

Comments about the results for the first quarter of 2007

presented by

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Chief Financial Officer

May 3rd, 2007

Good day to all of you and thanks for participating in today's call. It is a pleasure for me to share with you some comments about our results for the first quarter of 2007.

As the operator has already mentioned, a slide presentation, that may allow you to more easily follow some of my comments, can be viewed at our web page, bancochile.cl.

If you now turn to **slide number 2**, an outline on the subjects to be covered today is provided. In the first place, I intend to briefly go through Banco de Chile's results for the first quarter of 2007, focusing on the main drivers which have allowed us to consistently achieve outstanding profitability.

I will then elaborate on how our strategy, focused on expanding our client base, as well as our core retail products, has allowed us to show important growth in the retail market while maintaining a sound asset quality.

Finally, I intend to comment on the impact of the mechanisms already in place provided to increase our capital base and strengthen our capital adequacy ratios, thus comfortably supporting our business plans for 2007.

As far as net income for the quarter is concerned, and as can be seen in **slide number 3**, Banco de Chile showed in 2007 an excellent first quarter result, with a figure in excess of 47 billion pesos, involving a year-on-year increase of 2.1% and an 11.4% growth over the previous period.

This figure, contributed by 21% to the total net profit of the banking system, a larger share than the 17.8% portion of the market, represented by our loans net of interbank.

Though subject to more volatility, mostly coming from our stock broker and other subsidiaries - such as the financial advisory company with some non-recurring income - the total net profit obtained by our group of subsidiary companies has also fared well as shown in **slide number 4**. This group of companies contributed, during this past quarter, with almost 18% to the Bank's net income line, up from the year-ago 14% contribution.

This increased importance reflects the 28% real growth experienced by the total net income of our subsidiaries on a year-on-year basis, largely exceeding the overall consolidated net income growth.

Also worth mentioning, has been the positive outcome obtained by our foreign branches. Though still involving a small portion of the Total Net Income of the Bank, as you may see in the chart, we are very pleased to confirm that for the second consecutive quarter the result of our branches abroad has been positive. This allows us to believe that the important efforts involved in the restructuring of compliance and operational procedures and systems are beginning to pay in. We expect this outcome to be confirmed by their performance going forward.

As a consequence of the very positive overall result, the total Net Income gained in the first quarter has allowed the Bank to maintain a superior position in terms of profitability, as seen on **slide number 5**, standing as one of the leaders in the industry with a 28% return on capital and reserves, quite above the 14.9% average return for the remaining banks of the system, excluding Banco de Chile. Indeed, we feel very proud of our achievement as the most profitable among the large banks. During this last quarter, our Return on Capital exceeded by 820 basis points that of its main competitors as a group. On an individual basis, Banco de Chile outperformed all of its main competitors, both on pre and after-tax return on capital.

Moving to **slide number 6**, it also seems interesting to note that our Bank's strategy of progressing towards a portfolio mix that assures a higher yield and a growing business base has allowed us to obtain outstanding returns. While persevering in our fundamentals, the Bank has also been able to outperform the system, and its main peers, in terms of market share yield, with almost 2.7 billion pesos of quarterly return per each 100 basis points of market share, an almost 18% increase in a three-year period. This figure involves a 21% excess on top of the system's average and also exceeds the average yield of our main competitors by nearly 9%, speaking of a business synergy that turns out as being the most profitable among its peers.

Let us now turn to **slide number 7** and examine what the main issues regarding the first quarter results were. Changes are shown in terms of pesos, as compared to the fourth quarter of 2006.

Net income of 47.3 billion pesos for the last three-month period, exceeded the previous quarter figure by more than 11% or 4.9 billion pesos. Higher financial income was the dominant driver and beats the 2006 fourth quarter figure by more than 7 billion pesos. I will later expand on the main forces behind this increase.

Our serious efforts concerning client base enhancement and cross-selling efforts, should develop into an increase of fees from our subsidiaries as well as those originated in our core banking business. As for now, the Bank's consolidated net fees showed a quarter-on-quarter growth of roughly 1 billion pesos, covering 48.5% of total operational expenses, up from 45.4% twelve months before.

However, it is fair to say that part of this increase comes from a change in the nature of sales force related expenses, previously accounted for as other service expenses, and now allocated as operational expenses. In spite of this adjustment, and under equal conditions going back, quarterly fee income would have increased by 7% in 12 months.

A lower amount of provisions for almost 600 million pesos has proved to be in line with a favorable economic scenario. This positive trend has been driven by high commodity prices - which seem to be there to stay for some time - increasing export amounts, and growing domestic consumption in response to lower unemployment rates and improving investment figures.

As regards to the Other Income and Expense line, the negative figure of last year's fourth quarter – mainly caused by charge-offs in assets received for payment - was totally turned around resulting in a 3 billion positive change. The positive effects incorporated in this line largely compensated the negative impact of the Bank's investment in the consortium engaged in managing the collection and distribution of payments associated to the new urban transportation system in Santiago. This plan, designed by the Chilean Ministry of Transport, some years ago to satisfy the public transport demands in our capital city, initiated its operations on last February.

You may be aware that Banco de Chile, together with three other large banks, plus the main Chilean software systems supplier company, joined the project in mid-2006 by the way of becoming shareholders of the mentioned financial entity, a special purpose company named AFT, Administrador Financiero del Transantiago. As of March 2007, Banco de Chile had invested in this project some 1.2 billion pesos. The AFT has had negative results which, in turn, involved a charge to the Bank's results of some 190 million pesos in the reported quarter, largely outbalanced by other positive effects in the Other Income line, as I previously mentioned.

It is likely that some other related charges will be accounted for, in the coming quarter, as a consequence of the full implementation of the project. We are confident that considering the important efforts carried out by the government, and by all the parties involved, in successfully conducting this process, the project will be in shape before the end of the year.

Operating Expenses, in turn, increased by 0.9% quarter-on-quarter, some 700 million pesos, partially caused by the sales force salaries reclassification already mentioned. I will later expand on our favorable efficiency ratio evolution.

Turning to **slide number 8**, an important source of bottom line income was originated, during this first quarter, at the Operating Revenue level showing an increase of 11.9% on a year-on-year basis.

As for the quarter-on-quarter performance, operating revenues grew by 3.4%, consequence of the ongoing improved asset mix, added to a 2.2% expansion in interest-earning assets, partly financed by an 11.8% increase in the quarter's average non-interest bearing liabilities, and, the positive impact of higher inflation rate on our UF position.

All these factors contributed to explain the 7.3% increase in net financial income which makes up for 72% of the quarter's total Operating Revenue. As a result, the Bank's Net

Financial Margin climbed to 3.74%, involving a quarter-on-quarter increase of 17 basis points.

As regards demand deposits, our continuous efforts to improve services related to traditional bank products have also conducted to importantly increase this source of funds. As shown in **slide number 9**, a 12-month nominal variation of 25.4% on total demand deposits, net of clearing, was well above the increase shown by the system and by our main peers. This expansion has turned out into a market share increase of 70 basis points during the mentioned period, thus concentrating a 21.4% portion of the system's total demand deposit balances as of last march.

The comparative performance was still more relevant as, during the first three months of the year, Banco de Chile increased this source of funds by more than 10% in nominal terms, while the system and our main competitors as a group showed reductions in their stocks.

Going back to the relative performance of Operating Expenses and Operating Income, **slide number 10** shows how the Bank's efficiency ratio has improved, both on a quarter-on-quarter basis as well as on a twelve-month comparison, posting 54.5% for the first three months of this year. This evolution of income and expenses, which has for some time now favored operating income, with an expansion on the last quarter of 3.4% for operational income against a low 0.9% for expenses, has mostly been the result of a strategy which has privileged those projects and disbursements fostering sales and the expansion of our client base. In particular, operating expenses have provided for the enhancement of our distribution network – two additional branches in the first quarter and 44 new branches along the last 12 months – and the increased advertising expenses focused on the retail market.

On the operating income side, the ongoing implementation of our technology project has importantly fostered sales as well as the expansion of our customer base, as will be pictured later.

As a result, it can be observed that the overall efficiency ratio of 54.5% for the first quarter of 2007 does not fully reflect the progress made in the core Bank's cost-to-income ratio which stood at 53.9%, some 60 basis points below the consolidated ratio. This improved figure is partly jeopardized by the effect of US costs that, although in the process of stabilizing, will still remain higher than the overall average. On the part of our subsidiaries, and in spite of showing an improved ratio during the first quarter, following a positive market sentiment, their overall efficiency ratio still lags behind the core bank figure.

All these efforts on the expense side, materialized as mentioned in the enhancement of our distribution network, the addition of new employees mostly devoted to front-end commercial functions, the incorporation of world-class technologies providing more

efficient sales capacities, together with extra marketing efforts oriented to promoting retail sales - inclusive of housing mortgages - seem to be worthwhile in the light of the figures shown in **slide number 11**.

Indeed, within a considerably active industry, where players have added pressure to competition, strong incentives have been placed promoting a three-step growth strategy involving, firstly, the incorporation of new clients, secondly, the increase in the usage of products and services by our current customers and, on a very relevant note, the prevention of client desertion.

The chart shows how an important increase in product and client incorporation has been verified. From roughly 65 thousand new debtors, incorporated to the Bank during the 12-month period previous to March 2006, the number of net new debtors entering Banco de Chile's portfolio leaped to 82 thousand in the following 12 months, an increase of almost 28%.

Equally important has been the incorporation of new checking accounts which, in net terms, have expanded by 13% year on year, involving more than nine thousand net new accounts during the last quarter.

Great importance has also been given to credit cards in our retail business. This product grew nearly 17% along one year up to last march, now involving a stock of more than 688 thousand cards.

