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Banco de A. Edwards Announces 2001 Second-Quarter Results

Santiago, Chile, August 9, 2001 -- Banco de A. Edwards (NYSE: AED), a Chilean commercial bank focused on providing a broad range of financial services to corporations and individuals, today announced results for the second quarter ended June 30, 2001. The results have been prepared in accordance with Chilean GAAP on an unaudited, consolidated basis. All figures are expressed in constant Chilean pesos as of June 30, 2001, unless otherwise stated. Therefore, all growths are in real terms.

Net income for the second quarter of 2001 totaled Ch\$5,981 million (Ch\$0.81/share or US\$0.21/ADS), an increase compared with the net loss of Ch\$9,250 million reported in the same period of 2000 and similar to the Ch\$6,115 million amounted in the previous quarter.

2001 Second-Quarter Selected Financial Data					
	2Q00	1Q01	2Q01	% Change	
				2Q01/2Q00	2Q01/1Q01
Income Statement (Millions. Chilean pesos)					
Operating Revenues	31,080	36,584	37,715	21.3%	3.1%
Provision for loan losses	(17,590)	(9,118)	(8,672)	(50.7)%	(4.9)%
Operating Expenses	(20,823)	(21,858)	(23,145)	11.2%	5.9%
Net Income	(9,250)	6,115	5,981	-	(2.2)%
Earnings per Share (Chilean pesos)					
Net income per Share	(1.25)	0.83	0.81	-	(2.2)%
Book value per Share	29.7	31.4	32.2	8.6%	2.6%
Balance Sheet (Millions, Chilean pesos)					
Loan Portfolio	2,171,086	2,292,333	2,348,469	8.2%	2.4%
Total Assets	2,794,572	2,798,925	2,933,252	5.0%	4.8%
Shareholders' Equity	219,045	231,895	237,811	8.6%	2.6%
Total Capital / Risk Adjusted Assets	11.1%	12.0%	12.0%	-	-
Profitability Ratios					
ROAA	(1.35)%	0.86%	0.83%	-	-
ROAE	(17.0)%	10.7%	10.4%	-	-
Net Interest Margin	4.3%	4.7%	5.0%	-	-
Efficiency ratio	67.0%	59.7%	61.4%	-	-
Asset Quality Ratios					
Past Due Loans / Total Loans	3.43%	3.08%	3.11%	-	-
Allowances for Loan Losses / Total Loans	3.72%	3.37%	3.36%	-	-
Allowances for Loan Losses / Past Due Loans	108.4%	109.4%	108.1%	-	-

Second Quarter 2001 Highlights

The Bank

- **Banco Edwards Essential Information.**

At the extraordinary Board of Directors meeting held on June 14, 2001 it was resolved to initiate negotiations with Banco de Chile in order to establish the basis for an eventual merger between that bank and Banco Edwards and to agree on the exchange ratio. Likewise, the Board of Directors resolved to engage Morgan Stanley & Co. Incorporated ("Morgan Stanley") to value the Banks and its subsidiaries, to issue a fair opinion on the exchange ratio and to advise Banco de A. Edwards on the respective negotiations. Such Board of Directors' resolutions were adopted on a reserved basis and according to the law they were informed to the *Superintendencia de Bancos e Instituciones Financieras*.

Subsequently, at an Extraordinary Meeting of the Bank's Board of Directors held on August 7, 2001, it was agreed to disclose the following essential information regarding said institution:

- 1.- Banco de A. Edwards' Board of Directors was informed on all the analysis relative to the valuation of Banco de A. Edwards and Banco de Chile, specially, the report prepared at the Board's request by Morgan Stanley & Co. Inc., for the purpose of an eventual merger between both banks.
- 2.- The Board, after considering the negotiations held between the parties, agreed to propose the merger of both banks, in terms that Banco de A. Edward's shareholders would hold 34% of the resulting entity and Banco de Chile's shareholders would hold 66% of the same.
- 3.- Banco de A. Edwards will request authorization from the Chilean Superintendency of Banks and Financial Institutions for the merger of Banco de A. Edwards into Banco de Chile according to article 35 bis of the General Banking Law.
- 4.- It is the Board's intention for the merger to be agreed upon before the end of year 2001 and to become effective on year 2002.
- 5.- The Board will summon its shareholders to a General Extraordinary Meeting to consider and vote on a proposal to approve the merger between both banks, after obtaining the appropriate regulatory authorizations and will propose in said Shareholders Meeting that the net income of each bank, for the year 2001, be distributed among the present shares of each institution.

- **Loan Portfolio Expansion.** At the end of June 2001, the Bank's loan portfolio, net of interbank loans, reached Ch\$2,314,373 million, posting a 7.2% twelve-month growth. This expansion resulted in an increase of the Banks' market share from 7.9% as of June 30, 2000 to 8.1% as of June 30, 2001.

- **Strong Growth in Operating Revenues.** For the second quarter of 2001, operating revenues totaled Ch\$37,715 million, an increase of 21.3% over the same quarter of 2000 and a 3.1% growth compared to the first quarter of this year. This positive result mainly reflected the significant improvement in both net interest margin and fee income. Of note, operating revenues as percentage of average interest earning assets increased from 5.2% in the second quarter of 2000 to 6.0% in the second quarter of 2001.
- **Net Income Shows a Positive and Stable Outlook.** During the second quarter of 2001, the Bank maintained the good performance shown in the first quarter of 2001, reaching almost the same net income as in the previous quarter. The better performance observed during the first half of 2001, compared to last year's results, reflects the reduction in provisions for loan losses and management's efforts towards improving the Bank's operating revenues.
- **Successful Internet Banking Evaluation.** According to the latest Speer & Associates, Inc. report issued in June, 2001, which examines the business development and transactional capabilities of retail internet supply of 168 leading financial service companies, Banco Edwards ranks first in Chile and second among all Latin American Internet Sites. The mentioned study reveals that the Bank stands out for its world-class delivery and sophistication, evidenced by the fullest range of transactional capabilities available in Latin America, as well as its business development practices. As a result, the 11% increase during this quarter of both the number of transactions and the number of customers connected in the Bank's website has been remarkable.
- **Launching of Mondex Smartcard.** During this quarter, the Bank launched the first Mondex smartcard, which provides a direct electronic equivalent of cash through an electronic purse and information on stores transactions on a microchip. This card brings compelling benefits to consumers and merchants allowing instant transfer of value between them. It also enables consumers to transfer cash from their banking accounts to the smartcard and will allow them to make secure transactions via internet, mobile phones and digital television, in multiple currencies, thus facilitating cross border transactions. Through this card, the Bank expects to attract new customers, take advantage of the expansion of the Internet e-commerce and obtain lower transactional costs.
- **Subsidiaries Net Income.** Total net income from subsidiaries, net of minority interest, amounted to Ch\$996 million (US\$1.6 million) in the second quarter of 2001 showing a 77.5% and 7.1% increase compared to the second quarter of 2000 and the previous quarter, respectively. During the second quarter of 2001, subsidiaries' contribution to the Bank's total net income reached 16.7%, up from 15.2% in the prior quarter.
- **Insurance Brokerage Subsidiary Special Campaign.** During the second quarter of 2001, the Insurance brokerage subsidiary launched a special campaign to support vehicle and life-saving insurance products. Through the promotion of new insurance products and new campaigns for re-existing ones, the Bank expects to register further gains by increasing the number of policies placed by its subsidiary.

