

BANK OF CHILE  
Form 6-K  
January 31, 2008

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**FORM 6-K**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Report of Foreign Private Issuer**

Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934

For the month of January, 2008

Commission File Number 001-15266

**BANK OF CHILE**  
(Translation of registrant's name into English)

**Ahumada 251**  
**Santiago, Chile**  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  X  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted  
by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted  
by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the  
registrant is also thereby furnishing the information to the Commission pursuant to Rule  
12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in  
connection with Rule 12g3-2(b): 82- \_\_\_\_\_

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BANCO DE CHILE REPORT ON FORM 6-K

Attached is a Press Release issued by Banco de Chile ( the Bank ) on January 31, 2008, regarding the 2007 Fourth Quarter and Year End Results

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## 2007 Fourth Quarter and Year End Results

### FINANCIAL HIGHLIGHTS

**Santiago, Chile, January 31, 2007 Banco de Chile (NYSE: BCH)**, a Chilean full service financial institution, market leader in a wide variety of credit and non-credit products and services which cross all segments of the Chilean financial market, announced results for the fourth quarter and year ended December 31, 2007.

- Banco de Chile concluded its most profitable financial year of the last two decades with a new record of Ch\$242,288 million in net income, involving a year-on-year increase of 15.5% and a net income per share rise to Ch\$3.37 in 2007 from Ch\$3.04 in 2006.
- ROAE increased to 27.4% in 2007 from 25.0% in 2006, exceeding the Chilean financial system's average of 16.5% and 16.7% for the same periods.
- As a result of the strong performance, Banco de Chile ranked first in terms of ROAE (return on average shareholder's equity) within the Chilean financial system as of December 2007.
- Loan portfolio, net of interbank, posted an annual growth of 14.5%, driven primarily by our client base expansion and growth of the commercial loan portfolio, which in terms of market share implied a 44 basis points increase reaching 18.5% at the end of 2007.

| Selected Financial Data   | 2006      | 2007             | % Change 2007/2006 | 4Q06     | 4Q07            | % Change 4Q07/4Q06 |
|---|-----------|------------------|--------------------|----------|-----------------|--------------------|
| <b>Income Statement (Millions, Chilean pesos)</b>                       |           |                  |                    |          |                 |                    |
| Net Financial Income <sup>(1)</sup>                                     | 450,876   | <b>530,751</b>   | 17.7%              | 105,106  | <b>152,021</b>  | 44.6%              |
| Fees and income from services   | 143,531   | <b>168,490</b>   | 17.4%              | 40,159   | <b>46,727</b>   | 16.4%              |
| Gains (losses) on financial instruments & non-forwards derivatives, net | 7,924     | <b>(7,633)</b>   | -                  | 5,109    | <b>(4,480)</b>  | -                  |
| Operating Revenues  | 602,331   | <b>691,608</b>   | 14.8%              | 150,374  | <b>194,268</b>  | 29.2%              |
| Provisions for Loan Losses  | (38,909)  | <b>(52,619)</b>  | 35.2%              | (14,290) | <b>(13,988)</b> | (2.1)%             |
| Operating Expenses  | (322,776) | <b>(333,413)</b> | 3.3%               | (84,039) | <b>(88,800)</b> | 5.7%               |
| Net Income  | 209,696   | <b>242,288</b>   | 15.5%              | 45,515   | <b>78,715</b>   | 72.9%              |
| <b>Earnings per Share (Chilean pesos)</b>                               |           |                  |                    |          |                 |                    |
| Net income per Share  | 3.04      | <b>3.37</b>      | 10.9%              | 0.66     | <b>1.09</b>     | 65.2%              |
| Book value per Share  | 12.98     | <b>14.60</b>     | 12.5%              | 12.98    | <b>14.60</b>    | 12.5%              |