Similar dynamism can be highlighted in CrediChile consumer sales where new loans for 179 billion pesos were incorporated between March 2006 and March 2007, an increase of 17% from the previous 12-month period.

Part of this success can be credited to the day by day improvement of our technology platform and systems, along with the implementation process of our Neos plan. In this quarter we initiated the roll out of the new teller system among the bank branches which will be completed in May, and should expand to CrediChile branches in the next three months.

This performance, that may well be attributed to some or all of the previously mentioned initiatives, shows as you may see on **slide number 12**, how Banco de Chile has been gaining pace along the year growing in those products and market segments which are consistent with our high-yield strategy. Thus, our total loan portfolio expanded by 17.6% in nominal terms on a 12-month basis.

However, during this first quarter, the total loan increase at a nominal 1.9% was strongly outpaced by some retail products that the bank has for some time being fostering. It is the case of consumer loans which grew by 4.1% in equal period and home mortgages which increased by 6.1% in the quarter, amply exceeding both the Bank's average loan growth and that of the rest of the system.

Conversely, growth experienced by our corporate market, expanded by a much modest rate, both as regards to our total portfolio as well as to that of the rest of our competitors as a group.

As shown on **slide number 13**, consistent with our goal of expanding our business in those more profitable segments, though relentless in the synergy pursue from corporate clients, we have set a yet stronger commercial effort on the retail business.

An overall annual growth of 16.6%, in this higher yielding market segment, compares favorably to the 11% posted by the wholesale market. On top of this, the individuals and smaller company segment, involving higher net profitability, has shown a still larger increase of 16.8%. Similarly, within the wholesale market, the higher yielding sub-segment of middle market companies grew the most, posting a 15.7% increase during the year.

However, as long as global activity keeps a steady pace, we are ready to open up to additional exposure in the large corporations segment building on a close collaboration between our retail and wholesale platforms, as well as with our subsidiaries such as the insurance broker, factoring and funds management. This holistic perspective has incorporated products and customers to the network, coming from those lower-yielding markets, with a very positive impact as is the case of lease contracts and pay-roll clients profitably contributed by our corporate segments.

It now seems relevant to emphasize how this important shift to higher yielding and, as expected, higher risk loans has been conducted in a very balanced mood so as to minimize the impact in the credit quality of our portfolio. As we can see in **slide number 14**, Banco de Chile's conservative approach shows in the 11.5% reduction of past due loans during the last 12 months and a substantial 32.5% decrease when compared to the first quarter of 2005. As a consequence, past due loans, as of last march, amounted to only 0.64 % of the Bank's consolidated loans while, on a non-consolidated basis, they represented only 14.8% of the system's past due portfolio, a 200 basis points market share reduction in 12 months.

Additionally, as shows on **slide number 15**, our results have also taken advantage of this conservative credit strategy as the required provision charge on results, verified during the last quarters, and particularly in the first quarter of 2007, showed a lower level than most of its peers, with net provisions involving only 0.6% of total net loans, as compared to the 1.0% required by the system as an average and 0.9% by our main peer group. However, this low provision requirement only responds to a healthy portfolio and to the adequate stock of provisions that the Bank has accumulated due to our consistent approach. As can be seen in the chart, allowances cover 2.3 times our past due portfolio, against less than two times for the system and 1.7 times for our main peers in average.

Going back to growth potential and future activity levels, the solid expansion experienced by our Bank has undoubtedly put some healthy pressure on our capital base.

It is fair to say, however, that additional capital requirements have not only stemmed from sustained business dynamism. Aiming to strengthen financial systems, new Basle

If regulations related to market risks have already been put in place while operational risks will do likewise during the course of this and next year, involving higher capital requirements to equal business volumes.

It is in this context that, on March 22nd, the Board of Directors proposed to our Shareholder Meeting, as seen in **slide number 16** a combined dividend program involving a cash dividend in the equivalent of 70% of the 2006 per share net income, plus a dividend in the form of shares for the remaining 30%.

This last portion was to be valued at the price of 38.34 pesos resulting as the weighted average of the share price of 2006 last 90 days, less the per share income of the period. This mechanism was approved and our shareholders obtained 1.9796 pesos per share in cash, plus the equivalent to roughly 0.85 pesos in Banco de Chile shares, valued at the mentioned price. It is worth mentioning that an additional benefit will be added if it were the case that the ex-dividend price of the share, after the new shares distribution - to be effective next May 10th - exceeds the \$38.34.

As a consequence of this scheme, Banco de Chile has again offered its shareholders a very interesting dividend yield to their investment, as pictured in **slide number 17**. A combined annual yield - involving cash plus shares - of 7.7% exceeds the previous 7.1% for the 2005 net income. Should we consider only the cash dividend, the annual yield stands at a very attractive level of 5.4%.

Under this scenario, the Bank's total capital was increased by an additional amount of 33.8 billion Chilean pesos, some 63 million dollars. This expansion of our basic capital involved a boost in our Total Capital ratio by 50 basis points, including the extra amount allowed in subordinated bonds. Consistent with our expected business expansion, involving loan portfolio growth near to 13% in real terms, for the full year 2007, the Board of Director decided to propose to our Shareholders a new capital increase in the amount of 110 billion Chilean pesos, some 200 million dollars, to be approved in the meeting to be held on May 17th. If accepted, Banco de Chile's total capital ratio, under our current portfolio level, would expand by an additional 150 basis points thus involving total capital to risk adjusted assets in excess of 12.5%. This increase, even under the incorporation of additional capital requirements for market risk, would comfortably allow the fulfillment of our demanding business plans for the next 18 to 24 months.

We are confident on the consistency of our strategy as well as on the strength of the business model we have succeeded in developing, both in the bank and in our subsidiary companies.

This comprehensive model has proved to importantly increase shareholder value, thus allowing us to count on the permanent support of our stakeholders for further enhancing our business.

Banco de Chile



Results for the
First Quarter of 2007



hosted by
Arturo Tagle
CFO



May 3, 2007

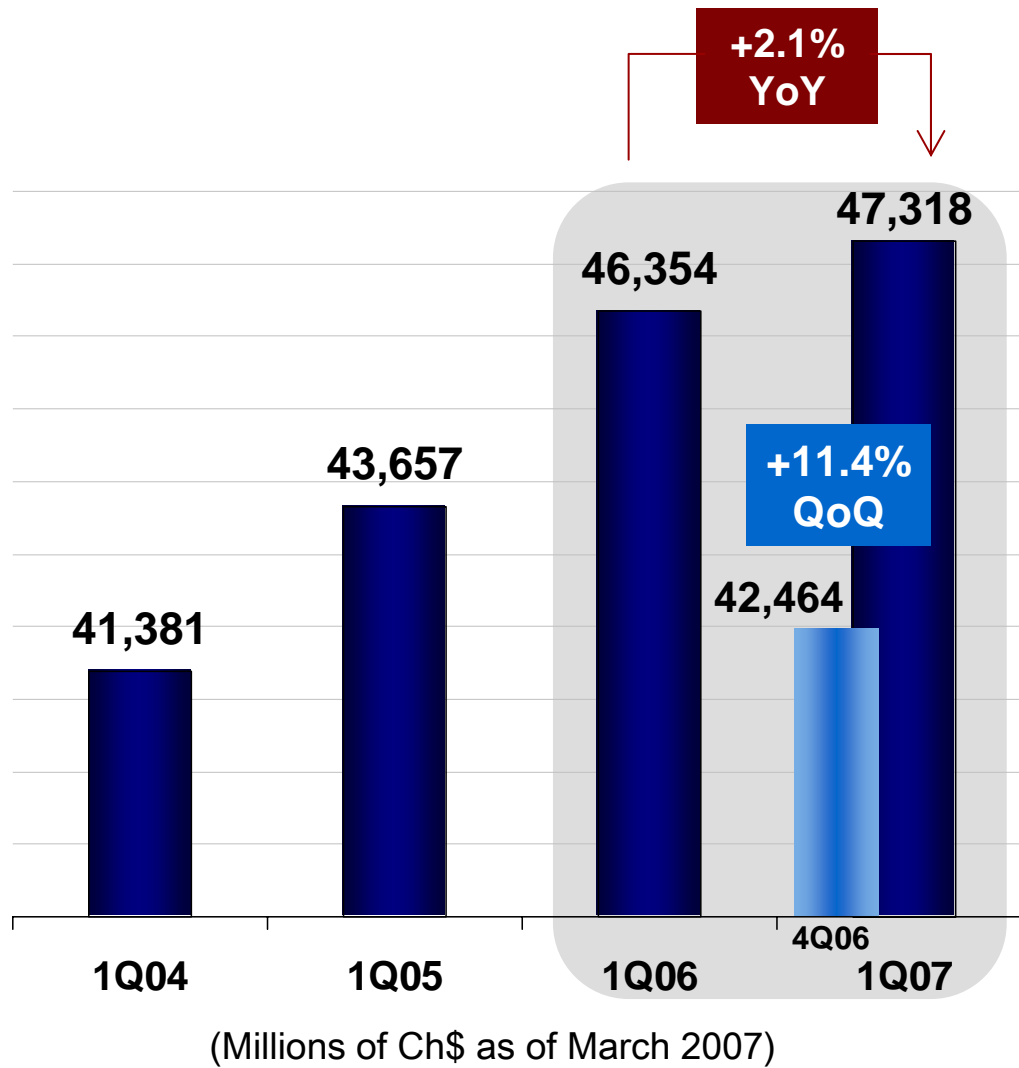


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- ▶ **Capital increase strategy for 2007**