Financial System.

- **Loan portfolio continues growing while credit quality remain stable.** At the end of June 2001, the financial system's loan portfolio, net of interbank loans, amounted to US\$45,670 million, representing a 7.3% increase over the last twelve-month period, and 2.7% growth in comparison to March, 2001. These expansions were mainly related to an increase in commercial loans, foreign trade loans and lease contracts. Regarding credit quality, the ratio of past due loans to total loans reached 1.84% as of June 30, 2001, compared to 1.83% as of March 31, 2001, while the ratio of allowances to total loans posted 2.48% as of June 30, 2001 compared to 2.57% as of March 31, 2001.
- **ROAE back to 15%.** In the second quarter of 2001, financial system's net income reached US\$209 million, representing a decrease of 25.0% in comparison to the previous quarter. This decline was mainly explained by extraordinary incomes in gains on financial instruments registered during the first quarter of 2001 influenced by a decline in interest rates. However, the financial system's net income increased 89.1% in comparison to the second quarter of 2000 as a consequence of an increase in net interest revenue and in fee income as well as a decrease in provisions for loan losses and an improvement in the efficiency level. As a result, during the second quarter of 2001 the annualized return on average shareholder's equity reached 15.1%, while the annualized return on average assets was 1.13%.

2001 Second-Quarter Consolidated Results

NET INCOME

Net income for the second quarter of 2001 amounted to Ch\$5,981 million (US\$9.5 million), showing a significant improvement compared to the net loss of Ch\$9,250 million (US\$14.8 million) in the second quarter of 2000. This increase in net income was mainly driven by two factors: lower provisions for loan losses and higher operating revenues. In addition, net income for the second quarter of 2001 showed a slight decline relative to the previous quarter mainly as a consequence of a seasonal reduction in vacation allowances that lowered operating expenses in the first quarter of 2001.

Net income for the second quarter of 2001 resulted in a 0.83% annualized return on average assets (ROAA) and a 10.4% annualized return on average shareholders' equity (ROAE), compared to the respective (1.35)% and (17.0)% reached in the second quarter of 2000.

Net Income (in millions of Chilean pesos, except for percentages)					
	2Q00	1Q01	2Q01	% Change	
				2Q01/2Q00	2Q01/1Q01
Bank (excluding subsidiaries) ¹	(10,450)	5,185	4,985	-	(3.9)%
Leasing ¹	719	-	-	-	-
Stock Brokerage	344	412	410	19.2%	(0.5)%
Mutual Fund	280	261	271	(3.2)%	3.8%
Insurance Brokerage	159	136	331	108.2%	143.4%
Investment Fund	(25)	(8)	(36)	44.0%	350.0%
Financial Advisory	(83)	40	(32)	(61.4)%	-
Factoring	(114)	102	85	-	-
Securitization	-	(13)	(33)	-	-
Minority interest	(80)	-	-	-	-
Total Net Income	(9,250)	6,115	5,981	-	(2.2)%

¹ Since the third quarter of 2000, leasing operations were incorporated into the Bank.

During the second quarter of 2001, net income from subsidiaries totaled Ch\$996 million, a 7.1% growth relative to the Ch\$930 million registered in the previous quarter or a 77.5% increase compared to Ch\$561 million in the same quarter of 2000 (in this case excluding the leasing company and minority interest).

The subsidiaries' net income for the second quarter of 2001 increased compared to the year earlier quarter mostly due to higher earnings obtained from the Factoring and the Insurance Brokerage Subsidiaries. The Factoring company initiated its operations during the second quarter of last year, period in which its results reflected the start-up costs. However, since the first quarter of 2001, this subsidiary has been showing positive results and as of June 30, 2001 its loan portfolio reached approximately Ch\$10,700 million. The improved performance of the Insurance Brokerage subsidiary has been a consequence of the numerous insurance marketing campaigns and introduction of new attractive products which has allowed an increase in premium fees.

The Stock Brokerage net income for the second quarter of 2001, with respect to the year-earlier quarter, was positively impacted by wider margins obtained in foreign currency trading transactions and higher volumes for stock transactions.

In addition, the slight decrease in the net income of the Mutual Fund subsidiary, in the second quarter of 2001 versus the same quarter of 2000 was closely related to a decrease in fee income, which more than offset the decline in operating expenses. Lower fees are explained by a change in the composition of funds towards fixed income funds, which generate lower margins, versus variable income funds. However, this decrease has been partially offset by an increase of 16.5% in funds under management between both quarters.

Regarding the subsidiaries' net income quarterly increase, it was largely the result of higher earnings obtained from the Insurance Brokerage Subsidiary mainly driven by higher fees and also to an accounting adjustment which implied a recognition of additional fees for an amount of approximately Ch\$92 million, that were accrued and not accounted for in the previous quarter.

NET INTEREST REVENUE

Net Interest Revenue (in millions of Chilean pesos, except for percentages)					
	2Q00	1Q01	2Q01	% Change	
				2Q01/2Q00	2Q01/1Q01
Interest revenue	82,565	62,203	77,380	(6.3)%	24.4%
Interest expense	(56,730)	(32,765)	(45,533)	(19.7)%	39.0%
Net Interest Revenue	25,835	29,438	31,847	23.3%	8.2%
Avg.interest earning assets	2,402,920	2,509,272	2,530,674	5.3%	0.9%
Net Interest Margin	4.3%	4.7%	5.0%	-	-

Net interest revenue increased 23.3% to Ch\$31,847 million (US\$50.8 million) in the second quarter of 2001, compared to the Ch\$25,835 million (US\$41.2 million) registered in last year's same period. This strong increase was mainly the result of a 73 basis points net interest margin expansion and, to a lesser extent, of the 5.3% expansion in average interest earning assets.

The expansion in average interest earning assets was attributable to the 10.1% increase in average loan portfolio, which more than offset the decline of 27.4% in the average investment portfolio.