**Balance Sheet** (Millions of Chilean pesos)

|                                  |            |                   |       |            |                   |       |
|----------------------------------|------------|-------------------|-------|------------|-------------------|-------|
| Loan Portfolio, net of interbank | 10,295,710 | <b>11,785,507</b> | 14.5% | 10,295,710 | <b>11,785,507</b> | 14.5% |
| Total Assets                     | 13,704,546 | <b>14,620,509</b> | 6.7%  | 13,704,546 | <b>14,620,509</b> | 6.7%  |
| Shareholders ' Equity            | 896,393    | <b>1,051,393</b>  | 17.3% | 896,393    | <b>1,051,393</b>  | 17.3% |

**Ratios****Profitability**

|  |       |              |       |              |
|--|-------|--------------|-------|--------------|
| Return on average assets (ROAA)                      | 1.68% | <b>1.78%</b> | 1.37% | <b>2.20%</b> |
| Return on averages hareholders ' equity (ROAE)       | 25.0% | <b>27.4%</b> | 20.1% | <b>30.8%</b> |
| Net Financial Margin <sup>(2)</sup>                  | 4.1%  | <b>4.4%</b>  | 3.6%  | <b>4.7%</b>  |
| Efficiency ratio (operat.expenses /opert. revenues ) | 53.6% | <b>48.2%</b> | 55.9% | <b>45.7%</b> |

**Credit Quality**

|                              |        |               |        |               |
|------------------------------|--------|---------------|--------|---------------|
| Past Due Loans / Total Loans | 0.64%  | <b>0.52%</b>  | 0.64%  | <b>0.52%</b>  |
| Allowances / Total Loans     | 1.51%  | <b>1.36%</b>  | 1.51%  | <b>1.36%</b>  |
| Allowances / Past Due Loans  | 235.0% | <b>262.8%</b> | 235.0% | <b>262.8%</b> |

**Capital Adequacy**

|                                      |       |              |       |              |
|--------------------------------------|-------|--------------|-------|--------------|
| Total Capital / Risk Adjusted Assets | 10.7% | <b>10.7%</b> | 10.7% | <b>10.7%</b> |
|--------------------------------------|-------|--------------|-------|--------------|

<sup>1</sup> Net interest revenue, foreign exchange transactions and gains from forwards derivatives instruments, net.

<sup>2</sup> Net financial income divided by average interest earning assets.

**2007 Fourth Quarter and Year End Results**

**2007 Highlights**

**The Bank**

**Merger related information.** Following the decisions of the extraordinary shareholders' meeting of Banco de Chile and Citibank Chile held on December 27<sup>th</sup>, 2007, and the authorities' approval of the merger by absorption of Citibank Chile into Banco de Chile, the merger became effective January 1<sup>st</sup>, 2008. As a consequence, total assets, liabilities and equity of Citibank Chile were incorporated into Banco de Chile, which remained as the surviving entity. The Banco Edwards' branch network was renamed Banco Edwards | Citi adding 14 new branches.

In compliance with the merger agreement adopted in Banco de Chile's shareholders' meeting, Banco de Chile increased its capital in the amount of Ch\$297,324,899,039 by issuing 8,443,861,140 ordinary Banco de Chile-S shares, which shall be exchanged for 100% of the 1 million Citibank Chile shares. Original Banco de Chile shares will represent 89.503% and the new Banco de Chile-S shares 10.497%.

Net profits of each bank corresponding to the financial year 2007 shall be distributed among the shares of each bank in the manner and under the conditions determined by the Ordinary Shareholders' Meeting of the merged bank.

It was also approved in the shareholders' meeting the "Agreement of Purchase of Assets and Assumption of Liabilities" of Banco de Chile's New York and Miami branches to Citibank N.A. in the amount of US\$130 million. Additionally, the Bank entered into a "Global Connectivity Agreement" with Citibank N.A. which is a commercial agreement between the banks to offer joint global financial services to customers in Chile.

**Board of Directors.** On January 8, 2008, Mr. Raúl Anaya (Chief Executive Officer of Latin America, Citi Global Consumer Group) was named member of the Board of Banco de Chile, becoming the second Citigroup executive in the Bank's Board of Directors. Mr. Rodrigo Manubens resigned as a Board member and was appointed as alternate Director.

