(9) Includes price-level restatements in domestic currency and the effect of exchange rate fluctuations on assets and liabilities in foreign currency.

(10) Corresponds to other comprehensive income. See the Statement of Changes in Equity in the 2024 Financial Statements.

Assets and Liabilities

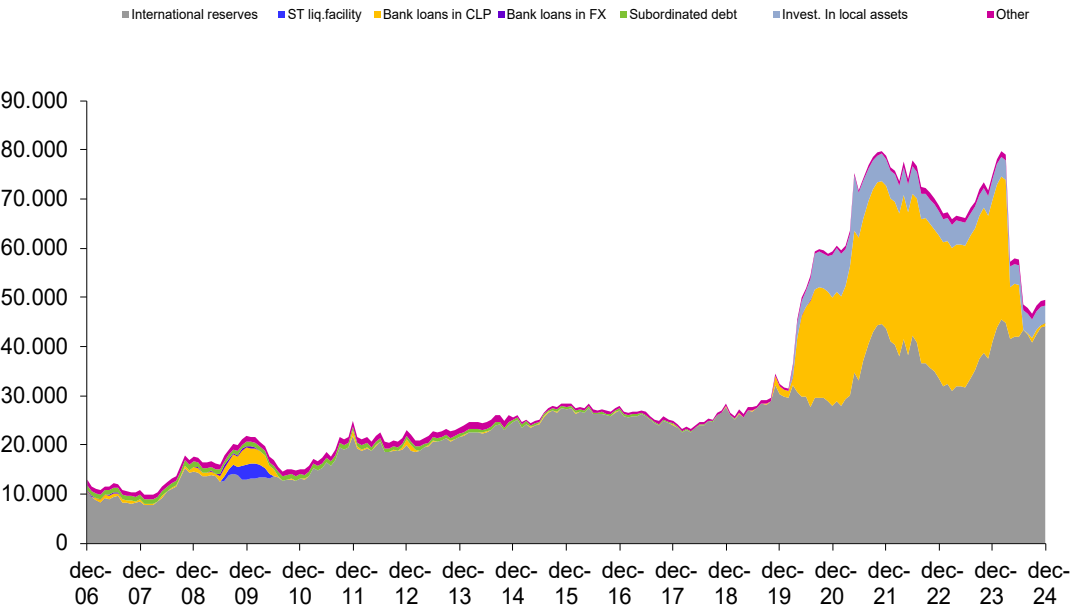
Measured in pesos, total assets decreased CLP 25,711 trillion. As a share of GDP, assets contracted from 26.7% in 2023 to 15.9% in 2024 (Table 1.1).

This contraction is mainly explained by the reduction in local currency assets due to the expiration of the FCIC programs (CLP 28,931 trillion), a decrease in the value of the bank bond portfolio due to the net effect of maturities and valuation at market prices (CLP 699 billion), a reduction in other assets with the public sector (CLP 5 billion), and an increase in monetary policy instruments (the standing liquidity facility) (CLP 751 billion).

In addition to the above, assets in foreign currency increased CLP 3,171 trillion. This mainly reflects an increase in international reserves of CLP 3,068 trillion due to valuation gains of CLP 5,183 trillion (CLP 1,382 trillion from interest and exchange rate fluctuations and CLP 3,801 trillion from the peso depreciation), offset by a reduction in the cash portfolio (current accounts and foreign currency reserves held by the commercial banks) and other flows (negative CLP 2,115 trillion). Finally, other foreign currency assets increased CLP 103 billion, mainly due to a higher valuation.