Net interest margin increased to 5.0% in the second quarter of 2001 from 4.3% in the second quarter of 2000, mostly due to:

- Higher global spreads as a consequence of a change in the composition of interest earning assets mix towards increasing higher yielding products such as consumer loans, lease contracts and commercial loans denominated in Chilean pesos (instead of UF), while reducing the proportion of financial investments. The implementation of new price policies by segments also broadened lending spreads mainly in high-income individuals and middle market companies.
- A better funding mix, reflected in the improvement of the ratio of interest bearing liabilities to interest earning assets from 84.5% in the second quarter of 2000 to 83.4% in the second quarter of 2001.

- A lower accounting cost attributable to the management of the Bank's foreign currency position through forward contracts and assets denominated in local currency, readjusted in accordance with changes in the US exchange rate (which increased the net interest margin but reduced results shown in the foreign exchange transactions line).

On the other hand, the positive impact of the aforementioned factors were partially offset by the effect of a lower level of nominal interest rates which reduced the profitability of the interest earning assets financed by non-interest bearing liabilities. Lower nominal interest rates resulted mainly from a decrease in real interest rates.

In addition, during the second quarter 2001, net interest revenue recorded an 8.2% rise compared to the previous quarter, mainly as a consequence of the 34 basis points expansion in net interest margin. This expansion was largely the result of higher inflation rate (from 0.50% in the first quarter of 2001 to 0.95% in the second quarter of 2001), which implied that the Bank earned higher nominal interest rates on the portion of interest earning assets financed by non-interest bearing liabilities.

LOAN PORTFOLIO

Loan Portfolio by Type of Credit

Loan Portfolio (in millions of Chilean pesos, except for percentages)					
	June.00	March.01	June.01	% Change	
				12-months	2Q01/1Q01
Commercial Loans	1,082,899	1,134,294	1,148,859	6.1%	1.3%
Mortgage Loans	419,982	441,485	439,702	4.7%	(0.4)%
Consumer Loans	130,152	159,902	160,704	23.5%	0.5%
Foreign trade Loans	141,091	177,103	205,674	45.8%	16.1%
Contingent Loans	110,929	90,597	98,847	(10.9)%	9.1%
Others Outstanding Loans	149,024	129,614	118,571	(20.4)%	(8.5)%
Lease Contracts	49,993	63,328	69,020	38.1%	9.0%
Past-due Loans	74,494	70,665	72,996	(2.0)%	3.3%
Total Loans, net	2,158,564	2,266,988	2,314,373	7.2%	2.1%
Interbank Loans	12,522	25,345	34,096	172.3%	34.5%
Total Loans	2,171,086	2,292,333	2,348,469	8.2%	2.4%

Loan Portfolio by Market Segment¹

Loan Portfolio (in millions of Chilean pesos, except for percentages)					
	June.00	March.01	June.01	% Change	
				12-months	2Q01/1Q01
Individual Banking	595,366	642,972	634,693	6.6%	(1.3)%
High Income	489,912	527,898	518,063	5.7%	(1.9)%
Lower Middle Income	105,454	115,074	116,630	10.6%	1.4%
Corporate Banking	1,563,198	1,624,016	1,679,680	7.5%	3.4%
Middle-market	1,241,771	1,192,741	1,200,470	(3.3)%	0.6%
Large corporations ²	321.427	431.275	479.210	49.1%	11.1%
Total Loans, net	2,158,564	2,266,988	2,314,373	7.2%	2.1%
Interbank Loans	12,522	25,345	34,096	172.3%	34.5%
Total Loans	2,171,086	2,292,333	2,348,469	8.2%	2.4%

¹ For purposes of this table, clients were categorized in accordance of internal segment definitions.

² Large Corporations include commercial and foreign trade loans granted to foreign Banks.

The Bank's loan portfolio expanded to Ch\$2,348,469 million as of June 30, 2001, an annual increase of 8.2% and a 2.4% growth compared to the previous quarter.

Leading the quarterly expansion were foreign trade and commercial loans, in terms of volumes. However, contingents loans and lease contracts also experienced an important increase during the quarter. In addition, consumer loans showed a positive performance, while other outstanding loans and mortgage loans registered a contraction.

The increase in foreign trade loans was principally associated to loans granted to foreign banks and to large corporations of the mining sector. Commercial and contingent loan expansions were mainly driven by loans in foreign currency granted to corporations. It is worth mentioning that the rise experienced by these loans denominated in foreign currency was also boosted by the 5.7% increase observed in the exchange rate during the quarter.

Lease contracts continue showing an important recovery in middle-market companies and, in particular, during the second quarter of 2001, the increase was closely related to clients of the sectors of Services and Trade.

The decrease in other outstanding loans during the second quarter of 2001 was attributable to a sale of approximately Ch\$9,500 million in mortgages loans financed by the Bank's general borrowings oriented to high income individuals, which implied earnings of approximately Ch\$600 million (during the previous quarter the Bank sold approximately Ch\$13,200 million of these loans).

In terms of loan growth by segments, the Bank continued increasing its exposure in large corporations, a lower risk segment that increased its participation within the total portfolio, net of

interbank loans, to 20.7% as of June 30, 2001 from 19.0% as of March 31, 2001. Loans to middle-market companies increased by 0.6% and its participation in the loan portfolio decreased by 1%. Loans to lower-middle income individuals expanded 1.4% during the quarter due to higher mortgage loans, thus maintaining its 5% participation in the loan portfolio. On the contrary, loans to high income individuals experienced a slight decline, as a consequence of the previously mentioned sale of mortgages, thus reducing its participation by 1%.

The Bank has been placing special efforts in increasing its profitability through improving lending spreads, among other measures. In order to achieve this strategic objective, management has been shifting its portfolio mix towards higher yielding loans and which reflects in the composition of the annual loan expansion. Accordingly, the Bank reached a solid 12-month growth of 23.5% and 38.1% in consumer loans and lease contracts, respectively. Also, commercial loans' expansion shifted towards loans denominated in pesos, which are high yielding, versus loans denominated in UF (the first ones showed an annual increase of approximately 44.5% while the latter contracted by approximately 10.8% in the same period). As a consequence, loans' spreads¹, measured by the Bank's internal management information system, have shown an overall improvement, increasing 58 basis points between the second quarter of 2001 and the same quarter of 2000.

