

S U B S I D I A R I E S

Banchile Administradora General de Fondos S.A.

Created in January 1, 2002 as a result of the successful merger of Banchile and Banedwards Mutual Fund Management, and their subsequent combination with the Investment Fund Management and its Capital Trust Fund, Banchile Administradora General de Fondos S.A. ended the reporting period with successful results and profits for Ch\$ 4,866.2 million.

The merger resulted in an enterprise of great soundness and strength, which kept its leading position to reach a 26 percent market share, with a significant increase of over 15,000 customers, thus consolidating its leadership in the industry.

Other factors were at play in its successful performance, among which we should note the establishment of the largest mutual fund family in the market. This enabled customers to tailor investment options to their specific needs, to increase their interaction with the Bank's distribution channel, and to obtain superior service.

Banchile Corredores de Bolsa S.A.

This subsidiary, resulting from the merger of Banchile and Banedwards Stock Brokerage Firms, achieved satisfactory profits amounting to Ch\$ 5,492.89 million, thus ratifying its leading market position, concentrating 22 percent approximately of total stock trading operations during the period.

Other lines of business that achieved significant results in this period were Foreign Currency, Repurchase Agreements and Fixed Income Intermediation, and International Businesses. The latter showed a strong increase, both in number of customers and volumes of assets under management, reflecting the growing interest of customers in off-shore investments and the satisfactory response that Banchile Corredores de Bolsa provide to customers' needs and demands.

To achieve the above results, technological customer-relations tools were enhanced in 2002, and there was also an extension in loyalty programs. This, complemented with sales force training programs, enabled us to establish stronger and closer ties with our customer base.

Banchile Asesoría Financiera S.A.

During 2002, Banchile Asesoría Financiera S.A. successfully achieved proposed goals, namely, greater integration with the Bank's business divisions that sought to encourage the generation of new businesses; consolidation of the subsidiary's work team and, lastly, achievement of results projected in corporate annual planning.

As a result of its business efforts, this subsidiary significantly increased its final profits, ending the period with Ch\$ 652,599,201.

Among business made during the year 2002, the most relevant were purchase/sale of companies, special funding transactions, and restructuring and rescheduling of long-term financial liabilities.

Lastly, we should mention that in 2002 Banchile Asesoría Financiera has once again ratified its leadership in the country's Investment Banking business, mainly supported by the experience and capacity of its professional staff to provide creative innovative solutions.

Banchile Corredores de Seguros Limitada

This subsidiary ended the period with excellent results, keeping its market leadership in the banking-related insurance brokerage segment.

In achieving such results, vital was its permanent pursuit of adding value to products and services, keeping long-term relationships with its customers and also the successful channelling of Insurance Banking products, namely life and general insurances.

In terms of development of new products, during the year Banchile Corredores de Seguros launched the General Insurance Global Policy, where customers insure their personal and family property under a single policy, expiry date and payment. During the fiscal year 2002, efforts were concentrated on adjusting the organizational structure according to real customer needs, training personnel in the formation of high-performance teams, consolidating the insurance offerings in the Bank's business platforms, and implementing a systematic plan for communications with customers.

Banchile Factoring S.A.

The merger of Banedwards and Banchile Factoring S.A. during this past fiscal year allowed us to position Banchile Factoring among the two largest companies in the industry, closing the year with successful result, incorporating more than 800 new customers to the portfolio and achieving a significant year-on-year increase in lending transactions.

Among business efforts made during the reporting period, we should mention the development and implementation of three new product and service options required to provide a better and more differentiated service to the segments covered by the corporation. Thus, during 2002, Banchile Factoring launched "Corporate Factoring", "Traditional Factoring" and "Fogape Factoring".

Banchile Securitizadora S.A.

This enterprise became a Banco de Chile subsidiary on January 1, 2002, and was formerly Banedwards Securitizadora S.A. Its corporate purpose is to turn a set of low-liquidity assets into credit-rated debt instruments, through financial restructuring of one or several bond series, which result from underlying asset flow generation. There are a broad range of assets that may be securitized, namely Mortgage Loans, Credit Cards, Leasing Agreements, Automobile Credits, and Accounts Receivable, among others.

Banchile Securitizadora S.A. ended the period with successful results, tripling the amounts of securitized bond issues as compared with 2001, and a 26 percent return over capital paid as of December 2002.

To achieve such results, Banchile Securitizadora S.A. has created innovative products, among which we should mention the first revolving securitized bond issues, funded with credits arising from credit cards, for which it obtained the best placement rate achieved to this date for this type of bond issues.

Socofin S.A.

In May 2002, the Superintendency of Banking and Financial Institutions authorized Banco de Chile to acquire the company Baned Servicios Especializados S.A. and its later transformation into the Bank's collection subsidiary.

Thus, this corporation founded in 1992 for the purpose of meeting Banco Edwards' consumer credit collection needs, which later extended services to other customers, became Socofin S.A, Banco de Chile's collection subsidiary, in July of this year. At present, Socofin has 1,200 employees, 21 branches located in the main cities around the country, and 120 additional major customers.