Figure 1.1
Central Bank of Chile Assets (Balances)

(billions of CLP)



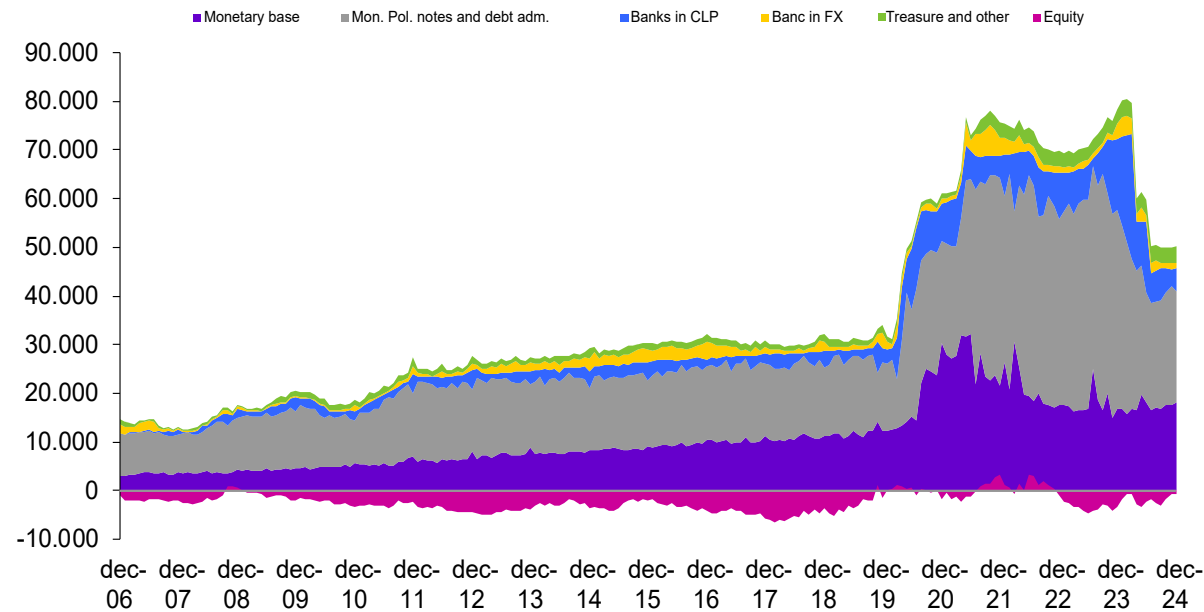
On the liability side (excluding equity), total liabilities decreased CLP 28.307 trillion in 2024 and, in relative terms, reached 16.1% of GDP (versus 27.8% in 2023). The contraction is mainly explained by a reduction in PDBC's following the closure of the FCIC program.

In accounting terms, short-term debt (PDBC) shrank CLP 18.108 trillion due to lower issues of these instruments, while other monetary policy liabilities decreased CLP 9.713 trillion (mainly due to the expiration of liquidity deposits used for FCIC collateral).

The monetary base, which is another component of CBC liabilities, increased CLP 1.287 billion. This reflects an increase in banknotes and coins in circulation (CLP 101 billion) and an increase in current accounts held by the commercial banks (CLP 1.186 trillion). Finally, foreign currency accounts and reserves decreased CLP 2.115 billion due to a reduction in the deposits held by the commercial banks.

Figure 1.2
Central Bank of Chile Liabilities (Balances)

(miles de millones de pesos)



Equity, in turn, reflected the evolution of assets and liabilities. At the close of the period, the Bank had negative equity of CLP 678 billion, reflecting an opening equity balance of negative CLP 3,706 trillion, other reserves of negative CLP 18 billion, and a net gain in 2024 of CLP 2.303 trillion.

The gain in 2024 is explained by an increase of CLP 3.565 trillion in the value of assets measured in foreign currency and UF (mainly due to the depreciation of the peso against the other currencies and the increase in the UF). This was offset by net interest payments of CLP 1.159 trillion, which are mainly associated with the PDBC issued by the CBC for the implementation of monetary policy; nonfinancial costs (mostly personnel and administrative expense) of CLP 103 billion; and currency issuance and distribution costs of CLP 100 billion.

Return on assets and the cost of liabilities

The average return on assets is determined by changes in interest rates and the income from bond coupons. In the case of the international reserves, these interest rates are associated with safe, highly liquid instruments, mainly sovereign bonds, which have lower yields than the local assets held by the CBC (bank bonds). The cost of liabilities, in turn, is primarily associated with the MPR and its expected trend, which affects the placement rate for Central Bank securities.

