

Banco de Chile and Subsidiaries – Consolidated Statements of Income

for the years ended December 31, 2002 and 2001

(Expressed in million of Chilean pesos)

	2002 MCh\$	PROFORMA 2001 MCh\$
OPERATING RESULTS:		
Interest revenue	689,713.3	816,730.6
Gains from trading activities	23,251.3	23,580.8
Income from fees and other services	94,245.1	90,216.7
Gains from foreign exchange transactions	-	4,017.9
Other operating income	9,617.4	4,841.0
Total operating revenues	816,827.1	939,387.0
Less:		
Interest expense	(322,117.1)	(470,108.2)
Losses from trading activities	(9,915.0)	(10,701.5)
Expenses from fees and other services	(13,569.9)	(13,895.1)
Losses from foreign exchange transactions	(30,917.1)	-
Other operating expenses	(3,576.1)	(4,097.2)
Gross margin	436,731.9	440,585.0
Personnel salaries and expenses	(134,219.3)	(133,088.5)
Administrative and other expenses	(101,115.1)	(98,603.5)
Depreciation and amortization	(23,236.6)	(19,008.8)
Net margin	178,160.9	189,884.2
Provision for loan losses	(132,554.0)	(95,336.0)
Loan loss recoveries	11,913.7	16,072.2
Total operating income	57,520.6	110,620.4
NON OPERATING RESULTS:		
Non operating income	6,782.8	12,092.5
Non operating expenses	(19,477.4)	(9,560.3)
Equity participation in net income (loss) in investments in other companies	(969.4)	2.6
Net loss from price-level restatement	(9,596.2)	(10,248.6)
Income before income taxes	34,260.4	102,906.6
Income taxes	1,153.2	284.8
Income after income taxes	35,413.6	103,191.4
Minority interest	(1.1)	(1.1)
Surplus	35,412.5	103,190.3
Voluntary loan loss allowance	17,222.6	(3,207.0)
NET INCOME FOR THE YEAR	52,635.1	99,983.3

The accompanying notes 1to 20 are an integral part of these consolidated financial statements