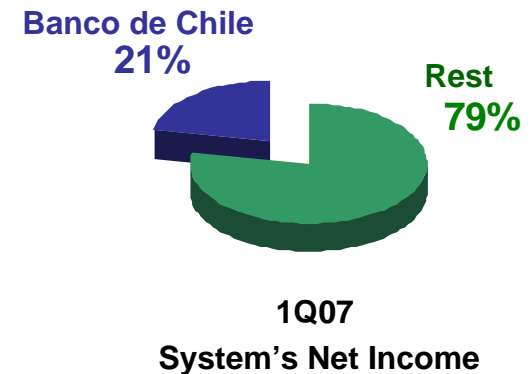
Banco de Chile

► Net Income Trend

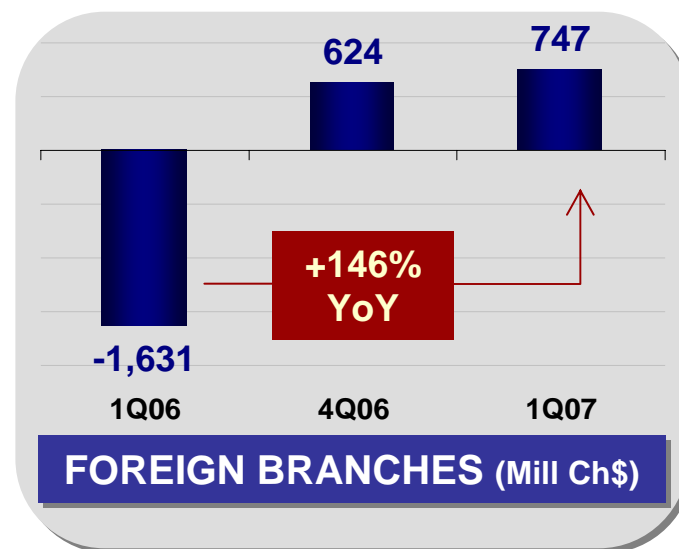
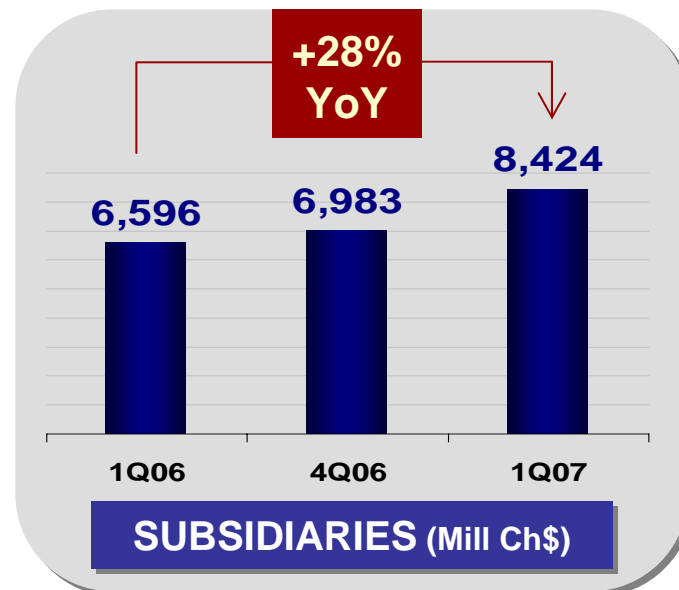
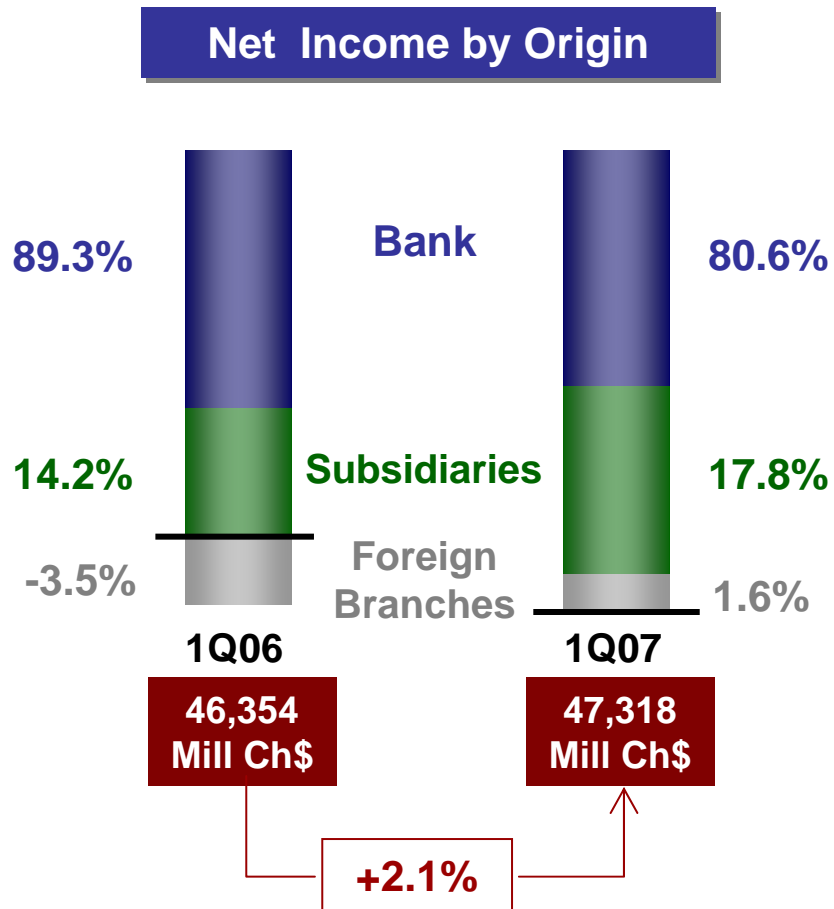


- With a quarter on quarter 11.4% increase in the Bank's 1Q07 net income,

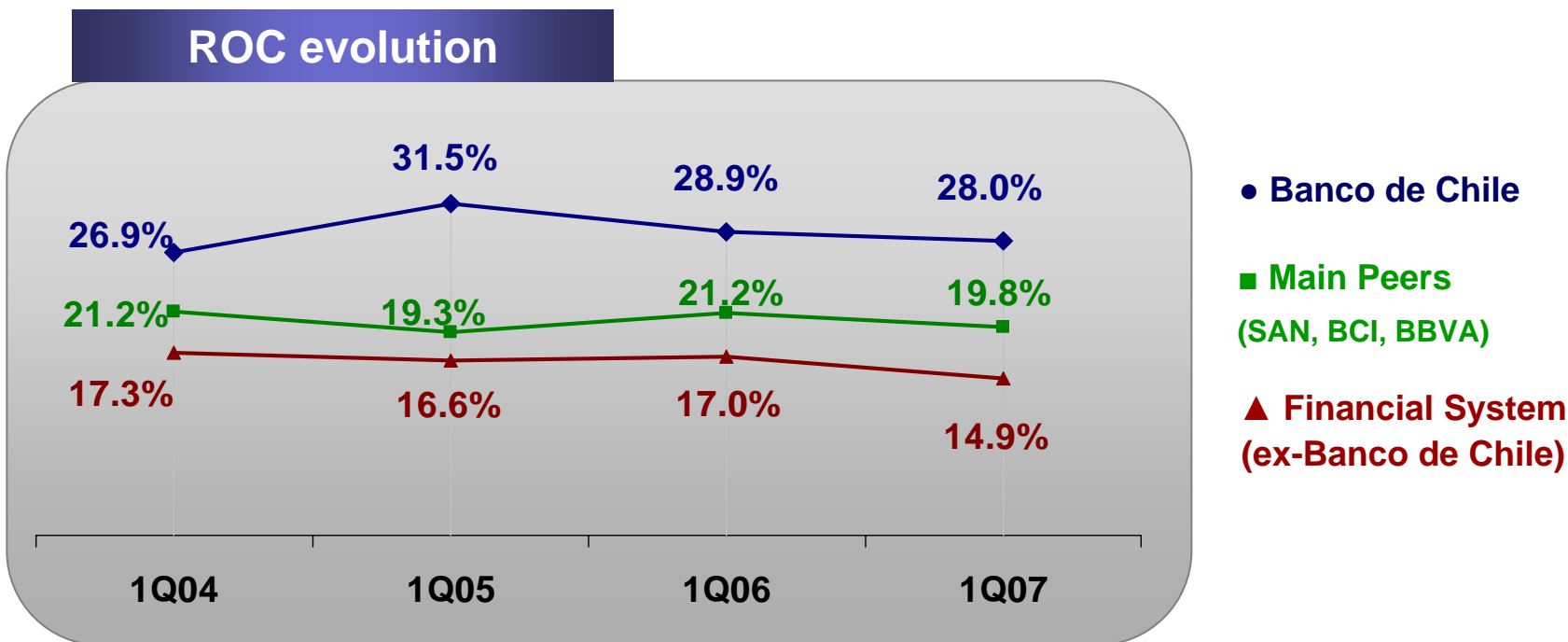
- Banco de Chile contributed by 21% to the system's bottom line.



