

SUPPORTING COMPANIES



REDBANC S.A.

Redbanc ended the period showing very good results, with a volume of 231.6 million transactions during the year, representing annual growths of 15.2 percent, 35.1 percent, and 67.1 percent, respectively, in its ATM, debit, and collection transactions.

Likewise, in 2003 it processed the operation of 4.12 million access cards and 2.11 million credit cards, representing a 5.9 percent and 11.6 percent increase, respectively, in relation to the previous year.

As of December, Redbanc was present in 149 locations throughout the country, with a network of 2,877 automated teller machines, expanding its territorial and equipment coverage by 5,7 percent and 3.4 percent, respectively, in relation to December 2002. As a consequence of its permanent concern about quality of service, during 2003, the interconnection with the state-owner bank automated teller machine network was established, with which effective service

coverage at the end of the year was equivalent to 3,701 automated teller machines distributed in 217 localities.

The results obtained stem from a management based on two fundamental strategic pillars: technological platform update and incorporation of new institutions to the services provided by the company. In addition, these results are also a consequence of the implementation of measures aimed at complying with specific objectives as regards operation times, automation, and security, as well as follow-up and ongoing improvement of various service quality indicators, such as downtime, rejected transactions, average installation and repair times for links and others, all of which have enabled us to obtain a satisfactory evaluation from operator banks and their customers, with ratings of 3.6 (on a 1 to 4 scale) in the case of banks and 6.1 (on a 1 to 7 scale) as regards customer opinions.

TRANSBANK S.A.

This corporation reached an operations volume equivalent to 44.6 million credit card transactions in 2003, for an amount of UF 77 million, and 35.5 million debit card transactions, representing an annual growth of 13 percent and 38 percent, respectively.

Management was focused on capturing new customers and strengthening the commercial relationship with participating stores. 8,000 new stores were incorporated into the system, finally with a year-end network of 60,000 participating stores to the bank card

acceptance system and the implementation of more than 250 promotional programs both global and individual.

During 2003, the product "Cuotas Comercio" (Commerce Installments) strengthened its positioning on commercial stores and the product "Contado tres cuotas sin intereses" (Three installments, no interest) recorded 50 percent growth with respect to the previous period, attaining a 20 percent share of total purchases with domestic credit cards. As regards the development of new products and business

opportunities, this company attained 180 percent growth in basic service payment volume and a 75 percent growth in payments of vehicle permits and government collection services, which deserve special mention and implied an annual overall increment of 50 percent in the "Recaudación" (Collection) product.

Finally, Transbank was included in the list of the top 25 best companies to work, a recognition awarded through the prize labeled "Great Place to Work".

SERVIPAG LIMITADA

Servipag ended the year with an operations volume of 26 million transactions, representing a 10.2 percent increase with respect to the previous period, and a network of 220 service points throughout the country. In 2003, the continuity of its expansion plan increased its coverage by 20 new customer service points, ending the year with 45 collection and payment centers and 175 auxiliary tills.

Services for associated banks once again recorded sustained growth. In fact, the 3.5 million check cashing transactions and the 2.7 million deposit transactions processed by both banks in 2003 represent an annual increment of 28.1 percent and 27.4 percent, respectively.

The implementation of the development plans set for the year resulted in the expansion

of this company's service supply and the startup of operations in new services, among which the most relevant are: reception of unemployment insurance payments for the Unemployment Funds Association, credit card cash advances, on-line mobile telephone recharge, and on-line collection of service bills for telephone companies and public utilities.

Furthermore, the www.servipag.com bill payment web portal was consolidated and through it a transaction volume similar to that of an average branch was channeled, processing the payment of more than 40 on-line services, including real estate tax payments.

Additionally, an agreement was executed that will enable expansion of coverage, incorporating as a new collection channel the

EMPRESAS DE APOYO AL GIRO



network of agents that operate transactional gambling systems and a customer fidelization program, denominated "Cliente Total" (Total Client) was started, which, during the first

month since startup, exceeded the goal set of 100,000 affiliated customers.

NEXUS S.A.

As of December 2003, this company operated more than 51 percent of bank cards. During the year, more than 28 million transactions were processed, 3.5 million debit cards and more than 1 million credit cards were embossed, and more than 12 million account statements were delivered, carrying 15 million paper brochures and 4.5 million electronic brochures.

The strategy based on opening to new customers and markets enabled achievement of satisfactory results during the year, with the incorporation of a new bank and its Mastercard product, together with the first two signed up cards.

During the year, Nexus management was focused on obtaining improved customer satisfaction and enhanced market share through

service expansion and improvements to the operation of the credit card and debit card products. Among the most relevant events, a score management system was developed that enables handling of multiple fidelization programs; the delivery of account statements through the address update service and mailman follow-up was optimized; new mechanisms were incorporated to the credit fraud prevention system in order to increase risk detection levels; the domestic authorization system was implemented with the aim of providing an integral domestic and international authorization service; and a pilot project for debit card fraud prevention was started up in commercial stores and automated teller machines.

CCA S.A.

The Automated Compensation Center (CCA) ended the period with 13 participating banks, representing an overall 99.7 percent of current

accounts in the financial system. During the year, it channeled a volume of 15.5 million transactions, which exceeds the level attained in 2002 by 27 percent.

In 2003, ongoing development of multibank debit transactions was observed, fostered by the incorporation of 166 new companies and the entry of two new banks. On another front, the Transbank corporation – incorporated to CCA in 2002 – contributed during the period more than 540,000 credit transactions to its participating commercial stores, for a total amount of Ch\$ 1.1 billion.

Relevant activities were the definition of a transactional model, handling mandates the modernization of the system's platform, certification of two new banks as receptors and concentrators in debit transactions, the definition of same-day transaction model, and the STI-Redbanc certification.

ETISA S.A.

This intelligent card company maintained during the year an activity centered on the dissemination, research, and exploration of new businesses for its shareholders.

Within this context, it organized the first business conference and seminar on intelligent

cards held in Chile, in June 2003. World leading companies made presentations on this technology during this event, which was attended by important representatives of companies in diverse industries that make up ETISA's potential market.

PROMARKET S.A.

The sales force devoted to the sale of financial products and services for the retail market achieved the goals set, thus meeting one of the hardest challenges for the year.

Its success is backed up by a team which is one of the largest and most developed sales forces in the financial system, relying on executives with vast experience retail services,

focusing on new customer profitability and quality of service. Other factors that supplement the above, and are similarly important, are teamwork with branches and marketing areas, the executive training plan focused and ongoing sales, and access to clear and timely management tools.