

## BANCO DE CHILE

As of 12/31/99

English

## FINANCIAL STATEMENTS

Source: S.B.I.F.

<u>ASSETS</u>	Dec-99 M\$	Dec-98 M\$	Dec-97 M\$	Dec-99 USD	Dec-98 USD	Dec-97 USD	Var 00/99
Caja	67.005.752	45.539.932	47.388.217	-	-	-	-
Depositos en el banco central	19.389.421	73.768.860	72.792.301	-	-	-	-
Documentos a cargo de otros bancos (canje)	178.921.044	272.037.764	104.924.205	-	-	-	-
Depositos en bancos comerciales y Bco. del Estado	61.219	11.793	3.099.221	-	-	-	-
Depositos en el exterior	17.967.534	26.392.054	8.503.581	-	-	-	-
CASH AND DUE FROM BANKS	283.344.971	417.750.403	236.707.525	534.542.552	861.887.208	503.660.440	-38,0%
<b>LOANS</b>							
Commercial loans	1.269.317.517	1.251.257.707	1.173.197.828	2.394.622.441	2.581.548.701	2.496.301.436	-7,2%
Foreign trade loans	262.138.922	247.138.315	261.403.851	494.536.424	509.886.647	556.208.674	-3,0%
Consumer loans	171.663.976	179.921.556	189.408.628	323.851.521	371.207.510	403.019.012	-12,8%
Mortgage loans	681.721.382	657.542.098	662.486.681	1.286.096.897	1.356.616.579	1.409.622.840	-5,2%
Leasing loans	177.782.946	-	-	335.395.222	-	-	-
Contingent loans	238.195.673	259.912.768	342.176.758	449.366.448	536.242.427	728.075.276	-16,2%
Other loans	254.275.272	191.152.137	135.456.009	479.701.308	394.378.031	288.219.958	21,6%
Past due loans	37.433.688	26.982.816	19.276.351	70.620.273	55.669.950	41.015.744	26,9%
Total loans	3.092.529.377	2.813.907.398	2.783.406.105	5.834.190.535	5.805.549.846	5.922.462.942	0,5%
Less: Allowance for loan losses	(68.407.293)	(49.325.987)	(40.527.495)	(129.053.319)	(101.767.556)	(86.233.405)	26,8%
Total loans, net	3.024.122.084	2.764.581.410	2.742.878.610	5.705.137.216	5.703.782.290	5.836.229.537	0,0%
<b>OTHER CREDIT OPERATIONS</b>							
Loans to financial institutions	-	1.303.306	3.402.443	-	2.688.934	7.239.635	-100,0%
Brokerage credits	2.156.722	-	737.488	4.068.750	-	1.569.208	-
Total other credit operations	2.156.722	1.303.306	4.139.931	4.068.750	2.688.934	8.808.843	51,3%
<b>INVESTMENTS</b>							
Banco Central de Chile and Treasury notes	526.404.594	470.920.927	402.960.685	993.085.054	971.586.669	857.409.820	2,2%
Other financial investments	206.199.876	173.228.130	138.731.909	389.004.991	357.397.881	295.190.338	8,8%
Brokerage notes	75.809.651	31.373.783	82.384.044	143.018.188	64.729.231	175.294.738	120,9%
Banco Central de Chile deposits	-	-	-	-	-	-	-
Leasing assets	18.639.299	-	-	35.163.844	-	-	-
Assets received or awarded in payment of loans	1.480.178	3.154.960	1.923.947	2.792.420	6.509.197	4.093.727	-57,1%
Other non financial investments	37.722	4.930	2.887.425	71.164	10.171	6.143.793	599,7%
Total investments	828.571.320	678.682.729	628.888.010	1.563.135.661	1.400.233.148	1.338.132.416	11,6%
Total other assets	91.825.647	63.294.827	44.477.048	173.233.058	130.587.550	94.637.167	32,7%
<b>FIXED ASSETS</b>							
Property, premises, and equipment	78.158.845	78.102.796	77.371.828	147.450.044	161.138.806	164.629.869	-8,5%
Investments in subsidiaries	20.053.997	39.107.668	40.385.044	37.832.733	80.685.496	85.930.303	-53,1%
Total fixed assets	98.212.842	117.210.464	117.756.872	185.282.777	241.824.302	250.560.171	-23,4%