► Increased contribution from subsidiaries and branches abroad



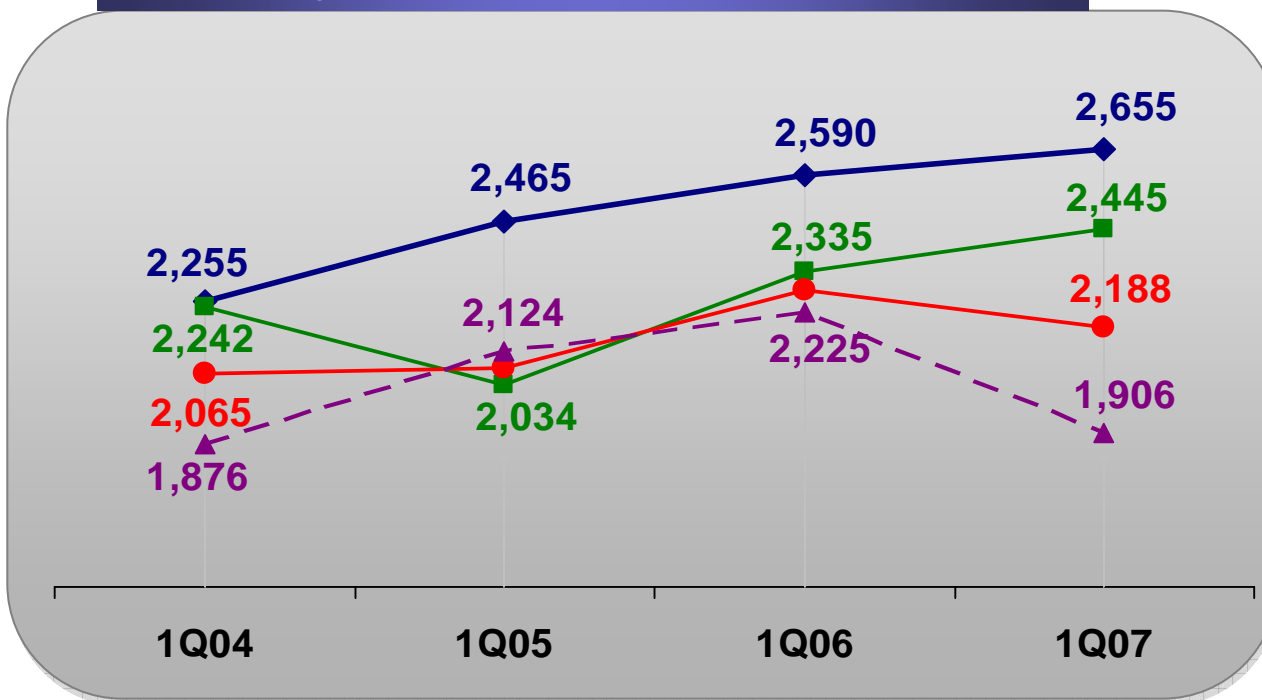
► Industry-leading profitability



■ Banco de Chile shows the highest return on capital among the system's largest banks.

► Higher return on market share

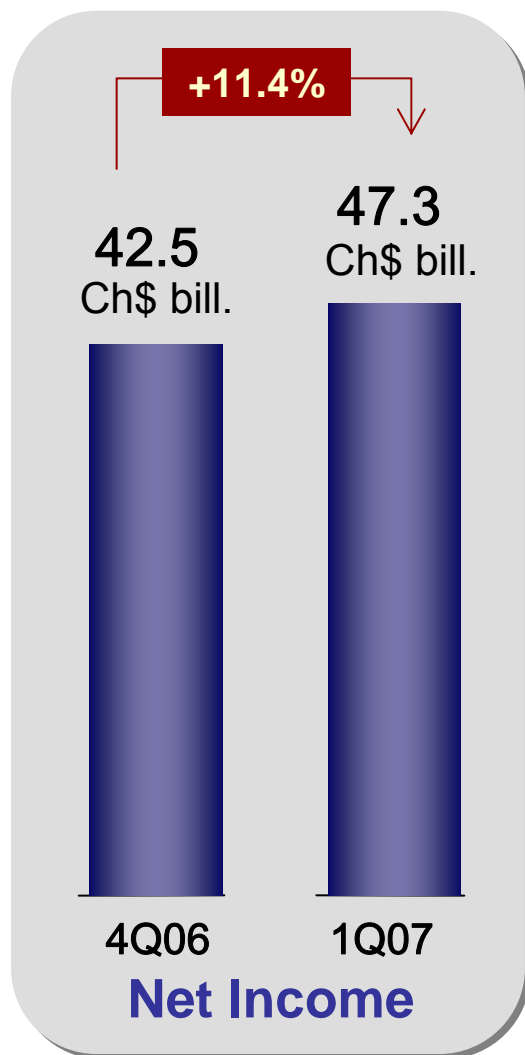
Quarterly Net income from 1% Mkt Share



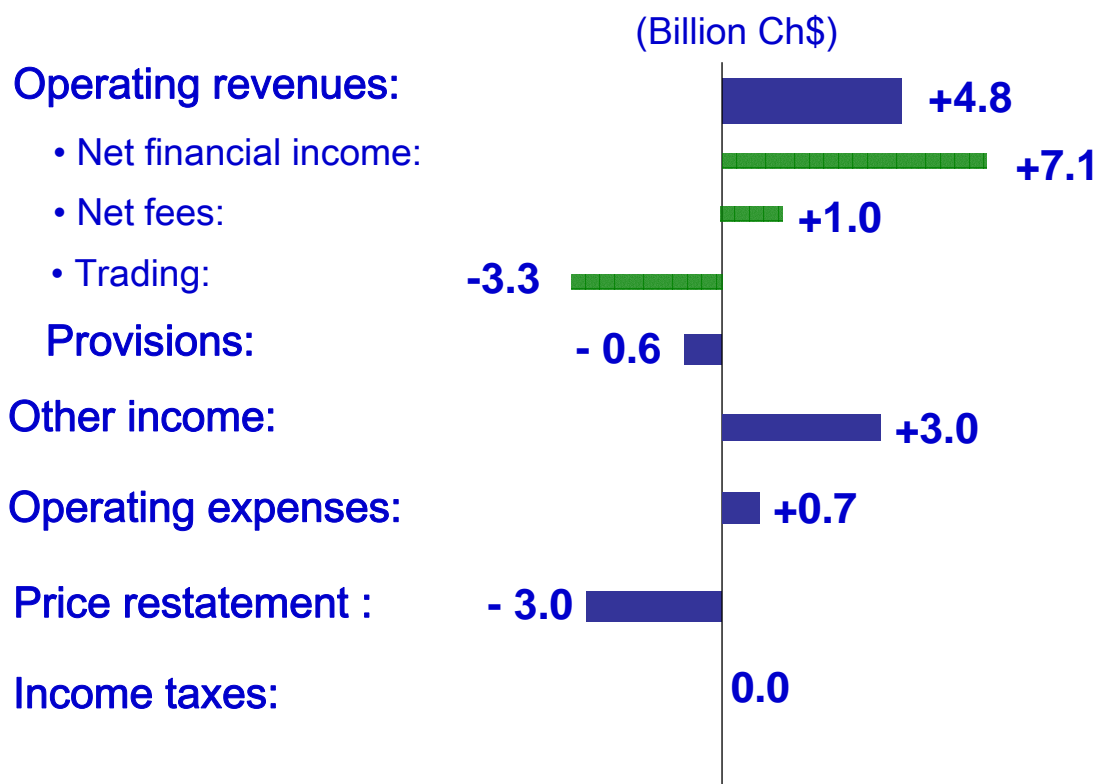
- ◆ Banco de Chile
- Main Peers (1)
- ▲ Rest of Market (2)
- Financial System (ex-Banco de Chile) (1+2)

(Millions of Ch\$ as of March 2007)