Past Due Loans by Type of Credit

Past Due Loans (in millions of Chilean pesos, except for percentages)					
	June.00	March.01	June.01	% Change	
				12-months	2Q01/1Q01
Commercial loans	72,318	66,936	69,400	(4.0)%	3.7%
Consumer loans	1,031	1,289	1,212	17.6%	(6.0)%
Residential mortgage loans	1,145	2,440	2,384	108.2%	(2.3)%
Total Past Due Loans	74,494	70,665	72,996	(2.0)%	3.3%

Ratios

Allowance / Past Due Loans	108.4%	109.4%	108.1%	-	-
Past Due Loans / Total Loans	3.43%	3.08%	3.11%	-	-

Past-due loans totaled Ch\$72,996 million as of June 30, 2001, posting a 3.3% increase compared to Ch\$70,665 million registered as of March 31, 2001 and a 2% reduction when compared to a year ago. The increase was mainly concentrated in commercial loans related to two clients of the agriculture and manufacturing sectors. In terms of composition, as of June 30, 2001, 71.4% of past due loans came from middle-market companies and 27.7% from high income individuals. As far as the past due loans to total loans ratio is concerned, it remained almost unchanged compared to the previous quarter at 3.1%.

¹ Defined as the difference between the nominal rates earned and the corresponding cost of fund of loans denominated in the same currency and maturity.

FUNDING

Funding (in millions of Chilean pesos, except for percentages)					
	June.00	March.01	June.01	% Change	
				12-months	2Q01/1Q01
Non-interest Bearing Liabilities					
Current Accounts	218,390	235,701	221,079	1.2%	(6.2)%
Bankers drafts and other deposits	153,404	116,385	138,997	(9.4)%	19.4%
Other Liabilities	143,410	177,116	131,113	(8.6)%	(26.0)%
Total	515,204	529,202	491,189	(4.7)%	(7.2)%
Interest Bearing Liabilities					
Savings & Time Deposits	1,315,881	1,341,089	1,442,897	9.7%	7.6%
Central Bank Borrowings	2,679	2,300	36,179	1,250.5%	1,473.0%
Repurchase agreements	130,063	59,277	64,712	(50.2)%	9.2%
Mortgage Finance Bonds	442,416	474,006	477,029	7.8%	0.6%
Subordinated Bonds	53,027	85,186	84,611	59.6%	(0.7)%
Other Bonds	13,537	10,898	9,434	(30.3)%	(13.4)%
Borrowings from Domestic Inst.	75,257	17,243	38,246	(49.2)%	121.8%
Foreign Borrowings	5,330	23,323	26,149	390.6%	12.1%
Other Obligations	22,133	24,506	24,995	12.9%	2.0%
Total	2,060,323	2,037,828	2,204,252	7.0%	8.2%
Total Liabilities	2,575,527	2,567,030	2,695,441	4.7%	5.0%

During the second quarter of 2001, the balance of non-interest bearing liabilities decreased by 7.2%, mainly as a result of a drop in other liabilities. This drop was a consequence of a decline in the obligation associated to foreign currency transactions pending settlement², which volumes are very volatile.

Despite the decline recorded in the current account balance during the second quarter of 2001, the average balance of this product remained stable. It is important to point out, that the increase observed in short-term nominal interest rates during the second quarter of 2001, relative to the previous quarter, discouraged customers to increase their current account balances.

Total interest bearing liabilities increased by 8.2% during the second quarter of 2001, primarily as a consequence of an important expansion in time deposits. This expansion responded to the Bank's requirement to finance the increase observed in its assets, principally the 50.1% expansion in its investment portfolio balance.

As asset/liability management is concerned, the Bank has been changing the mix of time deposits towards deposits denominated in foreign currency in order to benefit from the expected decrease in US interest rates. In addition, the Bank has also been increasing the maturity of its deposits denominated in local currency as no further decrease in short-term local interest rates is expected. Accordingly, volumes of local currency time deposits shifted towards medium-term deposits denominated in UF from short-term deposits denominated in Chilean pesos.

² Composed by U.S. dollars sold by the Bank and pending for transfer.

INVESTMENT PORTFOLIO

As of June 30, 2001, the Bank's investment portfolio reached Ch\$299,768 million, recording an increase of 50.1% compared to Ch\$199,733 million as of March 31, 2001. This expansion was a result of the Bank's decision to increase its liquidity at similar levels than the ones of previous quarters. This growth was mainly reflected in an increase in repos and in other short-term Central Bank securities. At the same time, the Bank also maintained an exposure in long-term Central Bank Securities due to their attractive rate of return, in a context where an increase in long-term interest rates was not expected.

At the end of June 2001, the Bank's investment portfolio represented 10.2% of total assets and was composed principally by instruments issued by the Chilean Central Bank (51.2%), international investment grade securities (19.3%), time deposits issued by domestic institutions (13.5%), and investments purchased under agreements to resell (8.3%).

ASSETS RECEIVED IN LIEU OF PAYMENT

As of June 30, 2001, the Bank's assets received in lieu of payment amounted to Ch\$17,873 million (net of Ch\$1,027 million of allowances), a 59.0% increase compared to the Ch\$11,240 million on March 31, 2001. This increase was mainly explained by residential and industrial properties related to three debtors as a result of the strict collection policy applied by the Bank to overdue loans.

PROVISIONS FOR LOAN LOSSES

Allowances and Provision for Loans Losses (in millions of Chilean pesos, except for percentages)					
	2Q00	1Q01	2Q01	% Change	
				2Q01/2Q00	2Q01/1Q01
Allowances at the beginning of each period	78,644	78,732	77,287	(1.7)%	(1.8)%
Price-level restatement	(1,107)	(116)	(1,045)	(5.6)%	800.9%
Charge-off	(14,370)	(10,447)	(6,034)	(58.0)%	(42.2)%
Provisions established, net	17,590	9,118	8,672	(50.7)%	(4.9)%
Allowances at the end of each period	80,757	77,287	78,880	(2.3)%	2.1%
Provisions for Loans Losses	(17,590)	(9,118)	(8,672)	(50.7)%	(4.9)%

Ratios

Allowance for loan losses / Total loans	3.72%	3.37%	3.36%
Risk Index	3.19%	2.91%	2.79%
Provisions for loan losses / Avg. Loans	3.35%	1.60%	1.50%
Charge-offs / Avg. Loans	2.73%	1.83%	1.04%
Recoveries / Avg. Loans	0.15%	0.19%	0.28%

Provisions for loan losses totaled Ch\$8,672 million (US\$13.8 million) in the second quarter of 2001, representing a decrease of 50.7% compared to the second quarter of 2000 or 4.9% decline relative to the previous quarter.

The quarterly decrease was principally due to lower provisions for loan losses on consumer loans, related to the Bank's consumer division, and in the financial services sector, associated to the retail

business. In terms of composition, provisions for loan losses during the second quarter of 2001 were mainly concentrated in the construction sector and, to a lesser extent, in the financial services and wholesale trade sectors.