For the 2024 period, a negative differential of 1.7%, on average, was recorded between the interest rate effectively received on assets (2.6%) and the rate effectively paid on liabilities (4.3%) (Table 1.1). In the context of this measurement, international reserves contributed 2.27%, which is more than last year due to higher accrued interest.

In turn, investments in local assets contributed 0.07% to the return, somewhat lower than the previous year, which reflects the decrease in the stock of bank bonds due to maturities. Finally, the portfolio of loans to financial institutions (mainly related to the FCIC and standing liquidity facility) contributed 0.05% to the total return.

On the liability side, there was a reduction in interest paid, mainly due to the lower issuance cost of the PDBCs as a result of the lower MPR and lower average quantities issued in 2024. Thus, the contribution of the average interest rate paid and accrued associated with the cost of monetary policy notes to the total cost of liabilities was 3.05% (versus 6.21% in 2023), and that of other monetary policy liabilities (the standing deposit facility and liquidity deposits) was 0.91% (0.96% in 2023).

The change in the value of assets (Table 1.1) associated with foreign currency adjustments and changes in the value of financial instruments through buy/sell transactions was positive (5.9%), mainly explained by a 5.07% gain attributable to the valuation of foreign currencies relative to the peso and buy/sell transactions and a 0.16% gain in the bank bond portfolio due to the increase in the UF.

The change in the value of liabilities was also positive (0.2%), mainly due to nonfinancial expenses associated with personnel and administrative expenses and cash in circulation.

The total return on assets measured in pesos in 2024 was 8.6%, while the total cost of liabilities in the year was 4.5%. The positive rate differential between assets and liabilities caused an equity gain equivalent to CLP 2,406 trillion. In 2023, the rate differential was inverted, with a liability cost of 7.6% and a return on assets of 3%, which implied an equity loss equivalent to CLP 3,313 trillion.

Income and expense structure on the abridged balance sheet

At year-end 2024, the average nominal spot rate on the main assets (4.1%) was higher than the average nominal spot rate on the main liabilities (3.1%) (Table 1.2). This is the reverse of the negative differential at year-end 2023. It is mainly explained by the reduction in the cost of liabilities, largely related to the evolution of MPR and the lower stock of debt (mainly PDBC and liquidity deposits) relative to year-end 2023.

On the asset side, investments in national bonds denominated in local currency, with a higher yield than the MPR, contributed to raising the average rate. On the liability side, the average rate was mainly determined by the rate on debt placements (PDBC) and other bank deposits and liabilities (standing deposit facility and liquidity deposits) at rates in line with the MPR, and, to a lesser extent, by the monetary base, whose components do not earn interest and thus contribute to reducing the average rate on liabilities (Table 1.2).

Table 1.2
Income and expense structure on the abridged balance sheet
 (balance in billions of CLP, interest rate in %, duration in years; 31 December 2024)

Assets	Amount	Average rate	Average duration
International reserves	44,071	3.9	2.5
FCIC	751	4.8	0.0
Bank bonds (1)	3,441	6.2	1.8
Total assets		4.1	2.4

Liabilities	Monto	Average issue rate	Average duration
PDBC	22,655	5.0	0.0
BCU (1)	87	5.7	3.8
Standing deposit facility	4,795	5.3	0.0
Cash in circulation (2)	13,875	0.2	0.0
Fin. Inst. current accounts(2)	4,203	0.0	0.0
Total liabilities		3.1	0.02

(1) Considers a nominal rate equivalent to average expected inflation in 2024 (from the December 2024 IPOM) and a duration adjustment factor of 0.5 for UF-denominated bonds.
 (2) Components of the monetary base.
 Source: Central Bank of Chile.

