

## S U P P O R T I N G   E N T E R P R I S E S

### **Redbanc S.A.**

The network of ATMs ended the period with 2,764 machines installed in 139 different locations around the country, extending its coverage by 6.8 percent as compared with 2001. Moreover, during 2002, it processed 194.3 million transactions, representing a 15 percent increase in relation to the previous year.

During the reporting period, Redbanc S.A. implemented bill payment services, with the participation of three service companies and four banks; increased the total number of TCP/IP ATMs, which, among other advantages, permits centralized distribution of corporate advertising screens. Of the total number of ATMs in the country, 55 percent operate with the flexible screen mode, 89 percent offer the option of printing the transaction voucher at customer's choice, and almost all ATMs are digitally connected.

As regard networks, the technological platform was upgraded with VPN (Virtual Private Network) equipment, which permits the creation of virtual private networks between origin and destination, as well as to increase wide band speed to 100 Mbps.

In the field business relations between the network and the corporate sector, the requirements for incorporation to Redbanc ATM service and to the Interconnected Banking Network were established, and an agreement was reached with BancoEstado concerning the interconnection conditions of both networks. Finally, transaction fees were reduced in 9 percent and card residence fees in 45 percent, in addition to the application of a new fee schedule that considers transaction costs.

### **Transbank S.A.**

This supporting enterprise, which manages the credit and debit card issuance business, developed an aggressive plan during the year to incorporate new commercial stores. As a result of such plan, participating commercial stores increased from 36,500 in 2001 to more than 58,000 in 2002.

In the area of new services, we should mention the successful launching of the service that allows

customers to pay utility bills with credit cards, and the consolidation of Redcompra, which doubled transaction volumes in relation to the previous year.

At the period's end, consolidated credit and debit card sales show an annual growth of 21 percent.

#### **Servipag Ltda.**

Its expansion plan continued during 2002, opening 31 new points of services. At year's end, Servipag S.A. had 201 points of service countrywide and had processed 23.6 million transactions, representing a 9.5 percent increase in relation to the previous year. Moreover, the check cashing service reached 2.7 million transactions this year, representing an annual growth of 17.4 percent, while deposit reception reached 2.1 million transactions or a 23.5 percent annual increase.

During 2002, Servipag extended its service coverage to other entities in the industry: it incorporated to its site [www.servipag.com](http://www.servipag.com) bank credit cards as a new means of payment; implemented the on-line deposit reception service for Citibank-Empresas countrywide; and concluded negotiations and technical development agreements concerning the up-coming operation of similar services for other financial institutions.

#### **Nexus S.A.**

By the end of 2002, Nexus is processing over 1,300,000 accounts, which represent 63 percent of bank cards in the market. During the year, over 950 thousand debit cards and over 1.5 million credit cards were embossed by Nexus S.A. It also distributed over 10 million account statements, carrying 9.2 million inserts.

During 2002, the company achieved economic consolidation, obtaining positive financial results for the first time ever. The capital contribution made in 2001 enabled partners to have access to better rates, recovering such contribution within a much shorter period than originally estimated. For the issuers, this rate reduction has meant savings amounting to some US\$ 5 million to date.

Business management was focused on extending services to credit card issuer customers and offering processing services to third parties, both in Chile and abroad. Thus, the fraud prevention system, implemented during the year, resulted in a 74 percent drop in fraud to issuers, while the dispute settlement mechanism in the Exchange Area sped up the recovery of customer transactions. A new account statement system was developed and the operating model was set up on-line. The latter allows issuer banks to make on-line changes to Nexus-based cards from their own platforms, providing them clear business and operational advantages.

Finally, it should be mentioned that during this year two new issuers appeared on the market, one bank card issuer and one private label card issuer, which will start operations during the first quarter of 2003.

#### **CCAS.A.**

During 2002, the Automated Compensation Center processed 10.9 million transactions, worth Ch\$ 9.1 billion, originating in the 14 participating banks. These figures represent annual increases of 45 and 47 percent, respectively. Such increases are particularly relevant, considering the bank mergers that occurred during the year, which result in lower flows among involved entities.

#### **Etisa S.A.**

At world level and particularly at domestic level, the intelligent card solution has not yet shown clear signals of economic feasibility. For such reason, in 2002, shareholders decided to devote corporate efforts to research and evaluate potential intelligent card businesses.

## **Promarket S.A.**

This corporation has 15 years of experience in the commercial banking area. In July 2002, it became an exclusive Banco de Chile supporting enterprise. It played a major role in attracting and securing new customers and businesses, particularly in the area of Retail Banking and for CrediChile, consolidating sales teams. By year's end, it has over 1,000 employees working throughout the network of branches of Banco de Chile and supporting the achievement of sales targets and objectives.