

<u>ASSETS</u>	Dec-99 M\$	Dec-98 M\$	Dec-97 M\$	Dec-99 USD	Dec-98 USD	Dec-97 USD	Var 00/99
CASH AND DUE FROM BANKS	64.093.335	77.211.015	44.552.057	120.914.851	159.298.916	94.796.769	-24,1%
LOANS							
Commercial loans	390.302.929	362.581.024	308.517.653	736.323.370	748.063.781	656.456.262	-1,6%
Foreign trade loans	81.631.817	63.922.805	68.328.672	154.001.957	131.883.170	145.388.064	16,8%
Consumer loans	1.729.953	1.084.634	1.279.844	3.263.631	2.237.776	2.723.221	45,8%
Mortgage loans	529.456	-	-	998.841	-	-	-
Leasing loans	-	-	-	-	-	-	-
Contingent loans	55.290.871	69.790.290	76.895.503	104.308.622	143.988.750	163.616.358	-27,6%
Other loans	45.220.947	47.821.016	54.356.208	85.311.274	98.662.554	115.657.801	-13,5%
Past due loans	1.840.299	1.406.300	400.487	3.471.804	2.901.427	852.147	19,7%
Total loans	576.546.272	546.606.069	509.778.369	1.087.679.499	1.127.737.459	1.084.693.854	-3,6%
Less: Allowance for loan losses	(4.798.782)	(5.418.555)	(3.853.876)	(9.053.110)	(11.179.363)	(8.200.181)	-19,0%
Total loans, net	571.747.490	541.187.514	505.924.493	1.078.626.390	1.116.558.097	1.076.493.673	-3,4%
OTHER CREDIT OPERATIONS							
Loans to financial institutions	-	-	3.854.043	-	-	8.200.537	-
Brokerage credits	-	7.645.275	-	-	15.773.449	-	-100,0%
Total other credit operations	-	7.645.275	3.854.043	-	15.773.449	8.200.537	-100,0%
INVESTMENTS							
Banco Central de Chile and Treasury notes	23.554.824	10.456.111	16.992.095	44.437.196	21.572.663	36.155.362	106,0%
Other financial investments	36.744.617	55.592.259	34.711.198	69.320.311	114.695.896	73.857.632	-39,6%
Brokerage notes	6.856.267	32.967.463	63.986.617	12.934.644	68.017.252	136.149.148	-81,0%
Banco Central de Chile deposits	-	-	7.059.729	-	-	15.021.517	-
Leasing assets	-	-	-	-	-	-	-
Assets received or awarded in payment of loans	1.524.934	239.195	105.008	2.876.854	493.497	223.433	-
Other non financial investments	-	-	-	-	-	-	-
Total investments	68.680.642	99.255.028	122.854.647	129.569.005	204.779.309	261.407.092	-36,7%
Total other assets	9.153.879	9.359.534	2.165.479	17.269.188	19.310.245	4.607.652	-10,6%
FIXED ASSETS							
Property, premises, and equipment	11.502.913	9.845.381	8.267.005	21.700.743	20.312.627	17.590.329	6,8%
Investments in subsidiaries	12.186.114	10.949.689	11.697.659	22.989.632	22.590.993	24.889.990	1,8%
Total fixed assets	23.689.027	20.795.070	19.964.663	44.690.374	42.903.620	42.480.319	4,2%
TOTAL ASSETS	737.364.373	755.453.435	699.315.382	1.391.069.808	1.558.623.635	1.487.986.042	-10,8%
<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>							
DEPOSITS AND OTHER LIABILITIES							
Demand deposits	27.862.017	20.201.730	23.786.947	52.562.901	41.679.464	50.613.281	26,1%
Deposits and certificates of deposits	432.550.023	406.050.482	347.699.715	816.024.342	837.748.361	739.826.888	-2,6%
Others demand and time deposit	33.460.864	40.798.344	21.157.681	63.125.368	84.173.638	45.018.793	-25,0%
Brokerage obligations	6.959.801	33.912.198	64.154.456	13.129.966	69.966.395	136.506.270	-81,2%
Mortgage bond obligations	529.456	-	-	998.841	-	-	-
Contingent liabilities	55.169.132	69.730.159	76.658.948	104.078.956	143.864.690	163.113.021	-27,7%
Total deposits and other liabilities	556.531.293	570.692.914	533.457.747	1.049.920.375	1.177.432.548	1.135.078.253	-10,8%
BONDS LIABILITIES							
Bonds liabilities	6.657.372	6.810.421	6.960.041	12.559.421	14.051.009	14.809.404	-10,6%
Subordinated bond	22.340.553	22.201.048	22.079.391	42.146.420	45.804.383	46.979.984	-8,0%
Total obligaciones por bonos	28.997.925	29.011.469	29.039.432	54.705.841	59.855.391	61.789.388	-8,6%
BORROWINGS FROM FINANCIAL INSTITUTIONS AND BANCO CENTRAL DE CHILE							
Credit lines for renegotiation of loans with Banco central de Chile	-	-	-	-	-	-	-
Other liabilities with Banco Central de Chile	1.187.093	1.233.884	-	2.239.503	2.545.705	-	-12,0%
Domestic financial institutions borrowings	5.009.450	12.892.375	21.461.947	9.450.544	26.599.071	45.666.203	-64,5%
Foreign borrowings	38.854.614	41.916.700	35.525.720	73.300.912	86.480.988	75.590.751	-15,2%
Other liabilities	24.591.118	22.774.429	17.329.500	46.392.208	46.987.361	36.873.282	-1,3%
Total borrowings from financial institutions	69.642.275	78.817.388	74.317.166	131.383.167	162.613.125	158.130.236	-19,2%
Total other liabilities	18.015.261	15.615.867	11.401.294	33.986.570	32.218.080	24.259.392	5,5%
TOTAL LIABILITIES	673.186.755	694.137.637	648.215.640	1.269.995.953	1.432.119.143	1.379.257.269	-11,3%
VOLUNTARY ALLOWANCE FOR LOANS LOSSES	507.105	94.796	246.917	956.675	195.579	525.385	389,1%
STOCK HOLDERS' EQUITY							
Capital and reserves	55.089.192	55.078.454	42.953.726	103.928.145	113.635.833	91.395.880	-8,5%
Other equity accounts	72.513	633.987	-	136.798	1.308.018	-	-89,5%
Income for the period	8.508.809	5.508.562	7.899.099	16.052.237	11.365.062	16.807.509	41,2%
Total stockholders' equity	63.670.514	61.221.003	50.852.825	120.117.180	126.308.912	108.203.389	-4,9%
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	737.364.373	755.453.435	699.315.382	1.391.069.808	1.558.623.635	1.487.986.042	-10,8%