► 1Q07 results driven by increased financial income



Changes from 4Q06 to 1Q07

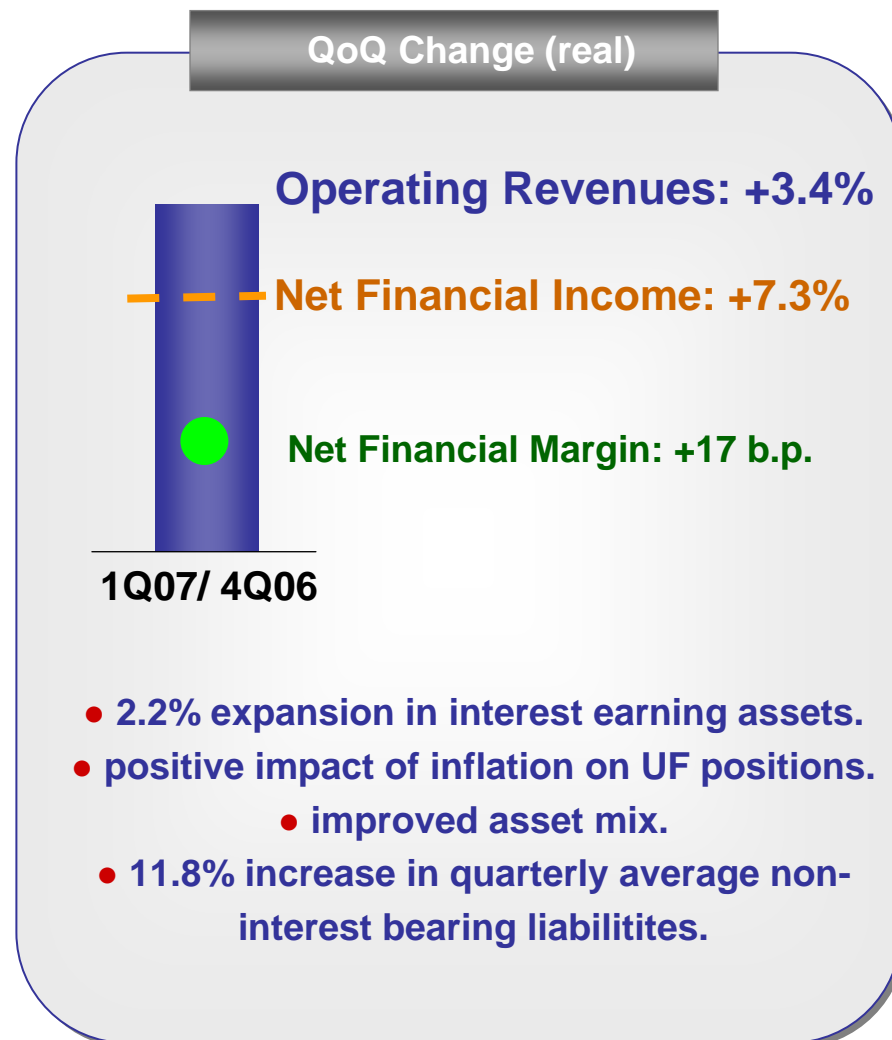
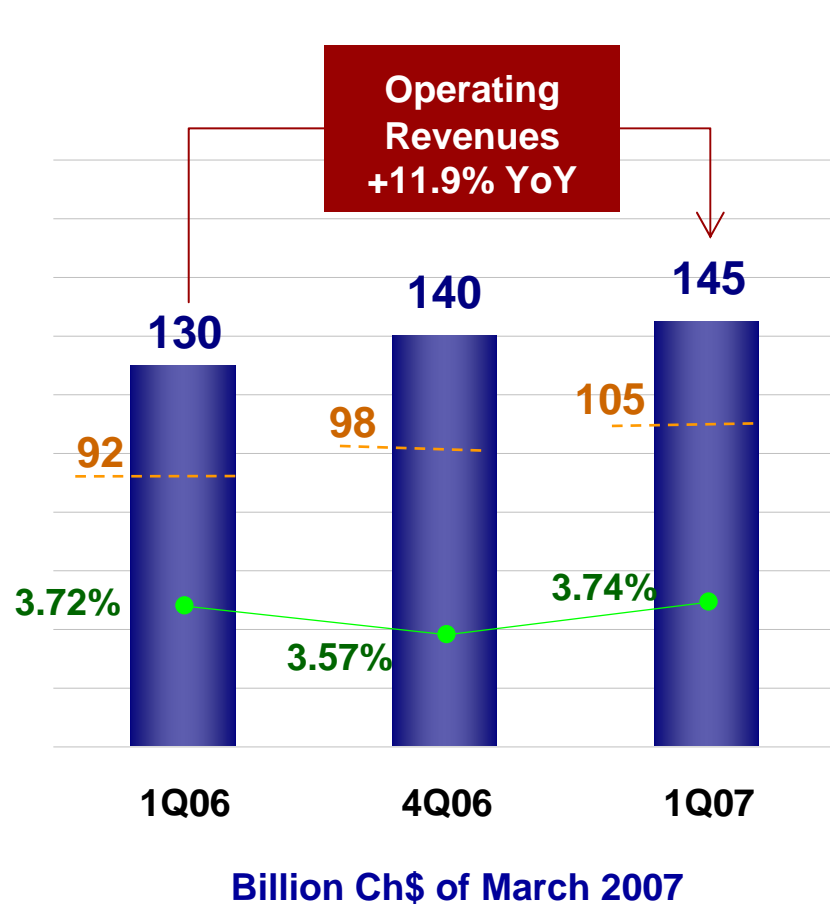


Change in Net Income

=

+4.9 Billion Ch\$

Strengthened Operating Revenues and Financial Income

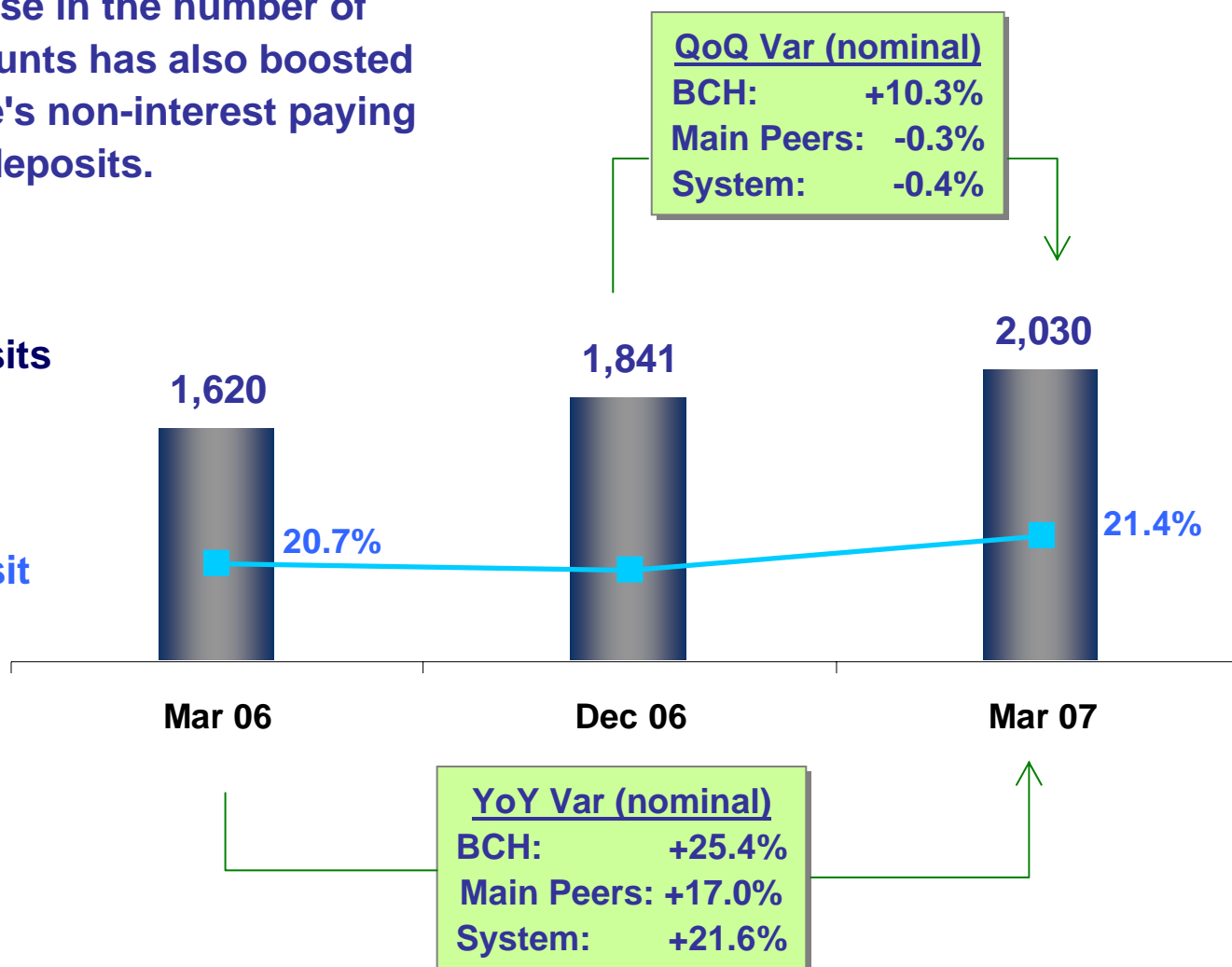


► Consistent strength in Demand Deposits

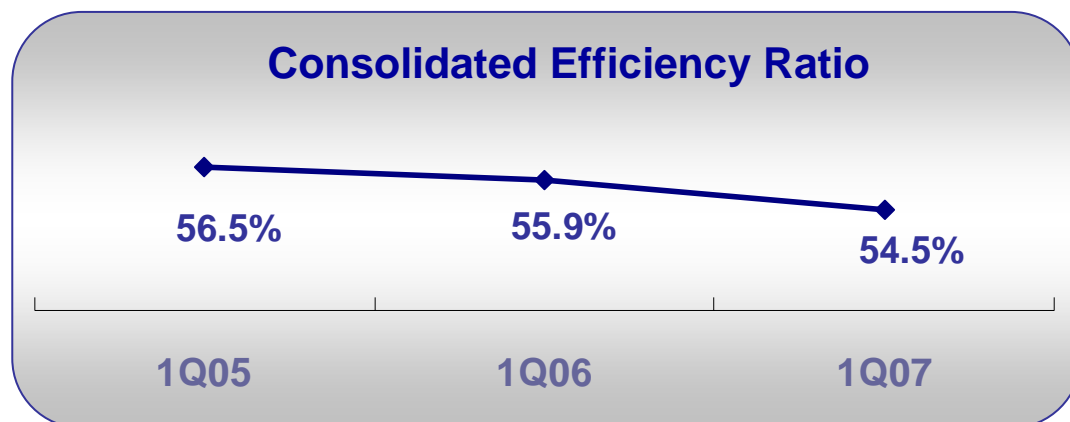
■ The increase in the number of checking accounts has also boosted Banco de Chile's non-interest paying deposits.