Regarding charge-offs, the amount registered during the second quarter of 2001 was Ch\$6,034 million, representing a 1.04% of average loans down from 2.73% and 1.83% registered in the second quarter of 2000 and in the previous quarter, respectively. The decrease in charge-offs was mainly explained by lower charge-offs in middle market segment.

The Bank's risk index, which measures the potential loss of the loan portfolio, improved from 2.91% as of March 31, 2001 to 2.79% as of June 30, 2001, while provisions for loan losses as percentage of average total loans decreased from 1.60% to 1.50% in the first quarter and the second quarter of 2001, respectively.

INCOME FROM SERVICES, NET

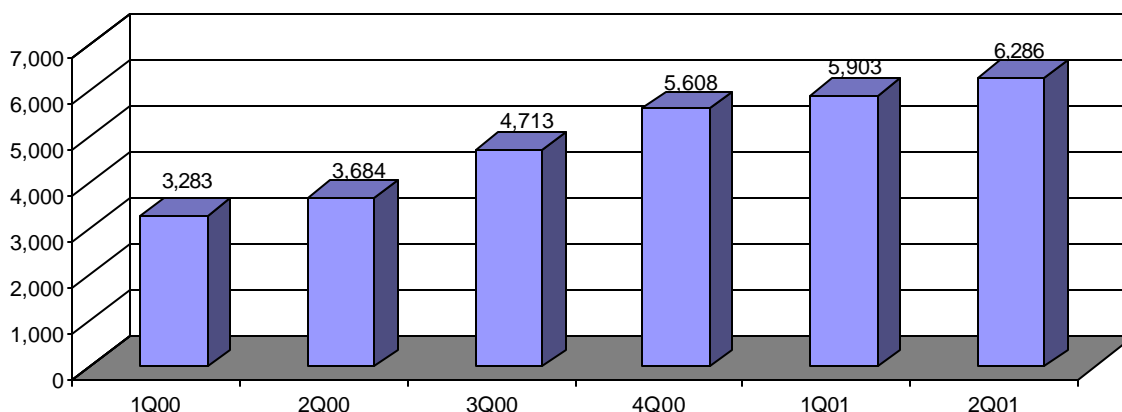
Income from Services (in millions of Chilean pesos, except for percentages)					
	2Q00	1Q01	2Q01	% Change	
				2Q01/2Q00	2Q01/1Q01
<i>Composition by Company</i>					
Bank ¹	1,593	3,827	3,943	147.5%	3.0%
Finandes	367	381	432	17.7%	13.4%
Mutual Fund	802	703	705	(12.1)%	0.3%
Financial Advisory	48	148	66	37.5%	(55.4)%
Insurance Brokerage	472	459	681	44.3%	48.4%
Stock Brokerage	363	354	413	13.8%	16.7%
Investment Fund	31	0	0	(100.0)%	-
Factoring	8	31	46	475.0%	48.4%
Total Income from services, net	3,684	5,903	6,286	70.6%	6.5%

¹ Considers fees from high-income individuals, middle-market and large companies.

Income from services amounted to Ch\$6,286 million during the second quarter of 2001, recording a notable 70.6% increase compared to the same quarter of 2000. This expansion was mainly attributable to the implementation of the new pricing policy, since the second half of 2000, which implied mainly higher fees on checking accounts and credit lines. The success of this measure has been reflected in the increase of the fees over average loans ratio that climbed to 1.09% in the second quarter of 2001 from 0.70% in the same quarter of 2000. Despite this important increase, management believes that the Bank still has room to further improve this ratio. In addition, higher fee income during the second quarter of 2001 versus the year-earlier comparable period was recorded in most of the Bank's subsidiaries, as well as in the Bank's consumer division, Finandes.

Regarding the quarterly growth of 6.5% in fee income, it was mainly driven by fees associated to the electronic checkbooks called "Cuenta Mas" coming from the Bank's consumer division, as well as by letter of credits (related to the increase in volumes of contingent loans) and by insurance fees.

Fee Income Evolution by Quarter
(millions of constant Chilean pesos)



OTHER OPERATING INCOME, NET

Other operating income (in millions of Chilean pesos, except for percentages)					
	2Q00	1Q01	2Q01	% Change	
				2Q01/2Q00	2Q01/1Q01
Gain on sales of financial instruments, net	366	2,781	454	24.0%	(83.7)%
Foreign exchange transactions, net	1,195	(1,538)	(872)	-	(43.3)%
Total other operating income	1,561	1,243	(418)	-	-

The Bank's Other Operating Income declined to Ch\$(418) million during the second quarter of 2001 from Ch\$1,561 million in the second quarter of 2000. This decrease was attributable to the sharp decline in Foreign Exchange Transactions, which was mainly influenced by the Bank's decision to maintain a higher net liability position in US dollars³, in the second quarter of 2001, in comparison to the second quarter of 2000, and also due to lower accrual earnings experienced by the UF-US\$ during the second quarter of this year.

As was mentioned in previous releases, the management of the Bank's foreign currency financial position through forward contracts and assets/liabilities denominated in local currency, readjusted in US accordance with changes in US exchange rate, originates accounting asymmetries which distort both the net interest revenue and the foreign exchange transaction line. Therefore, the amount showed in this line does not adequately reflect the financial results associated with the management of the foreign exchange position.

Regarding the increase in Gains on Sales of Financial Instruments during the second quarter of 2001, in comparison to the same quarter of 2000, was the result of gains obtained from a sale during the year of mortgage loans financed by the Bank's general borrowings for an amount of approximately Ch\$9,500 million. On the other hand, Gains on Sales of Financial Instruments during the second quarter of 2001 showed a reduction compared to the previous quarter due to the

³ It is worth mentioning that any asset / liability position in foreign currency that the Bank takes is usually hedged, totally or partially, with assets / liabilities denominated in Chilean pesos and readjusted in accordance with changes in the US exchange rate (this readjustment is accounted for in the interest revenue line).

significant earnings posted as a consequence of a sale of mortgage loans during the first quarter of 2001 of approximately Ch\$13,200 million and mark to market of Central Bank securities during the same quarter.

OTHER INCOME AND EXPENSES

Total other income and expenses for the second quarter of 2001 increased to Ch\$2,645 million, from Ch\$(2,007) million in the second quarter of 2000. This change was largely explained by the higher non-operating income, net, as a consequence of a sale, during the second quarter of 2001, of an industrial property received in lieu of payment, which had been charged-off during the second quarter of 2000, in accordance to the Superintendency guideline. In addition, higher recoveries of loans previously charged-off coming mainly from middle market clients contributed also to the increase in other income and expenses during the second quarter of 2001, compared to last year's same quarter.