**Proposal of distribution of dividends.** The Board of Directors of Banco de Chile resolved to schedule the Annual Shareholders Meeting on March 27, 2008. The distribution of 100% of 2007 net profits will be proposed, which will represent a dividend of Ch\$3.365289 per share. In the event that by the time of payment of such dividend, all of the 439,951,628 unsubscribed shares resulting from the capital increase agreed on May 17, 2007, had been subscribed and paid up, the dividend will be Ch\$3.344850.

**Legg Mason Chile acquisition.** On January 24, 2008, Banco de Chile entered into a purchase agreement with Legg Mason (Chile) Inversiones Limitada, and Legg Mason International Holdings (Chile) LLC., regarding all of the shares of Legg Mason (Chile) Administradora General de Fondos S.A.; acquiring Banco de Chile 148,793 shares and Banchile Asesoría Financiera 1 share of the company. The total purchase price for the shares is the amount of US\$13,000,000. As of December, 2007 Legg Mason (Chile) maintained a distribution contract with Citibank Chile managing funds for approximately Ch\$250,000 million.

**Distribution network expansion as a result of the merger with Citibank Chile.** In January 2008, 14 Citibank branches were added to the Banco Edwards network, adopting the brand name Banco Edwards-Citi for the higher income client segment. Four Citibank branches were incorporated into the Banco de Chile branch distribution network. In the consumer division, Atlas contributed with 88 branches. Atlas and Credichile will be the largest player

in the lower-income individual segment.

**The Financial Advisory company closed two important transactions in 4Q07.** During the quarter, the financial advisory subsidiary took part in two financial restructuring businesses through the arrangement of syndicated loans. The total amount of each loan was UF2,000,000 equivalent to US\$75 million, where Banco de Chile's participation was 30% and 35%, respectively.

**Banco de Chile distinguished for its service quality.** Banco de Chile was recognized during 4Q07 as one of the three companies with the best service quality in Chile, through the Premio Nacional de Satisfacción de los Consumidores 2007 granted by Revista Capital and Procalidad. This award speaks of the Bank's commitment to a customer-focused strategy.

**Strong loan growth during 4Q07.** During 4Q07, the Bank posted a strong 6.4% growth in the loan portfolio, net of interbank, mainly led by commercial loans and, to a lesser extent, by contingent loans related to the wholesale banking segment. This quarterly expansion implied a market share increase of 50 basis points from 18.0% in 3Q07 to 18.5% in 4Q07.

**Chile among the top 30 best world economies.** On December 18, 2007, Standard & Poor's Ratings Services raised its foreign currency credit rating on the Republic of Chile to A+ from A, reflecting Chile's sound economy and robust macroeconomic framework, able to support any potential adverse shock.

**2007 Fourth Quarter and Year End Results**

***Financial System Highlights***

**The Chilean financial system's net income remained strong.** Net income for year 2007 amounted to Ch\$988,463 million, a 3.2% increase as compared to Ch\$957,755 million in 2006. This increase was closely related to higher operating revenues, which more than offset higher provisions for loan losses and higher operating expenses. In terms of ratios, ROAE showed a slight decrease from 16.8% in 2006 to 16.5% in 2007, while the efficiency ratio improved from 52.1% to 48.6% .

**Total loan portfolio**, net of interbank loans, as of December 31, 2007, totaled US\$127,730 million, posting a 12.7% annual growth, mainly fueled by commercial and residential mortgage loans. As compared the previous year, this growth rate decelerated, primarily as a result of a slowdown in consumer loans, which expanded by only 7.4% in 2007 as compared to a 21.4% in 2006, mainly impacted by higher inflation rate and an increase in interest rates. Past due loans increased by 12.9% during 2007, posting a ratio of past due loans to total loans of 0.75% in 2007, remaining stable as compared to a year ago.