■ Demand deposits
(Billion Ch\$,
net of clearing)

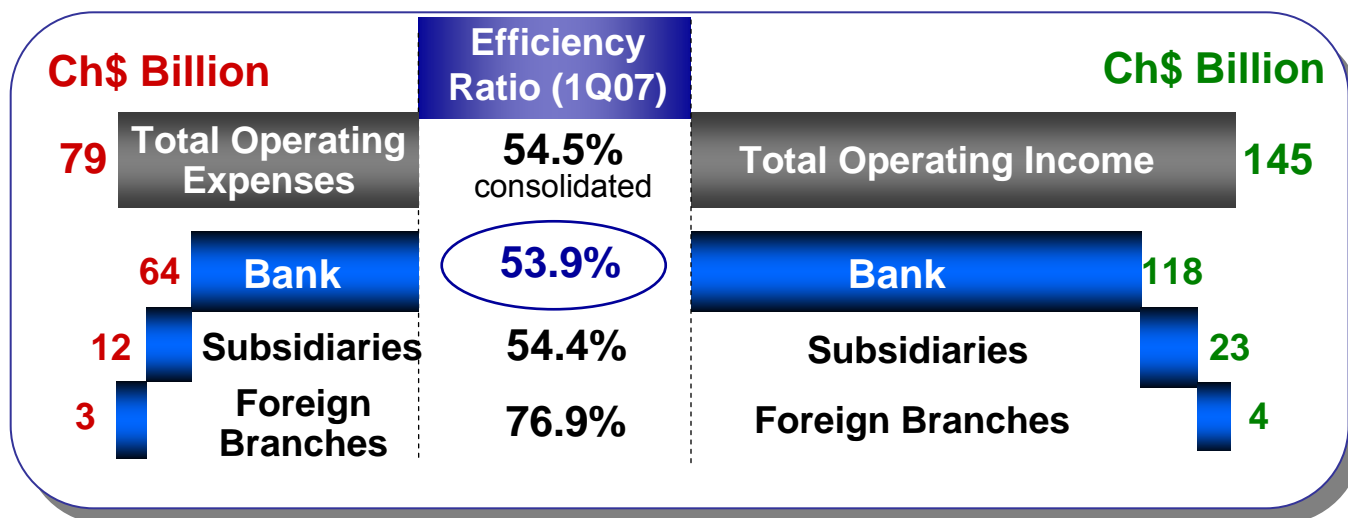
■ Demand deposit
market share



Efficiency and origin of Income and Expense

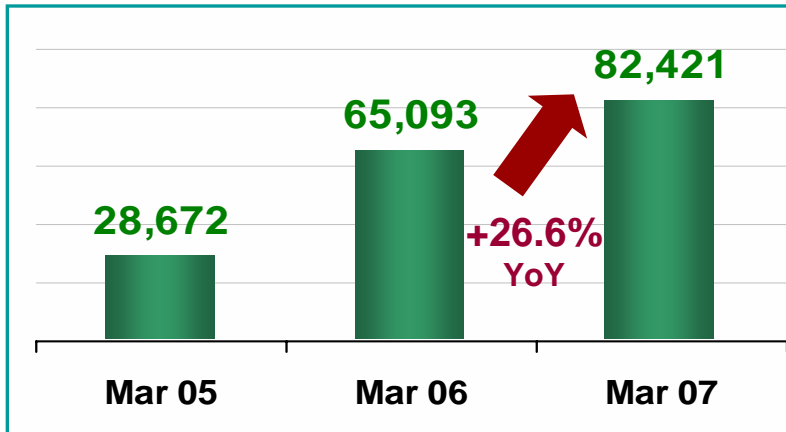


- Increase in the number of sales points and employees
- Advertising expenses focused on retail.
- Reclassification of expenses (labor regulation effect)

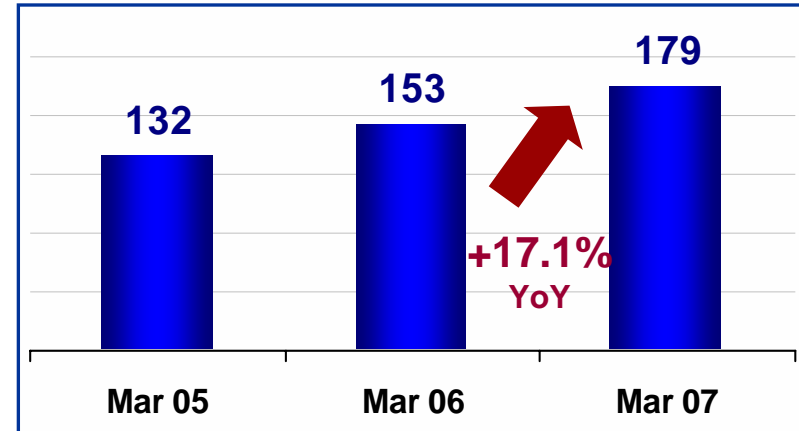


Sustained Sales Momentum

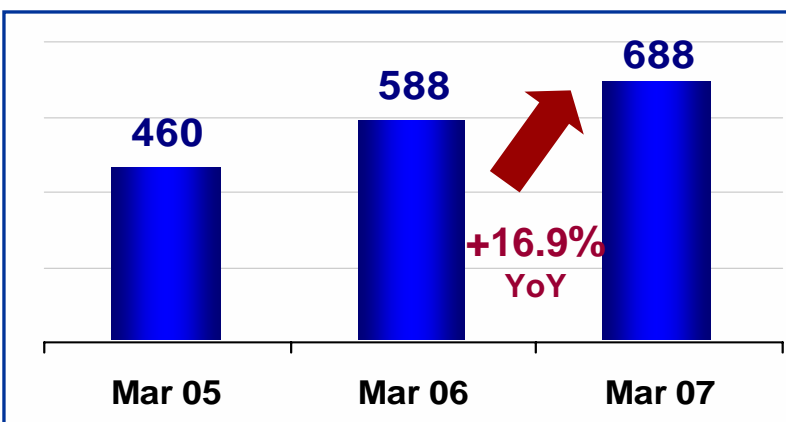
New debtors in 12 months (net)



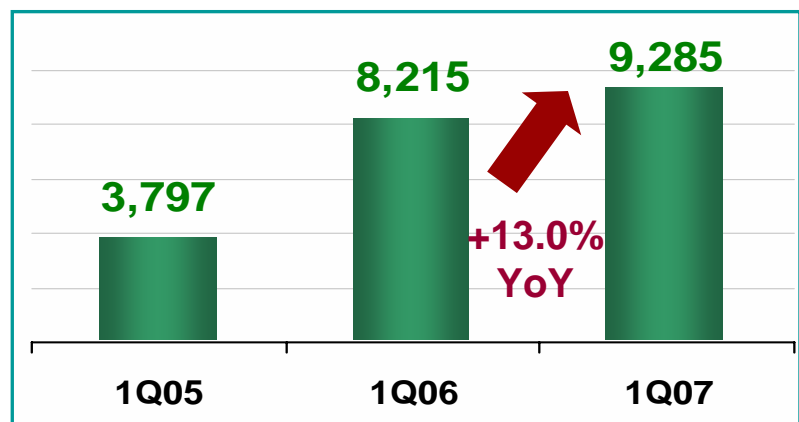
CrediChile 12-month consumer sales (Billion Ch\$)



Credit Card Stock (in thousands)

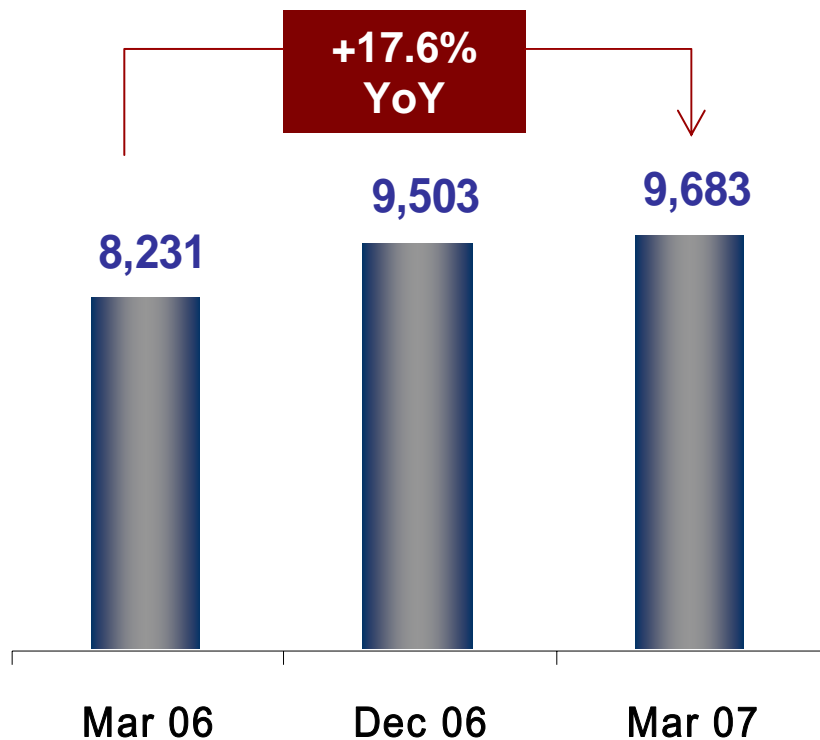


New Checking Accounts per quarter (net)