<b>TOTAL ASSETS</b>	<b>4.328.233.586</b>	<b>4.042.823.140</b>	<b>3.774.847.997</b>	<b>8.165.400.015</b>	<b>8.341.003.431</b>	<b>8.032.028.575</b>	<b>-2,1%</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>							
<b>DEPOSITS AND OTHER LIABILITIES</b>							
Demand deposits	484.777.384	446.849.315	476.012.213	914.553.520	921.923.008	1.012.847.061	-0,8%
Deposits and certificates of deposits	1.864.215.446	1.690.639.920	1.391.803.079	3.516.923.134	3.488.065.861	2.961.444.305	0,8%
Others demand and time deposit	165.275.205	224.840.558	78.918.353	311.798.828	463.882.738	167.920.527	-32,8%
Brokerage obligations	76.576.181	31.607.071	85.518.379	144.464.281	65.210.541	181.963.900	121,5%
Mortgage bond obligations	713.622.797	680.090.142	686.135.449	1.346.280.298	1.403.136.871	1.459.942.105	-4,1%
Contingent liabilities	238.602.593	259.192.496	341.496.103	450.134.120	534.756.387	726.626.995	-15,8%
Total deposits and other liabilities	3.543.069.607	3.333.219.503	3.059.883.576	6.684.154.181	6.876.975.407	6.510.744.893	-2,8%
<b>BONDS LIABILITIES</b>							
Bonds liabilities	1.034.961	-	-	1.952.499	-	-	-
Subordinated bond	74.825.417	43.787.228	38.255.740	141.161.387	90.340.193	81.399.621	56,3%
Total obligaciones por bonos	75.860.378	43.787.228	38.255.740	143.113.886	90.340.193	81.399.621	58,4%
<b>BORROWINGS FROM FINANCIAL INSTITUTIONS AND BANCO CENTRAL DE CHILE</b>							
Credit lines for renegotiation of loans with Banco central de Chile	3.226.526	4.102.628	7.828.010	6.086.982	8.464.390	16.656.247	-28,1%
Other liabilities with Banco Central de Chile	-	-	97.486	-	-	207.429	-
Domestic financial institutions borrowings	4.501.760	43.618.618	39.108.071	8.492.765	89.992.321	83.213.189	-90,6%
Foreign borrowings	209.822.850	191.465.922	186.520.229	395.839.889	395.025.421	396.873.148	0,2%
Other liabilities	39.592.792	27.948.525	24.656.947	74.693.516	57.662.365	52.464.444	29,5%
Total borrowings from financial institutions	257.143.928	267.135.693	258.210.743	485.113.151	551.144.498	549.414.457	-12,0%
Total other liabilities	56.677.097	28.600.622	27.737.861	106.923.796	59.007.747	59.019.936	81,2%
<b>TOTAL LIABILITIES</b>	<b>3.932.751.009</b>	<b>3.672.743.046</b>	<b>3.384.087.919</b>	<b>7.419.305.014</b>	<b>7.577.467.845</b>	<b>7.200.578.907</b>	<b>-2,1%</b>
<b>VOLUNTARY ALLOWANCE FOR LOANS LOSSES</b>	<b>29.117.419</b>	<b>28.152.107</b>	<b>28.018.134</b>	<b>54.931.272</b>	<b>58.082.388</b>	<b>59.616.294</b>	<b>-5,4%</b>
<b>STOCK HOLDERS' EQUITY</b>							
Capital and reserves	304.145.586	287.775.631	286.065.995	573.783.814	593.728.056	608.684.176	-3,4%
Other equity accounts	(1.873.357)	(10.745.343)	-	(3.534.169)	(22.169.394)	-	-84,1%
Income for the period	64.092.928	64.897.699	76.675.950	120.914.083	133.894.537	163.149.197	-9,7%
Total stockholders' equity	366.365.158	341.927.987	362.741.944	691.163.729	705.453.199	771.833.373	-2,0%
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>4.328.233.586</b>	<b>4.042.823.140</b>	<b>3.774.847.997</b>	<b>8.165.400.015</b>	<b>8.341.003.431</b>	<b>8.032.028.574</b>	<b>-2,1%</b>

