

Balance Sheets

BANCO DEL ESTADO DE CHILE

As of December 31, 2005 and 2004

	2005 MUS\$	2005 MCH\$	2004 MCH\$
ASSETS			
CASH AND DUE FROM BANKS	1,471.6	756,685.3	491,313.7
LOANS:			
Commercial loans	4,095.4	2,105,911.4	1,845,474.0
Foreign trade loans	495.4	254,725.5	256,925.1
Consumer loans	1,222.4	628,587.9	550,950.1
Mortgage loans	3,962.3	2,037,473.4	1,999,009.7
Leasing contracts	241.6	124,229.6	79,457.3
Contingent loans	366.5	188,478.4	155,027.0
Other outstanding loans	940.2	483,434.5	185,866.4
Past due loans	80.8	41,542.8	42,425.3
Total loans	11,404.6	5,864,383.5	5,115,134.9
Allowance for loan losses	(189.7)	(97,559.8)	(91,917.8)
Total loans, net	11,214.9	5,766,823.7	5,023,217.1
OTHER LOANS:			
Interbank loans	190.3	97,851.9	106,554.3
Investments purchased under agreements to resell	220.1	113,187.8	139,405.1
Total other loans	410.4	211,039.7	245,959.4
INVESTMENTS:			
Government securities	3,127.3	1,608,075.0	1,489,937.0
Other financial investments	2,407.0	1,237,695.1	813,136.4
Investment collateral under agreements to repurchase	957.4	492,317.3	299,021.0
Deposits in the Chilean Central Bank	-	-	-
Assets held for leasing	18.7	9,636.3	26,244.5
Assets received in lieu of payment	6.8	3,497.0	3,211.1
Other non-financial investments	0.1	42.4	43.9
Total investments	6,517.3	3,351,263.1	2,631,593.9
Other assets	594.7	305,814.2	301,620.1
BANK PREMISES AND EQUIPMENT:			
Premises and equipment, net	220.1	113,167.3	108,307.8
Investments in other companies	46.7	23,992.7	20,981.5
Total bank premises and equipment	266.8	137,160.0	129,289.3
Total assets	20,475.7	10,528,786.0	8,822,993.5

As of December 31, 2005 and 2004

	2005 MUS\$	2005 MCH\$	2004 MCH\$
LIABILITIES AND SHAREHOLDERS' EQUITY			
DEPOSITS AND OTHER LIABILITIES			
Current accounts	2,566.7	1,319,805.0	1,256,741.1
Time deposits	9,489.3	4,879,471.5	3,440,999.4
Other demand and time deposits	472.8	243,119.4	262,706.4
Securities sold under agreements to repurchase	961.9	494,607.8	313,973.9
Mortgage finance bonds	4,051.7	2,083,437.9	1,957,554.6
Contingent liabilities	366.9	188,645.7	154,928.1
Total deposits and other liabilities	17,909.3	9,209,087.3	7,386,903.5
BONDS ISSUED:			
Bonds	145.0	74,555.6	81,902.1
Subordinated bonds	357.5	183,824.9	110,387.8
Total bonds issued	502.5	258,380.5	192,289.9
BORROWINGS FROM FINANCIAL INSTITUTIONS AND THE CENTRAL BANK:			
Central Bank credit lines for renegotiation of loans	1.3	671.9	1,884.6
Other Central Bank borrowings	169.7	87,271.5	384,883.2
Borrowings from domestic financial institutions	158.7	81,594.9	68,182.5
Foreign borrowings	263.7	135,618.2	168,965.1
Other borrowings	11.6	6,002.2	2,575.3
Total borrowings from financial institutions	605.0	311,158.7	626,490.7
OTHER LIABILITIES:	594.1	305,483.5	189,991.4
Total liabilities	19,610.9	10,084,110.0	8,395,675.5
SHAREHOLDERS' EQUITY:			
Capital and reserves	813.4	418,243.2	380,260.3
Other equity accounts	(25.3)	(13,029.3)	891.7
Net income for the year	76.7	39,462.1	46,166.0
Total shareholders' equity	864.8	444,676.0	427,318.0
Total liabilities and shareholders' equity	20,475.7	10,528,786.0	8,822,993.5



Statements of Income

BANCO DEL ESTADO DE CHILE

For the years ended December 31, 2005 and 2004,

	2005 MUS\$	2005 MCH\$	2004 MCH\$
OPERATING INCOME:			
Interest revenue	1,259.2	647,494.2	471,297.0
Gains from trading activities	41.2	21,212.9	26,498.0
Income from fees and other services	126.6	65,093.9	57,691.5
Gains from foreign exchange transactions	23.5	12,097.3	23,011.6
Other operating income	93.7	48,221.7	15,686.1
Total operating revenues	1,544.2	794,120.0	594,184.2
LESS:			
Interest expense	(740.0)	(380,532.9)	(248,286.4)
Losses from trading activities	(21.3)	(10,967.5)	(5,162.7)
Expenses from fees and other services	(44.8)	(23,054.1)	(19,839.1)
Other operating expenses	(78.3)	(40,285.7)	(9,429.8)
Gross margin	659.8	339,279.8	311,466.2
Personnel salaries and expenses	(260.2)	(133,787.9)	(129,068.8)
Administrative and other expenses	(110.5)	(56,847.8)	(55,041.4)
Depreciation and amortization	(29.7)	(15,260.1)	(16,938.0)
Net margin	259.4	133,384.0	110,418.0
Provision for loan losses	(55.1)	(28,320.5)	(28,777.5)
Total operating income	204.3	105,063.5	81,640.5
NON-OPERATING RESULTS:			
Non-operating income	8.7	4,485.9	23,467.7
Non-operating expenses	(30.1)	(15,476.3)	(24,918.9)
Income from foreign branches	(1.8)	(906.9)	-
Equity participation in net income in investments in other companies	16.8	8,648.7	10,206.8
Price-level restatement	(18.5)	(9,534.6)	(6,002.4)
Income before income taxes	179.4	92,280.3	84,393.7
Income taxes	(102.7)	(52,818.2)	(38,227.7)
Net income for the year	76.7	39,462.1	46,166.0