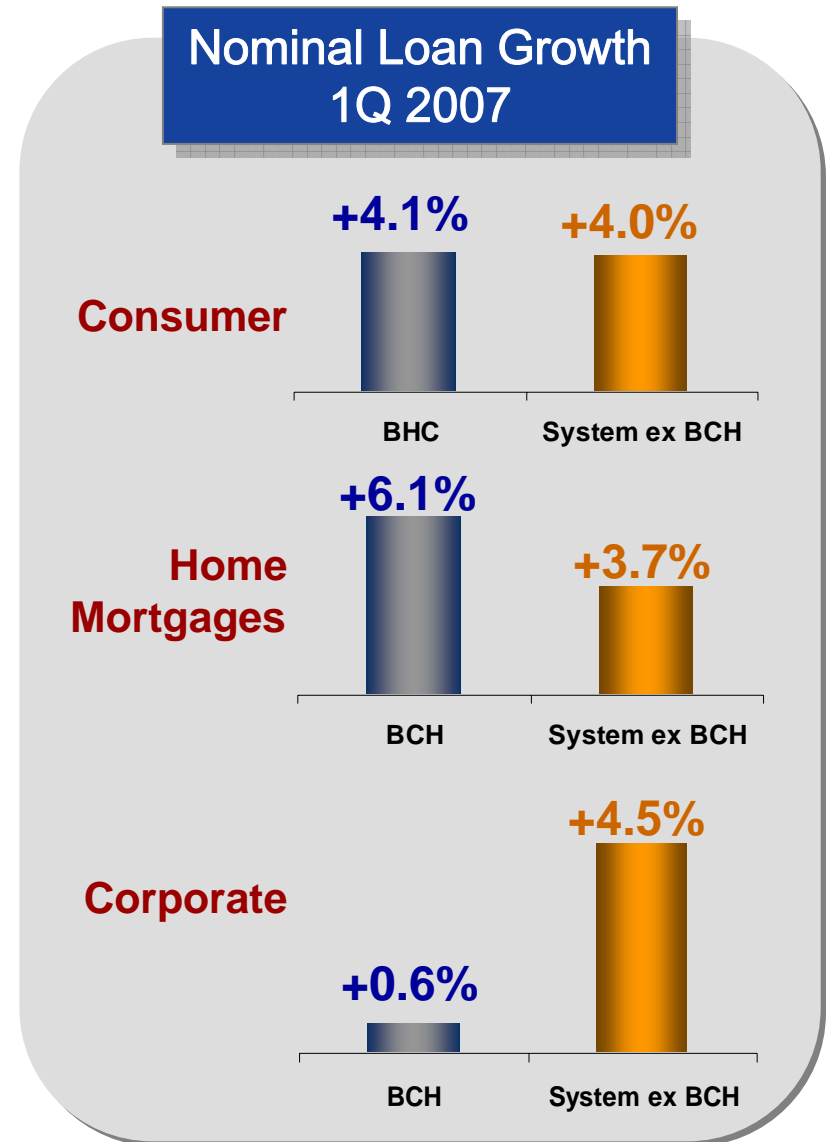
► A retail-focused strategy

Total Loans (billion Ch\$)



* Non consolidated figures for comparison purposes

* Nominal figures



► Accelerated pace in higher-yielding segments

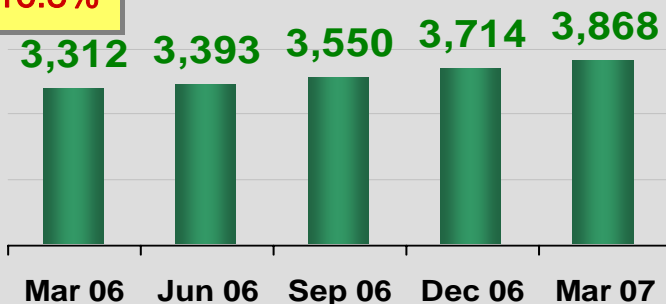
Retail Segment

+16.6% YoY

Billion Ch\$ as of Mar'07

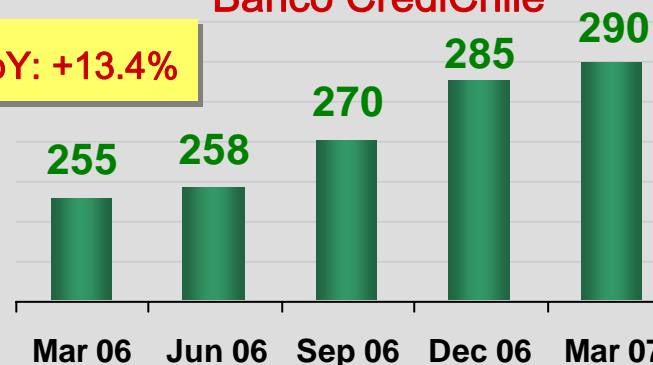
Individuals & Small Co.

YoY: +16.8%



Banco CrediChile

YoY: +13.4%

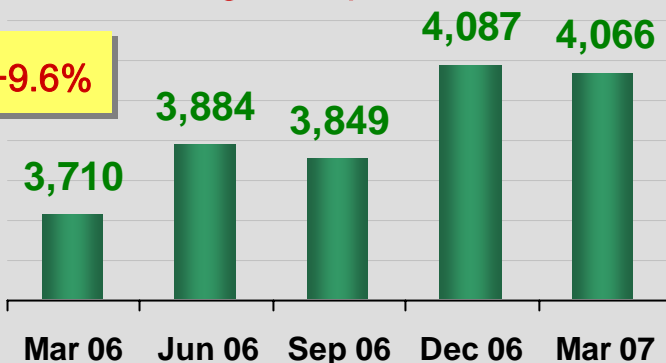


Wholesale Segment

+11.0% YoY

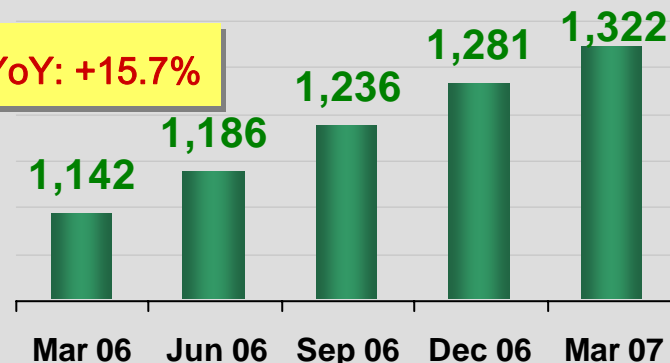
Large Corporations

YoY: +9.6%

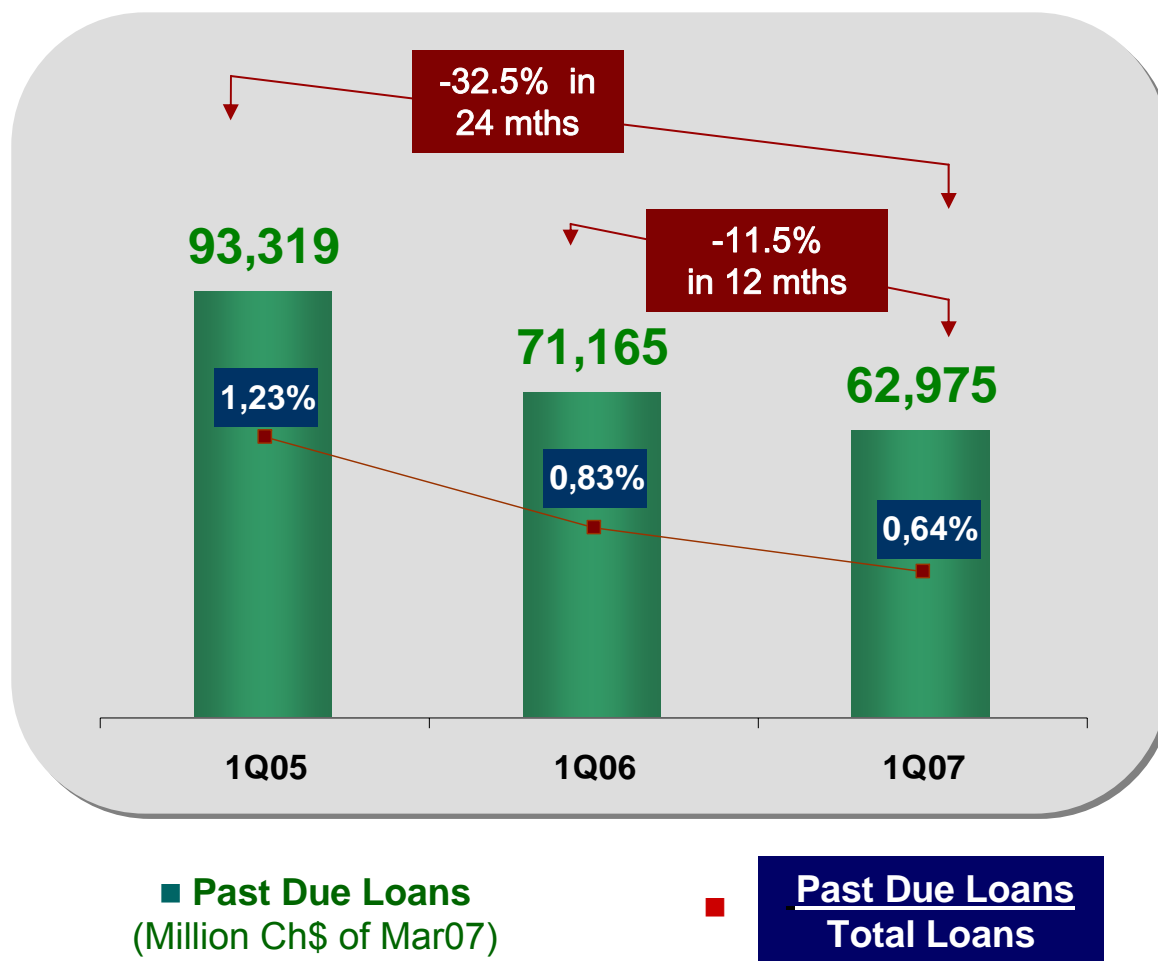


SMEs Companies

YoY: +15.7%



► Past Due Loans

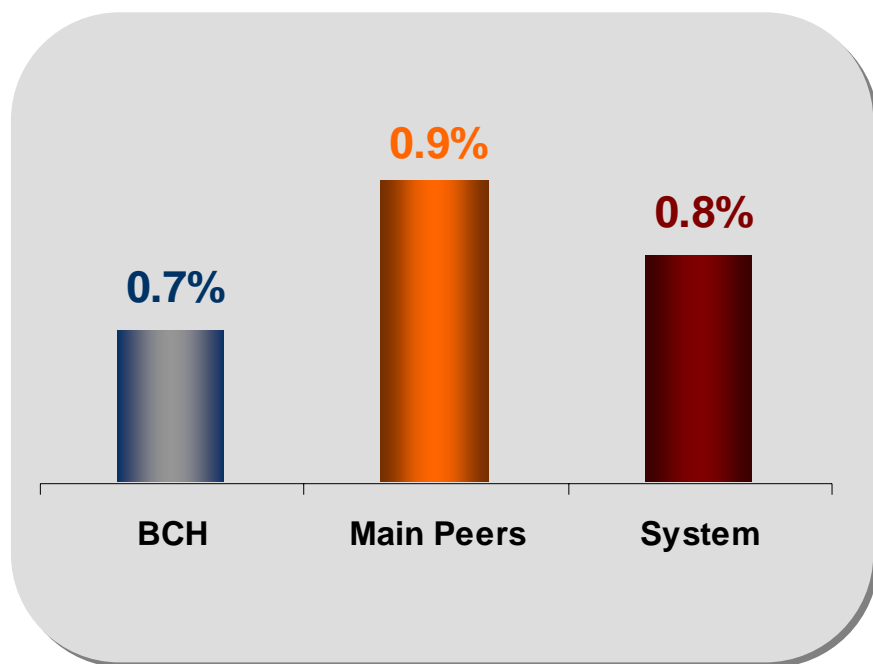


- After an important reduction in past due loans along the last years,
- the past due ratio stands at a very low level in spite of an increase in higher risk exposure.