<u>STATEMENTS OF INCOME</u>	Jan-99 a Dec-99 M\$	Jan-98 a Dec-98 M\$	Jan-97 a Dec-97 M\$	Jan-99 a Dec-99 USD	Jan-98 a Dec-98 USD	Jan-97 a Dec-97 USD	Var 00/99
<b>OPERATING INCOME:</b>							
Interest and readjustment earned	396.104.141	462.218.235	423.495.208	747.267.608	953.631.597	901.102.671	-21,6%
Gains on brokerage operations	12.616.833	6.192.633	6.191.448	23.802.202	12.776.412	13.174.010	86,3%
Income from commissions	35.204.929	32.713.805	29.014.681	66.415.623	67.493.914	61.736.724	-1,6%
Net gain on foreign exchange	2.582.772	7.203.261	1.115.135	4.872.510	14.861.503	2.372.756	-67,2%
Other operating income	4.717.920	3.732.833	6.572.580	8.900.561	7.701.444	13.984.974	15,6%
Total operating income	451.226.595	512.060.768	466.389.052	851.258.504	1.056.464.870	992.371.135	-19,4%
Less:							
Interest and readjustment expensed	(232.425.853)	(302.292.068)	(256.922.178)	(438.481.433)	(623.677.833)	(546.672.680)	-29,7%
Loss on brokerage operations	(899.131)	(3.479.153)	(4.183.500)	(1.696.249)	(7.178.061)	(8.901.548)	-76,4%
Commission expenses	(6.130.345)	(6.015.416)	(5.771.267)	(11.565.161)	(12.410.785)	(12.279.961)	-6,8%
Net loss on foreign exchange							
Other operating expenses	(2.125.174)	(442.401)	(324.386)	(4.009.232)	(912.745)	(690.220)	339,3%
Gross operating income	209.646.092	199.831.730	199.187.721	395.506.428	412.285.446	423.826.725	-4,1%
Salaries, wages, and other personnel expenses	(63.451.367)	(63.434.171)	(61.956.284)	(119.703.750)	(130.875.040)	(131.829.056)	-8,5%
Administrative and other expenses	(42.529.099)	(41.008.084)	(41.088.901)	(80.232.985)	(84.606.365)	(87.427.951)	-5,2%
Depreciation and amortization	(8.132.399)	(8.139.879)	(7.475.413)	(15.342.123)	(16.793.898)	(15.906.000)	-8,6%
Net operating income	95.533.228	87.249.595	88.667.122	180.227.570	180.010.142	188.663.719	0,1%
Allowance for loan and investment losses	(42.650.667)	(29.445.010)	(19.304.206)	(80.462.329)	(60.749.858)	(41.075.015)	32,4%
Recovery of loans written off	7.130.146	10.933.624	10.342.732	13.451.330	22.557.850	22.007.009	-40,4%
Operating income	60.012.708	68.738.209	79.705.648	113.216.571	141.818.135	169.595.714	-20,2%
<b>NON OPERATING RESULTS</b>							
Non operating income	5.467.177	4.149.741	7.229.008	10.314.067	8.561.593	15.381.705	20,5%
Non operating expenses	(9.363.788)	(3.153.642)	(1.154.332)	(17.665.191)	(6.506.477)	(2.456.159)	171,5%
income from foreign branches	12.439.294	1.628.410	-	23.467.267	3.359.675	-	598,5%
Earnings from subsidiary investments	453.737	3.659.708	6.931.934	855.994	7.550.575	14.749.598	-88,7%
Price-level restatement	(4.515.688)	(6.649.187)	(11.442.798)	(8.519.041)	(13.718.356)	(24.347.704)	-37,9%
Surplus before income taxes	64.493.440	68.373.240	81.269.460	121.669.666	141.065.144	172.923.154	-13,7%
Income taxes	1.278.207	(2.186.457)	(177.414)	2.411.392	(4.511.017)	(377.498)	-153,5%
Surplus	65.771.647	66.186.783	81.092.045	124.081.059	136.554.126	172.545.656	-9,1%
Voluntary loan loss allowance	(1.678.719)	(1.289.083)	(4.416.096)	(3.166.975)	(2.659.589)	(9.396.460)	19,1%
<b>INCOME FOR THE PERIOD</b>	<b>64.092.928</b>	<b>64.897.699</b>	<b>76.675.950</b>	<b>120.914.083</b>	<b>133.894.537</b>	<b>163.149.196</b>	<b>-9,7%</b>
<u>COMPANY INDEX</u>							
ROA = Income for the period/Total loans	2,07%	2,31%	2,75%				
ROE = Income for the period/Total stockholders' equity	17,5%	19,0%	21,1%				
Leverage=(Total Liabilities)/Total stockholders' equity	10,7	10,7	9,3				
Efficiency = (Gross Op Income-Net Op Income)/Gross Op Income	0,54	0,56	0,55				
Allowance(from balance)=Allowance/Tot Loans	2,2%	1,8%	1,5%				
Allowance(expenses)=Allowance/Tot Loans	1,4%	1,0%	0,7%				
Past due loans = Past due loans/Tot Loans	1,2%	1,0%	0,7%				
Allowance expenses (1)	(19.081.306)	(8.798.492)					
Loan loss expenses (2)	(23.569.361)	(20.646.518)					
(1)+(2)	(42.650.667)	(29.445.010)					
<u>INDUSTRY INDEX</u>							
ROA = Income for the period/Total loans	1,06%	1,25%	1,40%				
ROE = Income for the period/Total stockholders' equity	8,6%	10,4%	12,0%				
Leverage=(Total Liabilities)/Total stockholders' equity	10,8	11,1	11,2				
Efficiency = (Gross Op Income-Net Op Income)/Gross Op Income	0,59	0,60	0,64				
Allowance(from balance)=Allowance/Tot Loans	2,6%	2,0%	1,5%				
Allowance(expenses)=Allowance/Tot Loans	2,1%	1,7%	1,1%				
Past due loans = Past due loans/Tot Loans	1,7%	1,5%	1,0%				
Allowance expenses (1)	(175.876.036)	(135.539.036)					
Loan loss expenses (2)	(357.297.060)	(266.999.317)					
(1)+(2)	(533.173.096)	(402.538.353)					
<u>Exchange rate and CPI</u>							
US\$/S= exchange rate of Chilean peso to US\$1, end of year	530,07	472,41	439,18				
CPI=consumer price index for the year	2,6%	4,3%	6,3%				
UF/\$	15.066,96	14.685,39	14.096,93				