

Banco de Chile and Subsidiaries – Consolidated Statements of Income

for the years ended December 31, 2003 and 2002

(A free translation from the original in Spanish - Expressed in million of Chilean pesos)

	2003 MCh\$	2002 MCh\$
OPERATING RESULTS:		
Interest revenue	428,704.1	696,603.3
Gains from trading activities	25,062.1	23,483.8
Income from fees and other services	122,315.5	95,490.9
Gains from foreign exchange transactions	91,060.8	-
Other operating income	13,934.8	10,385.1
Total operating revenues	681,077.3	825,963.1
Less:		
Interest expense	(204,233.6)	(325,338.3)
Losses from trading activities	(19,394.1)	(10,014.2)
Expenses from fees and other services	(22,019.8)	(18,320.4)
Losses from foreign exchange transactions	-	(31,980.8)
Other operating expenses	(10,841.6)	(7,400.8)
Gross margin	424,588.2	432,908.6
Personnel salaries and expenses	(125,199.0)	(135,442.6)
Administrative and other expenses	(82,279.6)	(93,667.5)
Depreciation and amortization	(19,213.9)	(23,469.0)
Net margin	197,895.7	180,329.5
Provision for loan losses	(63,248.0)	(133,879.5)
Loan loss recoveries	25,391.0	12,032.8
Total operating income	160,038.7	58,482.8
NON OPERATING RESULTS:		
Non operating income	6,235.7	6,463.6
Non operating expenses	(16,462.3)	(19,672.0)
Equity participation in net income (loss) in investments in other companies	(1,220.4)	(979.1)
Net loss from price-level restatement	(4,036.1)	(9,692.2)
Income before income taxes	144,555.6	34,603.1
Income taxes	(14,000.9)	1,164.7
Income after income taxes	130,554.7	35,767.8
Minority interest	(1.7)	(1.1)
Surplus	130,553.0	35,766.7
Voluntary loan loss allowance	-	17,394.8
NET INCOME FOR THE YEAR	130,553.0	53,161.5

The accompanying notes 1 to 21 are an integral part of these consolidated financial statements.