Concerning the increase of other income and expenses recorded in the second quarter of 2001, relative to the previous quarter, it was mostly explained by both higher recoveries of loans previously charged-off, and higher income obtained from the sale of assets received in lieu of payment.

OPERATING EXPENSES

Operating expenses (in millions of Chilean pesos, except for percentages)					
	2Q00	1Q01	2Q01	% Change	
				2Q01/2Q00	2Q01/1Q01
Personnel salaries and expenses	(10,534)	(10,205)	(11,329)	7.5%	11.0%
Administrative and other expenses	(8,887)	(9,387)	(9,527)	7.2%	1.5%
Depreciation and amortization	(1,402)	(2,266)	(2,289)	63.3%	1.0%
Total operating expenses	(20,823)	(21,858)	(23,145)	11.2%	5.9%
Efficiency ratio*	67.0%	59.7%	61.4%	-	-
Efficiency ratio**	62.5%	53.6%	55.3%	-	-

*Operating expenses/Operating revenues

** Excluding amortization and depreciation

The Bank's operating expenses amounted to Ch\$23,145 million (US\$37.0 million) during the second quarter of 2001, an 11.2% increase compared to Ch\$20,823 million for the second quarter of last year.

Personnel salaries and expenses rose 7.5% as a consequence of: (i) an increase in headcount of 123 employees (from 2,802 as of June 30, 2000 to 2,925 as of June 30, 2001) mainly related to the opening of new branches, (ii) higher provisions related to personnel activities, and (iii) an increase in severance allowances.

Administrative and other expenses grew by 7.2% mainly due to higher (i) external advisory expenses, (ii) collection expenses related to overdue loans and to the administration of assets received in lieu of payment and; (iii) expenses associated to the opening of new branches and the installation of 79 new ATMs during the last twelve-months.

As we mentioned in the previous quarter, the increase in depreciation and amortization expenses during this year has been mainly explained by higher charges related to computer equipment (originated in the acquisition and upgrade of ATMs, servers and personal computers) and to software development (in connection to the Bank's web site).

Regarding the 5.9% increase in operating expenses during the second quarter of 2001 relative to the previous quarter, it was largely the result of the increase observed in personnel salaries expenses due to the seasonal effect of the release of vacation allowances during the first quarter of 2001. In addition, administrative expense growth was mainly driven by higher advertising and corporate marketing campaigns in part associated to Mundo Edwards Loyalty Program and by external advisories.

Mention should also be made of the efficiency ratio, which improved to 61.4% in the second quarter of 2001, from 67.0% in the year-earlier quarter, as operating revenues increased by 21.3% between both quarters. The ratio of operating expenses to average total assets increased to 3.2% in the second quarter of 2001 from 3.0% in the second quarter of 2000.

LOSS FROM PRICE- LEVEL RESTATEMENT

Loss from price-level restatement amounted to Ch\$1,921 million (US\$3.1 million) in the second quarter of 2001 compared to Ch\$2,244 million (US\$3.6 million) in the year-earlier quarter. This decrease was mainly due to: (i) a 29.1% increase in non-monetary assets composed primarily of fixed assets and assets received in lieu of payment, and; (ii) the decline observed by the inflation rate between the mentioned periods (the inflation rate used for adjustment purposes declined to 1.37% in the second quarter of 2001 from 1.43% in the second quarter of 2000).

SHAREHOLDER'S EQUITY

As of June 30, 2001, the Bank's shareholders equity totaled Ch\$237,811 million (US\$379.5 million), an increase of 8.6% in comparison to the Ch\$219,045 million (US\$349.5 million) recorded as of June 30, 2000, as a consequence of the higher net income registered during the first half of 2001 and, to a lesser extent, to the 50% capitalization of the 2000 net income. At the same date, the Bank's Total Capital to Risk-Adjusted Assets ratio (BIS ratio) reached 12.0% and the Basic Capital to Total Assets ratio reached 7.8%, compared to the 8% and 3% respective minimums requirements.

Note: All figures expressed in US dollars (except earnings per ADR) were converted using the exchange rate of Ch\$626.65 for US\$1.00 as of June 30, 2001. Earnings per ADR were calculated considering the nominal net income and the exchange rate existing at the end of each period.

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;
- unanticipated increases in financing and other costs or the inability to obtain additional debt or equity financing on attractive terms; and

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 publicly any revisions to such forward-looking statements after completion of this offering to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

-- Financial Tables Follow --

BANCO DE A. EDWARDS
CONSOLIDATED STATEMENTS OF INCOME (Under Chilean GAAP)

(Expressed in millions of constant Chilean pesos (MCh\$) as of June 30, 2001 and millions of US dollars (MUS\$))