Personnel and administrative expenses

These management-related expenses include personnel compensation and benefits; the use and consumption of goods and services; and other expenses necessary for carrying out the Bank’s activities (Table 1.3). On the comprehensive income statement, they are broken down as follows: (i) personnel and administrative expenses and (ii) other expenses and income. In 2024, of the total personnel and administrative expenses, personnel costs represented 62.1%; los administrative expenses, 33.3%; retirement benefits, 1.7%; and other expenses (income), 2.9%.

Table 1.3
Personnel, administrative, and other expenses
 Millions of CLP

Assets	2020	2021	2022	2023	2024
Personnel expenses	42.261	43.760	49.142	53.744	58.347
Administrative expenses	19.304	20.247	22.785	28.830	31.317
Provision for post-employment benefits	1.274	345	2.058	1.974	1.544
Other expenses (income)	1.347	6.011	20.354	-1.241	2.724
Total	64.186	70.363	94.339	83.307	93.932

Personnel expenses

Personnel expenses increased 8.6% in nominal term between 2023 and 2024. In 2024, the total staff grew to 779 people (755 in 2023). Professionals accounted for 85.4% of the total staff as of December 2024.

Administrative expenses

Administrative expenses increased 8.6% in 2024. This was mainly due to an increase in general services, offset by a decrease in the maintenance of fixed assets

External auditors

The second paragraph of Article 76 of the Basic Constitutional Act stipulates that the Central Bank’s financial statements must include an independent auditors’ opinion and that the Board is to appoint the auditors from among those registered with the Financial Market Commission (CMF). Through Board Resolution 2245-01 of 29 August 2019, the Board awarded the contract for professional auditing services to EY Servicios Profesionales de Auditoría y Asesorías SpA, for the 2020–2022 period; the contract can be automatically renewed annually in the 2023–2025 period.

Through Resolution 2676-01 dated 14 November 2024, the Board awarded the professional services contract to KPMG Auditores Consultores Limitada, for the period 2025-2027. The service contract includes an annual renewal clause for the 2028-2030 period.

9.2 Appendix 2: International Reserves

International reserves are liquid foreign currency assets held by the Central Bank of Chile (CBC). They are one of the policy tools available to the Bank to meet its primary objectives of safeguarding the stability of the currency and the normal functioning of internal and external payments. Under a floating exchange rate regime like the one in Chile, international reserves are used to provide liquidity in foreign currency, in order to achieve these two objectives.

The management of these reserves aims to guarantee secure, efficient access to international liquidity. Under the legal framework defined in the Basic Constitutional Act (BCA), the Board of the Central Bank of Chile establishes a strategic framework for international reserve management, in line with international recommendations and practices.

Subject to this framework, the investment policy is designed to ensure that at all times, the CBC has access to the necessary reserves to fulfill its objectives, within a short timeframe and at a reasonable cost. To achieve that, reserve management pursues two central objectives: capital preservation and liquidity. The investment policy also takes into account the potential impacts on the CBC's balance sheet.

Total international reserves are made up of the investment portfolio plus the cash portfolio (transaction account balances held by the Treasury, state-owned enterprises, and banks) and the other assets portfolio (IMF special drawing rights, or SDRs, certified gold, and other assets). The cash portfolio is allocated to covering expected funding requirements in the short term and is the preferred source for handling the daily funding requirements deriving from withdrawals from the foreign currency accounts maintained at the Central Bank by commercial banks and the public sector.

The following sections provide more details on the Bank's international reserve management.

Benchmark structure of the investment portfolio

The benchmark structure of the investment portfolio establishes the basic parameters that guide the currency composition, duration, credit risk distribution, types of instrument, and the respective benchmarks (indexes) used to guide and measure performance. This section outlines the benchmark structure of the investment portfolio in effect at year-end 20244 (Table 1). The benchmark includes two sub-portfolios: liquidity and diversification.