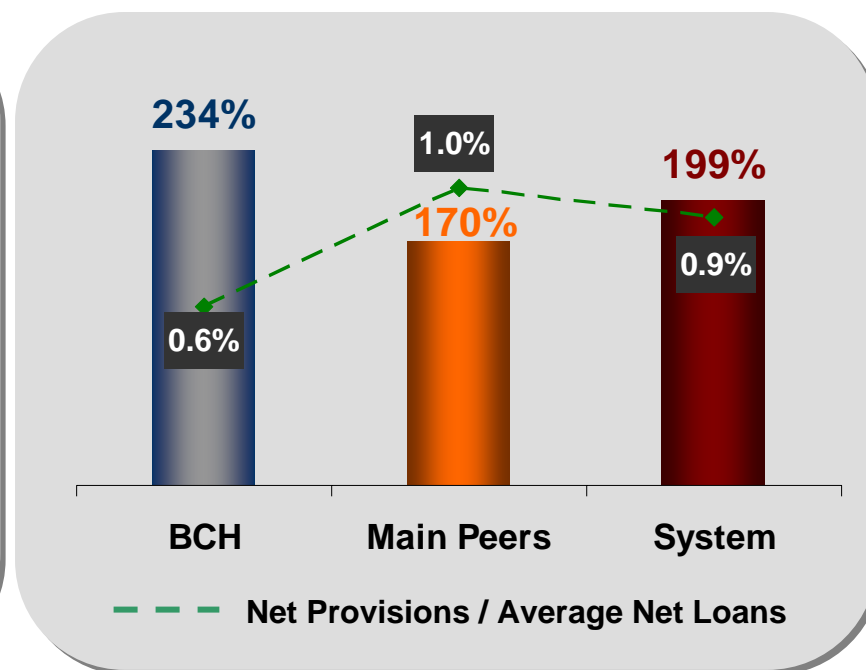
(Consolidated figures)

▶ Outstanding credit quality

Past Due Loans / Total Loans



Allowances / Past Due Loans

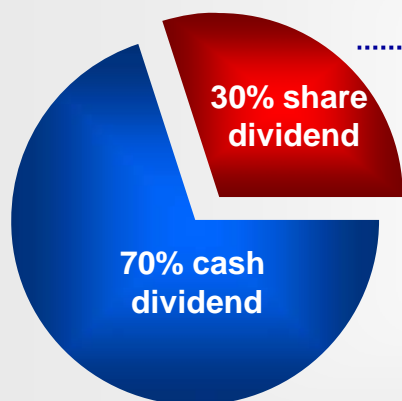


Unconsolidated 1Q2007 figures.

► 2006 dividend program

100% of 2006 total net income:
Ch\$ 195,248 Mill to be allocated
(US\$ 365 Million)

57.76% to regular shareholders (CH\$ 112,775 Million) (US\$ 211 Million)



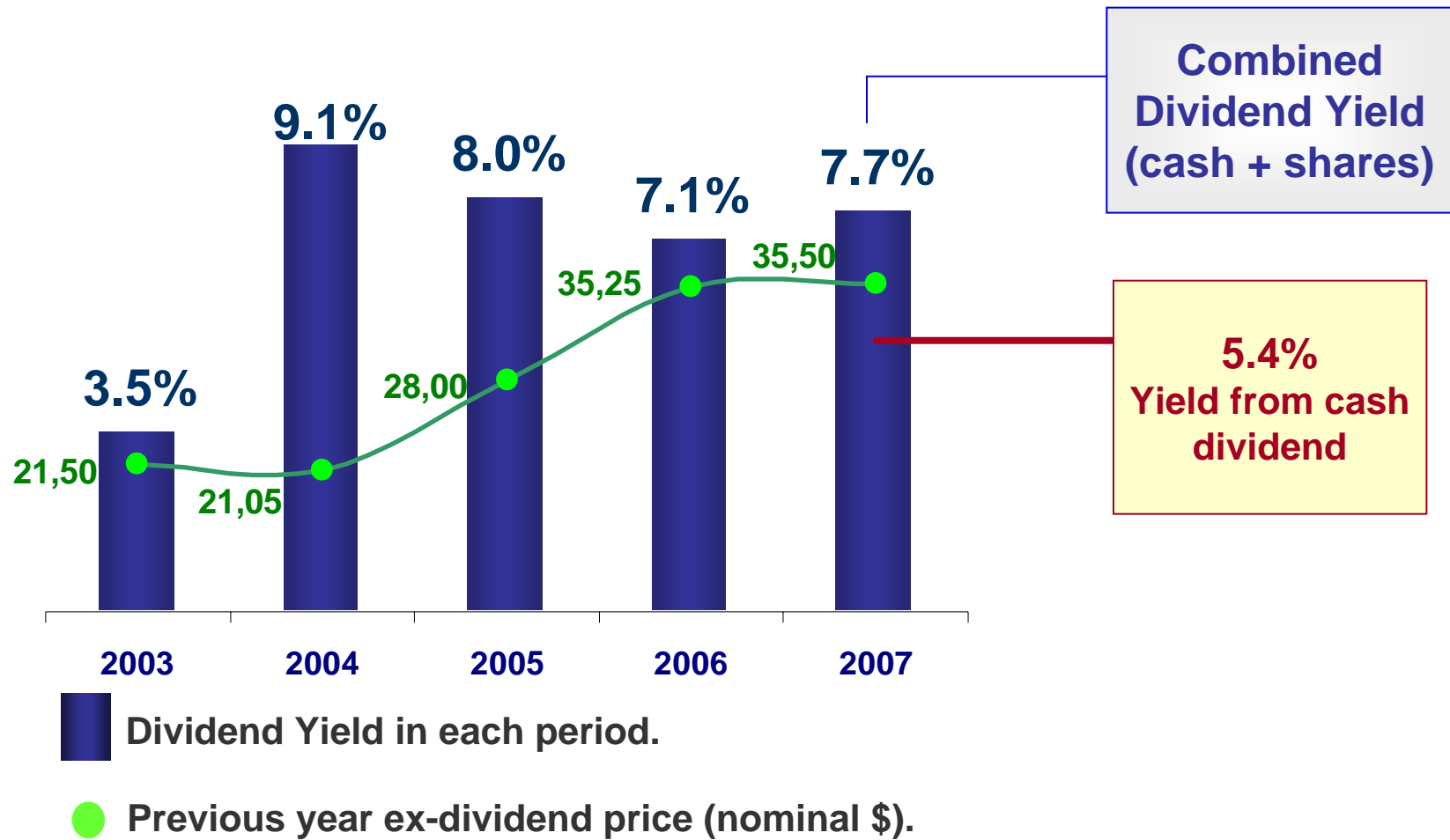
- Amount: Ch\$ 33,833 million
- Priced at: Ch\$ 38.34 per share
- Share distribution rate: 0.02213 per share
- Equivalent per share: Ch\$ 0.8504

- Amount: Ch\$ 78,942 million
- Dividend per share: Ch\$ 1.9796

Total equivalent
per share: Ch\$ 2.83

42.24%: Total dividend to be paid to SAOS (CH\$ 82,473 Million) (US\$ 154 Million)

► Strong Dividend Yield history



FORWARD-LOOKING INFORMATION

The information contained herein incorporates by reference statements which constitute “forward-looking statements,” in that they include statements regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. Such statements include any forecasts, projections and descriptions of anticipated cost savings or other synergies. You should be aware that any such forward-looking statements are not guarantees of future performance and may involve risks and uncertainties, and that actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, without limitations, the actions of competitors, future global economic conditions, market conditions, foreign exchange rates, and operating and financial risks related to managing growth and integrating acquired businesses), many of which are beyond our control. The occurrence of any such factors not currently expected by us would significantly alter the results set forth in these statements.

Factors that could cause actual results to differ materially and adversely include, but are not limited to:

- changes in general economic, business or political or other conditions in Chile or changes in general economic or business conditions in Latin America;
- changes in capital markets in general that may affect policies or attitudes toward lending to Chile or Chilean companies;
- unexpected developments in certain existing litigation;
- increased costs; and
- unanticipated increases in financing and other costs or the inability to obtain additional debt or equity financing on attractive terms.

You should not place undue reliance on such statements, which speak only as of the date that they were made. Our independent public accountants have not examined or compiled the forward-looking statements and, accordingly, do not provide any assurance with respect to such statements. These cautionary statements should be considered in connection with any written or oral forward-looking statements that we may issue in the future. We do not undertake any obligation to release public any revisions to such forward-looking statements after completion of this offering to reflect late events or circumstances or to reflect the occurrence of unanticipated events.

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