	Quarters				% Change		Year to date				% Change
	2Q00	1Q01	2Q01	2Q01	2Q01-2Q00	2Q01-1Q01	Jun-00	Dec 00	Jun-01	Jun-01	Jun 01-Jun 00
	MCh\$	MCh\$	MCh\$	MUS\$			MCh\$	MCh\$	MCh\$	MUS\$	
Interest revenue and expense											
Interest revenue	82,565	62,203	77,380	123.5	(6.3) %	24.4 %	149,119	298,834	138,742	221.40	(7.0) %
Interest expense	(56,730)	(32,765)	(45,533)	(72.7)	(19.7) %	39.0 %	(98,309)	(192,476)	(77,855)	(124.24)	(20.8) %
Net interest revenue	25,835	29,438	31,847	50.8	23.3 %	8.2 %	50,810	106,358	60,887	97.16	19.8 %
Provision for loan losses	(17,590)	(9,118)	(8,672)	(13.8)	(50.7) %	(4.9) %	(23,660)	(35,869)	(17,667)	(28.19)	(25.3) %
Income from services, net											
Income from services	4,777	7,243	7,560	12.1	58.3 %	4.4 %	9,114	21,741	14,705	23.47	61.3 %
Services expenses	(1,093)	(1,340)	(1,274)	(2.0)	16.6 %	(4.9) %	(2,194)	(4,720)	(2,596)	(4.14)	18.3 %
Income from services, net	3,684	5,903	6,286	10.1	70.6 %	6.5 %	6,920	17,021	12,109	19.33	75.0 %
Other operating income, net											
Gains on financial instruments, net	366	2,781	454	0.7	24.0 %	(83.7) %	1,282	2,330	3,197	5.10	149.4 %
Foreign exchange transactions, net	1,195	(1,538)	(872)	(1.4)	n/a	(43.3) %	4,863	6,744	(2,389)	(3.81)	n/a
Total other operating income, net	1,561	1,243	(418)	(0.7)	n/a	n/a	6,145	9,074	808	1.29	(86.9) %
Other income and expenses											
Recovery of loans previously charged-off	786	1,061	1,595	2.5	102.9 %	50.3 %	1,486	3,634	2,642	4.22	77.8 %
Non-operating income	880	1,061	1,963	3.1	123.1 %	85.0 %	1,410	2,648	3,010	4.80	113.5 %
Non-operating expenses	(3,663)	(440)	(981)	(1.6)	(73.2) %	123.0 %	(6,279)	(7,415)	(1,415)	(2.26)	(77.5) %
Participation in earnings of equity investments	(10)	39	68	0.1	n/a	74.4 %	(32)	4	106	0.17	n/a
Total other income and expenses	(2,007)	1,721	2,645	4.1	n/a	53.7 %	(3,415)	(1,129)	4,343	6.93	n/a
Operating expenses											
Personnel salaries and expenses	(10,534)	(10,205)	(11,329)	(18.1)	7.5 %	11.0 %	(19,865)	(40,852)	(21,396)	(34.14)	7.7 %
Administrative and other expenses	(8,887)	(9,387)	(9,527)	(15.2)	7.2 %	1.5 %	(17,025)	(38,597)	(18,787)	(29.98)	10.3 %
Depreciation and amortization	(1,402)	(2,266)	(2,289)	(3.7)	63.3 %	1.0 %	(2,718)	(6,344)	(4,524)	(7.22)	66.4 %
Total operating expenses	(20,823)	(21,858)	(23,145)	(37.0)	11.2 %	5.9 %	(39,608)	(85,793)	(44,707)	(71.34)	12.9 %
Loss from price-level restatement	(2,244)	(170)	(1,921)	(3.1)	(14.4) %	1030.0 %	(3,801)	(7,089)	(2,089)	(3.33)	(45.0) %
Minority interest in consolidated subsidiaries	(80)	0	0	0.0	(100.0) %	n/a	(366)	(359)	0	0.00	(100.0) %
Income before income taxes	(11,664)	7,159	6,622	10.5	n/a	(7.5) %	(6,975)	2,214	13,684	21.84	n/a
Income taxes	2,414	(1,044)	(641)	(1.0)	n/a	(38.6) %	1,849	1,010	(1,671)	(2.67)	n/a
Net income	(9,250)	6,115	5,981	9.5	n/a	(2.2) %	(5,126)	3,224	12,013	19.17	n/a

BANCO DE A. EDWARDS
CONSOLIDATED BALANCE SHEETS (Under Chilean GAAP)

(Expressed in millions of constant Chilean pesos (MCh\$) as of June 30, 2001 and millions of US dollars (MUS\$))

<u>ASSETS</u>	Dec 99	Jun 00	Dec 00	Mar 01	Jun 01	Jun 01	<u>% Change</u>	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MUS\$	Jun 01 - Mar 01	Jun 01 - Jun 00
Cash and due from banks								
Noninterest bearing	131,277	235,991	196,302	208,016	230,466	367.8	10.8 %	(2.3) %
Interest bearing	35,880	5,350	396	27,446	393	0.6	(98.6) %	(92.7) %
Total cash and due from banks	167,157	241,341	196,698	235,462	230,859	368.4	(2.0) %	(4.3) %
Financial investments								
Government securities	66,479	37,452	61,581	37,070	126,402	201.7	241.0 %	237.5 %
Investments purchase under agreements to resell	28,285	48,719	32,193	19,131	24,747	39.5	29.4 %	(49.2) %
Investment collateral under agreements to repurchase	54,310	94,498	77,256	49,103	54,681	87.3	11.4 %	(42.1) %
Other investments	131,720	169,933	127,733	94,429	93,938	149.9	(0.5) %	(44.7) %
Total financial investments	280,794	350,602	298,763	199,733	299,768	478.4	50.1 %	(14.5) %
Loans, Net								
Commercial loans	1,097,922	1,082,899	1,132,312	1,134,294	1,148,859	1,833.3	1.3 %	6.1 %
Consumer loans	127,949	130,152	154,135	159,902	160,704	256.4	0.5 %	23.5 %
Mortgage loans	386,595	419,982	438,056	441,485	439,702	701.7	(0.4) %	4.7 %
Foreign trade loans	123,910	141,091	188,508	177,103	205,674	328.2	16.1 %	45.8 %
Interbank loans	13,872	12,522	9,150	25,345	34,096	54.4	34.5 %	172.3 %
Lease contracts	54,987	49,993	51,206	63,328	69,020	110.1	9.0 %	38.1 %
Other outstanding loans	139,947	149,024	143,576	129,614	118,571	189.3	(8.5) %	(20.4) %
Past due loans	58,047	74,494	65,096	70,665	72,996	116.5	3.3 %	(2.0) %
Contingent loans	111,422	110,929	124,947	90,597	98,847	157.7	9.1 %	(10.9) %
Total loans	2,114,651	2,171,086	2,306,986	2,292,333	2,348,469	3,747.6	2.4 %	8.2 %
Allowance for loan losses	(77,098)	(80,757)	(78,732)	(77,287)	(78,880)	(125.9)	2.1 %	(2.3) %
Total loans, net	2,037,553	2,090,329	2,228,254	2,215,046	2,269,589	3,621.7	2.5 %	8.6 %
Other assets								
Assets received in lieu of payment	10,417	8,533	13,255	11,240	17,873	28.5	59.0 %	109.5 %
Bank premises and equipment	48,132	52,848	62,628	62,125	61,385	98.0	(1.2) %	16.2 %
Investments in other companies	1,395	1,231	1,377	1,417	1,366	2.2	(3.6) %	11.0 %
Other	32,328	49,688	68,936	73,902	52,412	83.6	(29.1) %	5.5 %
Total other assets	92,272	112,300	146,196	148,684	133,036	212.3	(10.5) %	18.5 %
Total assets	2,577,776	2,794,572	2,869,911	2,798,925	2,933,252	4,680.8	4.8 %	5.0 %

BANCO DE A. EDWARDS
CONSOLIDATED BALANCE SHEETS (Under Chilean GAAP)

(Expressed in millions of constant Chilean pesos (MCh\$) as of June 30, 2001 and millions of US dollars (MUS\$))