Table 1
Benchmark structure of the investment portfolio
 (values on 31 December 2024)

	Type		% Portfolio	% Sub-portfolio	Duration (months)	Benchmark indexes
Liquidity	USD	Nominal	60,0	100,0	1,9	Bloomberg-Barclays Global Aggregate-Treasury Bond Index (3)
	Total		60,0	100,0	1,9	
Diversification	USD	Indexed	14,0	35,0	4,6	Bloomberg-Barclays Global Inflation Linked Index (5)
	CNY	Nominal	6,0	15,0	4,2	Bloomberg-Barclays Global Aggregate-Treasury Bond Index (5)
	CAD	Nominal	6,0	15,0	2,3	Bloomberg-Barclays Global Aggregate-Treasury Bond Index (4)
	AUD	Nominal	5,0	12,5	2,8	Bloomberg-Barclays Global Aggregate-Treasury Bond Index (4)
	GBP	Indexed	3,0	7,5	5,8	Bloomberg-Barclays Global Inflation Linked Index (5)
	EUR (1)	Indexed	3,0	7,5	5,3	Bloomberg-Barclays Global Inflation Linked Index (5)
	KRW (2)	Nominal	3,0	7,5	4,2	Bloomberg-Barclays Global Aggregate-Treasury Bond Index (5)
Total			40,0	100,0	4,1	
Total			100,0		2,8	

(1) Only instruments from Germany, Spain, and France.
 (2) Only instruments issued by the Treasury of South Korea (ticker KTB)
 (3) Issues in the 1–3 year maturity tranche.
 (4) Issues in the 1–5 year maturity tranche.
 (5) Issues in the 1–10 year maturity tranche
 Source: Central Bank of Chile

⁴ In the year, the Board approved a change in the benchmark, which entered into effect on 01 June 2024.

The liquidity portfolio, which represents 60% of the investment portfolio, has the main objective of ensuring an adequate level of liquidity, and thus the investments must be easily convertible into cash in a short timeframe and at a reasonable cost, if necessary. The main objective of the diversification portfolio, which represents 40% of the investment portfolio, is to diversify the risks to which the investments are exposed, while maintaining adequate levels of liquidity.

Deviations of the investment portfolio from its benchmark are controlled through a risk budget, equivalent to an average monthly ex-ante tracking error⁵ of 40 basis points, which cannot exceed 50 basis points at any given time.

The investment portfolio has mechanisms for rebalancing the sub-portfolios to ensure that their relative size remains in line with the benchmark.

Benchmark structure of the cash portfolio

The investments in the cash portfolio match the currency and term structure of expected disbursements on the Bank's balance sheet. Through 14 November 2024, the benchmark for this portfolio was the Bloomberg Short-Term Bank Yield (BSBY) index provided by Bloomberg. On 15 November 2024, the benchmark was changed to the Overnight Bank Funding Rate (OBFR), also published by Bloomberg.

Portfolio performance in 2024

On 31 December, the investment portfolio stood at USD 39.2247 billion, while the cash portfolio held USD 1.1773 billion. Taking the sum of these two portfolios plus other assets (USD 4.0191 billion), total international reserves closed 2024 at USD 44.4211 billion.

⁵ The tracking error identifies the incremental risk incurred by a portfolio, relative to the benchmark, when it takes positions outside the benchmark. For the purposes of management, limits can be imposed on this incremental risk, and these limits are known as a risk budget.

The reserve balance was USD 1.9320 billion lower than at year-end 2023. The reduction is explained by a decrease of USD 2.5112 billion in the cash portfolio, which was partially offset by increases of USD 573.0 million in the investment portfolio and USD 6.1 million in the other assets portfolio.

The contraction in the cash portfolio (USD 2.5112 billion) was due to a reduction in dollar-denominated deposits held at the Central Bank by the commercial banks.

The increase in the value of the investment portfolio (USD 573.0 million) mainly reflects the positive performance of the liquidity portfolio in a context of falling short-term interest rates in the United States.

The composition of total reserves and the currency allocation of the investment portfolio are given in Tables 2 and 3, respectively.

