

BANCO DE CHILE DURING 2002

CREDICHILE

CrediChile is our Bank's business area that serves the financial needs of the middle market segment.

CrediChile has a network of 43 offices and 12 customer-only points of sale, located throughout the country from Arica to Punta Arenas. During the year, branches that became redundant as a result of the merger were closed down, and priority was given to those that could provide better customer service on account of their location and capacity.

Thus, 27 offices in 20 cities around the country were redesigned during 2002. Of these, we should mention the branches located in Valdivia and Melipilla, as their contemporary style, merchandising, infrastructure and technological capabilities make them model offices and the standard for the rest of the branches in the future.

To provide full service to its customers, CrediChile incorporated a broad offering of products and services customized for this segment, such as e-checkbooks, savings accounts, mortgage accounts, consumer credits, credit lines, credit cards, mortgage loans, deposit-taking, insurances, and remote-based services, such as Internet and Phone-Banking. In addition, and for purposes of enhancing product competitiveness and ensuring higher customer loyalty, during the year CrediChile launched the new GlobalPass credit card, which provides specific highly-valued benefits in the middle market segment, such

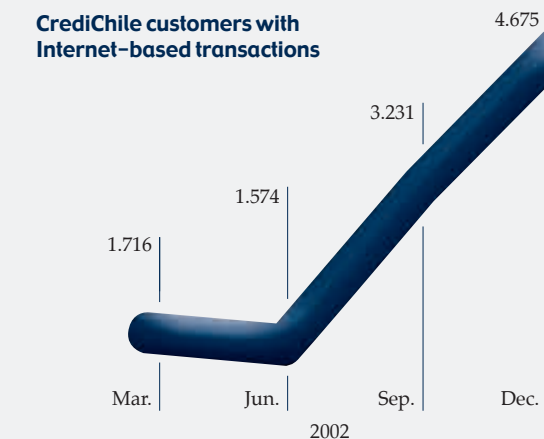
as savings on purchases made at supermarkets, pharmacies and gas stations.

For the second straight year, we encouraged customers to participate in the Housing Subsidy process through the Mortgage Account, continuing with the strategy of providing an effective option to home ownership.

With the uploading of the Internet service, customers were provided access to cash transfers and payment of credit cards, credit lines and consumer credits, increasing monthly transactions by 260 percent.

The consumer market bankarization process, including payroll and pension fund payments, meant that CrediChile ended the reporting period as market leader in the demand account segment, holding 13 percent of the system's total. This important result was achieved by incorporating CrediChile to the strategy of strengthening secondary businesses among our banking divisions, reaching an annual increase of 16.5 percent in the number of enterprises with payment agreements and of 21 percent in the stock of demand accounts associated with such agreements.

Likewise, in 2002 CrediChile initiated a plan to complement payroll payment agreements with comprehensive payroll deductions agreements, which provide credit, investment, insurance and housing financial solutions.



CrediChile is our Bank's business area that serves the financial needs of the middle market segment, offering to customers a broad range of products and services.



In an effort to support sales targets and also to position CrediChile within the segment as a relevant, competitive and aggressive business-oriented actor, the corporate image campaign "CrediChile ... More For You" was developed during the fourth quarter of the year.

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In 2002, mass advertisement campaign was developed under the concept “CrediChile Opportunities”, promoting different instalment credit and credit card products, in an effort to support sales targets and also to position CrediChile within the segment as a relevant, competitive and aggressive business-oriented actor. With this same objective in mind, the corporate image campaign “CrediChile ... More For You” was developed during the fourth quarter of the year.

In the operational field, the first quarter was marked by adjustments designed to optimize service quality, including the submission of detailed information on the merger process to CrediChile and Finandes customers.

CrediChile’s technological development during 2002 was focused on the integration of the merged institution’s networks, which allowed servicing customers at all branches, regardless of their bank of origin.

Likewise, consumer credit, credit card, demand account and credit line portfolios were gradually transferred from Banco de Chile’s systems to the present CrediChile’s systems. This has allowed us to enhance the business and operational management of our present customer base.



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