LIABILITIES & SHAREHOLDERS' EQUITY

	Dec 99	Jun 00	Dec 00	Mar 01	Jun 01	Jun 01	% Change	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MUS\$	Jun 01 - Mar 01	Jun 01 - Jun 00
Deposits								
Current accounts	214,090	218,390	230,460	235,701	221,079	352.8	(6.2) %	1.2 %
Bankers drafts and other deposits	63,908	153,404	126,184	116,385	138,997	221.8	19.4 %	(9.4) %
Saving accounts and time deposits	1,283,474	1,315,881	1,365,354	1,341,089	1,442,897	2,302.6	7.6 %	9.7 %
Total deposits	1,561,472	1,687,675	1,721,998	1,693,175	1,802,973	2,877.2	6.5 %	6.8 %
Borrowings								
Central Bank borrowings	2,914	2,679	2,399	2,300	36,179	57.7	1473.0 %	1250.5 %
Securities sold under agreements to repurchase	67,299	130,063	89,748	59,277	64,712	103.3	9.2 %	(50.2) %
Mortgage finance bonds	404,358	442,416	465,171	474,006	477,029	761.2	0.6 %	7.8 %
Subordinated bonds	53,758	53,027	52,360	85,186	84,611	135.0	(0.7) %	59.6 %
Other bonds	15,590	13,537	11,392	10,898	9,434	15.1	(13.4) %	(30.3) %
Borrowings from domestic financial institutions	73,103	75,257	41,082	17,243	38,246	61.0	121.8 %	(49.2) %
Foreign borrowings	20,736	5,330	42,406	23,323	26,149	41.7	12.1 %	390.6 %
Other obligations	22,021	22,133	33,677	24,506	24,995	39.9	2.0 %	12.9 %
Total borrowings	659,779	744,442	738,235	696,739	761,355	1,214.9	9.3 %	2.3 %
Other liabilities								
Contingent liabilities	111,201	110,823	124,752	90,568	98,836	157.7	9.1 %	(10.8) %
Other	17,369	32,587	57,518	86,548	32,277	51.5	(62.7) %	(1.0) %
Total other liabilities	128,570	143,410	182,270	177,116	131,113	209.2	(26.0) %	(8.6) %
Minority interest in consolidated subsidiaries	3,787	0	0	0	0	0.0	n/a	n/a
Shareholders' equity								
Capital and reserves	231,183	224,171	224,184	225,780	225,798	360.3	0.0 %	0.7 %
Net income for the year	(7,015)	(5,126)	3,224	6,115	12,013	19.2	96.5 %	n/a
Total shareholders' equity	224,168	219,045	227,408	231,895	237,811	379.5	2.6 %	8.6 %
Total liabilities & shareholders' equity	2,577,776	2,794,572	2,869,911	2,798,925	2,933,252	4,680.8	4.8 %	5.0 %

BANCO DE A. EDWARDS
SELECTED CONSOLIDATED FINANCIAL INFORMATION

	Quarters			Year to date		
	2Q00	1Q01	2Q01	Jun 00	Dec 00	Jun 01
Earnings per Share						
Net income per Share (Ch\$) ⁽¹⁾	-1.25	0.83	0.81	-0.69	0.44	1.63
Net income per ADS (Ch\$) ⁽¹⁾	-206.8	136.7	133.7	-114.6	72.1	268.5
Net income per ADS (US\$) ⁽²⁾	-0.37	0.23	0.21	-0.21	0.12	0.43
Book value per Share (Ch\$) ⁽¹⁾	29.7	31.4	32.2	29.7	30.8	32.2
Shares outstanding (Millions)	7,381.4	7,381.5	7,381.5	7,381.4	7,381.5	7,381.5
Profitability Ratios ⁽³⁾⁽⁴⁾						
Net interest margin	4.3%	4.7%	5.0%	4.3%	4.4%	4.9%
Fees / Avg. Interest Earnings Assets	0.6%	0.9%	1.0%	0.59%	0.71%	0.97%
Other Operating Revenues / Avg. Interest Earnings Assets	0.3%	0.2%	-0.1%	0.5%	0.4%	0.1%
Operating Revenues / Avg. Interest Earnings Assets	5.2%	5.8%	6.0%	5.4%	5.5%	5.9%
Return on average total assets ⁽³⁾⁽⁴⁾	-1.35%	0.86%	0.83%	-0.39%	0.12%	0.85%
Return on average shareholders' equity ⁽³⁾⁽⁴⁾	-17.0%	10.7%	10.4%	-4.7%	1.5%	10.5%
Capital Ratios						
Shareholders equity / total assets	7.8%	8.3%	8.1%	7.8%	7.9%	8.1%
Basic capital / risk-adjusted assets	10.3%	9.9%	9.7%	10.3%	9.7%	9.7%
Total capital / risk- adjusted assets	11.1%	12.0%	12.0%	11.1%	10.8%	12.0%
Credit Quality Ratios						
Past due loans / total loans	3.43%	3.08%	3.11%	3.43%	2.82%	3.11%
Allowance for loan losses / past due loans	108.4%	109.4%	108.1%	108.4%	120.9%	108.1%
Allowance for loans losses / total loans	3.72%	3.37%	3.36%	3.72%	3.41%	3.36%
Provision for loan losses/Avg.Loans	3.35%	1.60%	1.50%	2.28%	1.70%	1.55%
Recovery /Avg.Loans	0.15%	0.19%	0.28%	0.14%	0.17%	0.23%
Charge-off / Avg. Loans	2.73%	1.83%	1.04%	1.75%	1.46%	1.43%
Risk index	3.19%	2.91%	2.79%	3.19%	2.89%	2.79%
Operating and Productivity Ratios						
Operating expenses / operating revenue	67.0%	59.7%	61.4%	62.0%	64.8%	60.6%
Operating expenses / average total assets ⁽³⁾	3.0%	3.1%	3.2%	3.0%	3.2%	3.1%
Loans per employee (million Ch\$) ⁽¹⁾	775	781	803	775	785	803
Average Balance Sheet Data ⁽¹⁾⁽³⁾						
Avg. Interest earnings assets (million Ch\$)	2,402,920	2,509,272	2,530,674	2,353,214	2,397,178	2,503,017
Avg. Assets (million Ch\$)	2,732,627	2,844,002	2,872,860	2,639,926	2,693,750	2,839,213
Avg. Shareholders equity (million Ch\$)	218,223	229,224	231,118	219,694	217,480	228,622
Avg. Loans	2,102,250	2,281,187	2,314,477	2,074,781	2,113,713	2,282,417
Avg. Interest bearing liabilities (million Ch\$)	2,029,785	2,083,731	2,110,278	1,959,138	2,000,006	2,082,924
Other Data						
Inflation Rate	0.9%	0.5%	0.95%	2.4%	4.5%	1.5%
Exchange rate (Ch\$)	538.61	592.91	626.65	538.61	572.68	626.65
Employees	2,802	2,936	2,925	2,802	2,939	2,925
Branches	80	87	86	80	86	86

Notes

(1) These figures were expressed in constant Chilean pesos as of June 30, 2001.

(2) These figures were calculated considering the nominal net income, the shares outstanding and the exchange rates existing at the end of each period.

(3) The ratios were calculated as an average of daily balances.

(4) Annualized data.