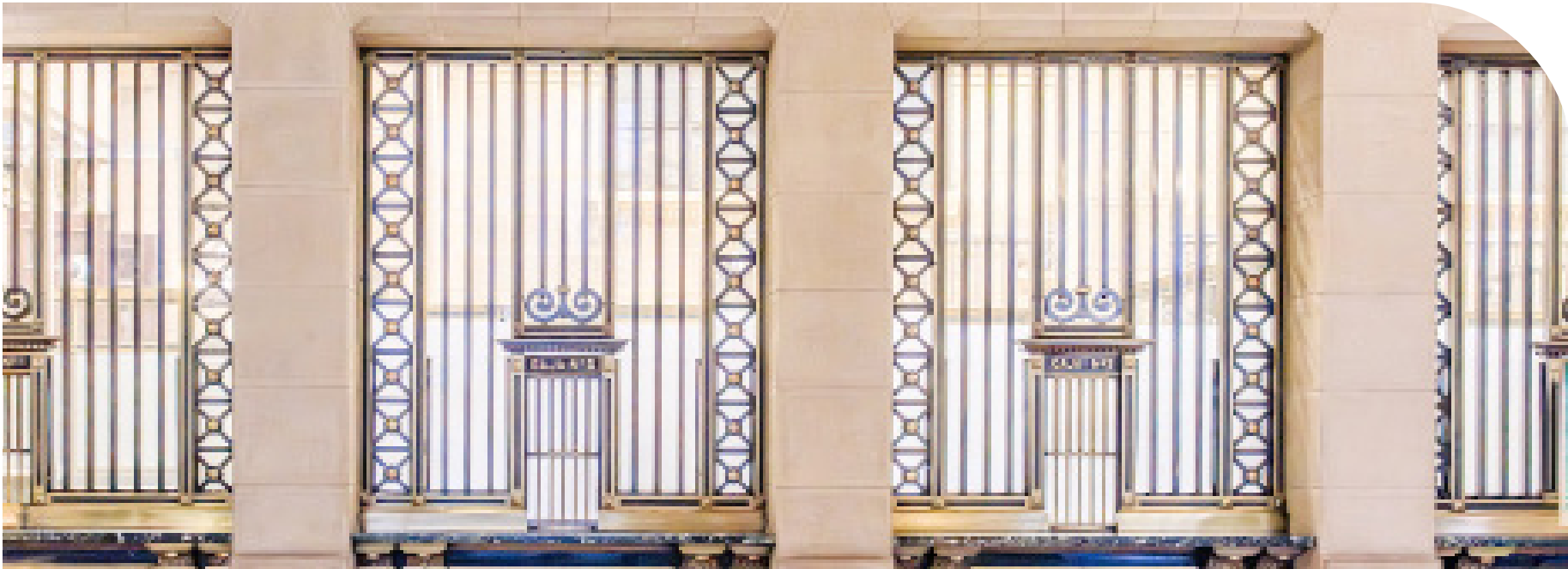


Table 2
Composition of international reserves
(millions of USD)

PORTFOLIO	CURRENCY	2023		2024	
		DEC.	%	DEC.	%
Investment portfolio		38.651,7	83,4%	39.224,7	88,3%
Currencies and deposits	U.S. dollar	1.102,6	2,4%	148,3	0,3%
	Canadian dollar	0,0	0,0%	0,7	0,0%
	Australian dollar	0,1	0,0%	468,2	1,1%
	Euro	0,5	0,0%	0,4	0,0%
	Other	227,5	0,5%	3,6	0,0%
Securities	U.S. dollar	29.042,0	62,7%	29.096,9	65,5%
	Canadian dollar	0,0	0,0%	2.315,7	5,2%
	Australian dollar	1.189,8	2,6%	1.417,0	3,2%
	Euro	1.952,7	4,2%	1.135,2	2,6%
	Other	5.136,3	11,1%	4.638,6	10,4%
Totales	U.S. dollar	30.144,7	65,0%	29.245,2	65,8%
	Canadian dollar	0,0	0,0%	2.316,4	5,2%
	Australian dollar	1.190,0	2,6%	1.885,2	4,2%
	Euro	1.953,2	4,2%	1.135,6	2,6%
	Other	5.363,8	11,6%	4.642,3	10,5%
Cash portfolio		3.688,5	8,0%	1.177,3	2,7%
Currencies and deposits	U.S. dollar.	3.688,5	8,0%	1.177,3	2,7%
Other assets		4.012,9	8,7%	4.019,1	9,0%
Monetary gold	Other	16,5	0,0%	20,8	0,0%
IMF SDRs	Other	3.352,6	7,2%	3.412,7	7,7%
IMF reserve position	Other	642,9	1,4%	585,1	1,3%
Currencies and deposits	U.S. dollar	0,9	0,0%	0,5	0,0%
Total international reserves		46.353,1	100,0%	44.421,1	100,0%
	U.S. dollar	33.834,1	73,0%	30.423,0	68,5%
	Canadian dollar	0,0	0,0%	2.316,4	5,2%
	Australian dollar	1.190,0	2,6%	1.885,2	4,2%
	Euro	1.953,2	4,2%	1.135,6	2,6%
	Other	9.375,9	20,2%	8.660,9	19,5%