BANCO SECURITY

As of 12/31/99

English

FINANCIAL STATEMENTS

Source: S.B.I.F.

<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
OPERATING INCOME:							
Interest and readjustment earned	63.700.607	79.772.527	66.718.069	120.173.952	164.583.733	141.961.064	-27,0%
Gains on brokerage operations	1.482.977	1.846.485	1.175.782	2.797.701	3.809.599	2.501.800	-26,6%
Income from commissions	1.497.210	1.159.073	1.134.621	2.824.551	2.391.356	2.414.219	18,1%
Net gain on foreign exchange	2.153.678	2.767.673	1.400.419	4.063.007	5.710.160	2.979.778	-28,8%
Other operating income	88.220	652.079	10.700	166.432	1.345.346	22.766	-87,6%
Total operating income	68.922.692	86.197.837	70.439.592	130.025.642	177.840.194	149.879.628	-26,9%
Less:							
Interest and readjustment expensed	(44.868.081)	(64.203.546)	(51.877.316)	(84.645.578)	(132.462.385)	(110.383.276)	-36,1%
Loss on brokerage operations	(158.232)	(2.261.885)	(1.078.458)	(298.512)	(4.666.637)	(2.294.715)	-93,6%
Commission expenses	(37.574)	(24.490)	(65.093)	(70.884)	(50.527)	(138.504)	40,3%
Net loss on foreign exchange							
Other operating expenses	(149.095)	(245.601)	(52.017)	(281.273)	(506.714)	(110.681)	-44,5%
Gross operating income	23.709.711	19.462.316	17.366.707	44.729.395	40.153.931	36.952.451	11,4%
Salaries, wages, and other personnel expenses	(6.554.784)	(5.655.365)	(5.219.896)	(12.365.883)	(11.667.941)	(11.106.765)	6,0%
Administrative and other expenses	(4.821.687)	(3.934.491)	(3.605.115)	(9.096.322)	(8.117.497)	(7.670.875)	12,1%
Depreciation and amortization	(726.521)	(758.539)	(659.100)	(1.370.613)	(1.564.989)	(1.402.416)	-12,4%
Net operating income	11.606.719	9.113.920	7.882.597	21.896.577	18.803.504	16.772.396	16,4%
Allowance for loan and investment losses	(4.663.291)	(3.407.691)	(528.709)	(8.797.500)	(7.030.621)	(1.124.973)	25,1%
Recovery of loans written off	33.006	262	6.653	62.268	540	14.155	
Operating income	6.976.434	5.706.491	7.360.541	13.161.345	11.773.422	15.661.577	11,8%
NON OPERATING RESULTS							
Non operating income	768.505	629.999	973.724	1.449.818	1.299.790	2.071.867	11,5%
Non operating expenses	(15.830)	(35.062)	(101)	(29.865)	(72.340)	(215)	-58,7%
income from foreign branches	-	-	-	-	-	-	
Earnings from subsidiary investments	2.677.784	1.314.332	2.172.681	5.051.755	2.711.682	4.622.976	86,3%
Price-level restatement	(898.899)	(1.281.619)	(1.490.510)	(1.695.811)	(2.644.190)	(3.171.470)	-35,9%
Surplus before income taxes	9.507.994	6.334.140	9.016.335	17.937.243	13.068.364	19.184.736	37,3%
Income taxes	(584.474)	(825.578)	(688.018)	(1.102.635)	(1.703.303)	(1.463.947)	-35,3%
Surplus	8.923.520	5.508.562	8.328.317	16.834.607	11.365.062	17.720.789	48,1%
Voluntary loan loss allowance	(414.711)	-	(429.218)	(782.371)	-	(913.280)	
INCOME FOR THE PERIOD	8.508.809	5.508.562	7.899.099	16.052.237	11.365.062	16.807.509	41,2%
<u>COMPANY INDEX</u>							
ROA = Income for the period/Total loans	1,48%	1,01%	1,55%				
ROE = Income for the period/Total stockholders' equity	13,4%	9,0%	15,5%				
Leverage=(Total Liabilities)/Total stockholders' equity	10,6	11,3	12,7				
Efficiency = (Gross Op Income-Net Op Income)/Gross Op Income	0,51	0,53	0,55				
Allowance(from balance)=Allowance/Tot Loans	0,8%	1,0%	0,8%				
Allowance(expenses)=Allowance/Tot Loans	0,8%	0,6%	0,1%				
Past due loans = Past due loans/Tot Loans	0,3%	0,3%	0,1%				
Allowance expenses (1)	619.773	(1.564.679)					
Loan loss expenses (2)	(5.283.064)	(1.843.011)					
(1)+(2)	(4.663.291)	(3.407.691)					
<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				