Source: Central Bank of Chile

Table 3
Investment portfolio: Investments by currency (1)
 (percentage on 31 December 2024)

Currency	Share (2)
United States dollar	74.6%
Chinese Renminbi	6.1%
Canadian dollar	5.9%
Australian dollar	4.8%
Pound sterling	2.9%
Euro	2.9%
South Korean won	2.8%
Other (3)	0.0%
Total	100%

(1) Excluding the cash and other assets portfolios.
 (2) The share includes currency forwards.
 (3) Includes JPY, CHF, PLN, MYR, NZD, NOK, SGD, DKK, SEK, and CZK.
 Source: Central Bank of Chile

Risk management

International reserve management includes criteria for limiting liquidity, credit, market, and operational risk.

To reduce liquidity risk, the Bank manages a portfolio composed mainly of fixed-income instruments traded in deep and highly liquid secondary markets (60% of the benchmark considers nominal U.S. Treasury bonds, the most liquid asset on the market). Investments in bank deposits are mainly limited to the cash portfolio (primarily overnight deposits).

With regard to credit risk, limits are applied to bank, sovereign, supranational, and agency (external financial institution) risk, as well as to the counterparties used (Tables 4 and 5).

The investment guidelines establish other criteria and restrictions as complementary measures to limit credit risk, including eligibility criteria for issuers, operations, and intermediaries and rules on the treatment of derivatives.

Table 4
Composition of international reserves by credit risk (1) (2) (3) (4)
 (percentage on 31 December 2024)

Type of credit risk	Risk rating							TOTAL
	AAA	AA+	AA	AA-	A+	A	A-	
Sovereign	8.3	68.8	3.2	4.4	5.7	0.2	1.5	92.1
Supranational	3.1	0.1	0.2	0.4	—	—	—	3.7
Agency	0.3	1.1	0.5	0.1	—	—	—	2.1
Bank	0.7	0.0	0.0	0.8	0.4	0.0	0.0	2.0
Government-related	—	—	0.1	0.0	—	—	—	0.1
Total	12.4	70.1	4.0	5.8	6.1	0.2	1.5	100

(1) Bank risk is related to investment in banks’ financial instruments (deposits) and in Chinese policy bank bonds. Sovereign risk is related to investment in instruments from sovereign states (bills, nominal bonds). Agency risk is associated with investment in instruments from German and South Korean government agencies. Supranational risk is associated with investment in instruments from an official multilateral issuer (deposits, bills, and nominal bonds).
 (2) For sovereign risk, the credit rating corresponds to the average rating from Fitch, Moody’s, Standard and Poor’s, and Dominion Bond Rating Service.
 (3) For agency, bank, and supranational risk, the credit rating corresponds to the average rating from Fitch, Moody’s and Standard and Poor’s.
 (4) Including the cash portfolio; excluding the other assets portfolio.
 Source: Central Bank of Chile.

Table 5
Current deposits
(millions of USD)

Financial institutions with outstanding deposits on 31 Dec 2024 (1) (2)		
AAA, AA+, AA, AA-	Zürcher Kantonalbank	
	Raiffeisen Schweiz	
	DZ Bank AG	
	Bank of Montreal	
	National Australia Bank Ltd	
	First Abu Dhabi Bank	
Category average		103

(1) Includes the internally managed investment portfolio and the cash portfolio.
(2) Includes balances held in interest-bearing accounts.
Source: Central Bank of Chile

Market risk is contained through the diversification of investment currencies, instruments, and maturities, based on a risk budget to control deviations from the benchmark. In 2024, the average daily value at risk (VaR6) of the internally managed investment portfolio was 5.34% (7.61% in 2023). The average tracking error was 20.2 basis points.

Operational risk is controlled through the separation of functions and responsibilities at the institutional and hierarchical levels, the application of efficient controls to mitigate it, and the use of computer applications that adhere to market quality standards. Initiatives were carried out to improve the standards of operational continuity, and a contingency unit was maintained to guarantee the operational continuity of both the international reserves and the sovereign wealth funds in the event of problems with the physical or technological infrastructure of the Central Bank building.

⁶ The VaR is based on a parametric model with an annualized daily horizon, a confidence level of 95%, and an exponential decay factor of 0.94.

Results

In 2024, the total return on reserves was 3.28% measured in currency of origin of the investments, versus 1.65% measured in U.S. dollars. The return differential relative to the benchmark structure was –23 basis points (Table 6).

Table 6
Absolute returns on international reserves and the benchmark (1) (2)
(percentage)

Period	In currency of origin			In U.S.		
	Int. Rest	BMK	Differential (2)	Int.Rest	BMK	Differential (2)
2024	3.28	3.48	–0.20	1.65	1.88	–0.23
2023	4.28	4.34	–0.07	4.47	4.59	–0.12
2022	–4.18	–4.34	0.16	–5.80	–5.94	0.13
2021	0.58	0.52	0.06	–0.13	–0.04	–0.09
2020	2.42	2.39	0.02	5.64	5.63	0.02
2019	5.67	6.25	–0.57	5.39	6.09	–0.70
2018	1.70	1.66	0.04	–0.35	–0.32	–0.03
2017	0.77	0.62	0.15	4.17	4.06	0.11
2016	0.90	0.90	0.00	0.13	0.17	–0.04
2015	0.73	0.90	–0.17	–3.74	–3.58	–0.16
Average	1.61	1.67	–0.06	1.14	1.25	–0.11

(1) Excluding monetary gold, special drawing rights, IMF reserve position, reciprocal credit agreements, and other reserve asset.

(2) The benchmarks were adjusted significantly in 2019, 2021, and 2024. The returns presented in the table do not consider the waiver periods granted for the implementation of the adjustments.

Source: Central Bank of Chile.

External portfolio management program

At year-end 2023, a portion of the investment portfolio was managed by two external managers: Allianz Global Investors and BNP Paribas Asset Management. The firms were brought on in November 2021, with a mandate of USD 600 million each. Both firms manage a mandate with a benchmark investment structure equivalent to the internally managed portfolio.

The objectives of the external portfolio management program are to provide an active benchmark for the internally managed portfolio, to increase the value of the international reserve portfolio, and to facilitate the transference of knowledge, technology, and international best practices in portfolio management.

Securities lending program

In the period, a securities lending program was maintained with the Bank's international reserve custodians, J.P. Morgan Chase Bank N.A. and State Street Bank and Trust Company. This consists in lending instruments (bonds) owned by the Bank to primary dealers, who must put up collateral equivalent to 102 or 105% of the value of the instrument being loaned, as contractually established. The contractual relationship with the lending agent (the custodian) incorporates a clause stipulating that in the event of default by the debtor, the custodian will be responsible for the totality of the positions loaned.

In 2024, this program generated income for the Bank equivalent to 1.5 basis points of the total investment portfolio.



INTEGRATED ANNUAL REPORT