**New accounting rules effective January 2009.** In line with a strategy of international integration, Chile continues to work in the convergence of Chilean accepted accounting rules to the international norms or global accounting standard (IFRS). Banks have already started to use international accounting criteria in areas that include financial reporting of derivatives and securitizations. As a consequence of joint collaboration between the Superintendency of Banks and Financial Institutions (SBIF), auditing companies and the Chilean Banks Association (ABIF), the SBIF released last November new accounting regulations, conducting to IFRS-compliant accounts and statements, to be implemented by 2009.







## 2007 Fourth Quarter and Year End Results

## Banco Chile 2007 Fourth Quarter and Year-End Consolidated Results

## NET INCOME

Banco de Chile delivered another year of record profits and earnings per share. The ongoing improvement in profitability, which implied a consolidated net income increase of 15.5% to Ch\$242,288 million in 2007 (from Ch\$209,696 million in 2006) was the result of the Bank's focus on service quality, efficiency and client base expansion. Net income increase in 2007 was mainly attributable to the 14.8% annual increase in operating revenues led by loan growth and higher benefits from net asset positions denominated in UF, which more than offset the increase in provisions for loan losses and operating expenses.

The Bank's successfully accomplished goal of creating long-term shareholder value has allowed it to post, in 2007, a solid return on both average assets (**ROAA**) and on average shareholders' equity (**ROAE**) of 1.78% and 27.4% respectively, surpassing the 2006 figures of 1.68% and 25.0%.

## Bank, Subsidiaries and Foreign Branches' Net Income

| (in millions of Chilean pesos) | 2006    | 2007    | % C ha<br>nge<br>2007/2006 | 4Q06   | 4Q07    | % C ha<br>nge<br>4Q07/4Q06 |
|--------------------------------|---------|---------|----------------------------|--------|---------|----------------------------|
| Bank                           | 189,859 | 216,487 | 14.0%                      | 37,364 | 75,108  | 101.0%                     |
| Foreign Branches               | (5,215) | (757)   | (85.5)%                    | 668    | (2,157) | -                          |
| Securities Brokerage           | 6,933   | 7,957   | 14.8%                      | 2,221  | 1,528   | (31.2)%                    |
| Mutual Funds                   | 10,379  | 13,880  | 33.7%                      | 3,042  | 3,731   | 22.6%                      |
| Insurance Brokerage            | 1,914   | 2,128   | 11.2%                      | 411    | 294     | (28.5)%                    |
| Financial Advisory             | 1,333   | 593     | (55.5)%                    | 847    | 302     | (64.3)%                    |
| Factoring                      | 3,635   | 1,747   | (51.9)%                    | 1,090  | 129     | (88.2)%                    |
| Securitization                 | (88)    | 90      | -                          | (19)   | 79      | (515.8)%                   |
| Promarket (sales force)        | 154     | (340)   | -                          | 77     | (143)   | -                          |
| Socofin (collection)           | 583     | 352     | (39.6)%                    | (245)  | (183)   | (25.3)%                    |
| Trade Services                 | 209     | 151     | -27.8%                     | 59     | 27      | -54.2%                     |

|                         |                |                |              |               |               |              |
|-------------------------|----------------|----------------|--------------|---------------|---------------|--------------|
| <b>Total Net Income</b> | <b>209,696</b> | <b>242,288</b> | <b>15.5%</b> | <b>45,515</b> | <b>78,715</b> | <b>72.9%</b> |
|-------------------------|----------------|----------------|--------------|---------------|---------------|--------------|

Higher net income not only reflects the Bank's strong core activity, but also the realization of ample cross-selling opportunities with its subsidiaries. Overall, the Bank's subsidiaries contributed with Ch\$26,558 million in 2007, representing a 6.0% increase as compared to a year ago. This increase was driven primarily by better performances achieved by the Mutual Fund and Securities Brokerage companies, offsetting the lower results registered by the Factoring and the Financial Advisory subsidiaries along the year.

The Mutual Fund and Securities Brokerage subsidiaries continued to innovate, delivering a diverse range of new services and products to address customer needs. During the year, the Mutual Fund subsidiary launched 4 new mutual funds and 1 investment fund in addition to the strategic alliance signed with Bradesco Asset management, seeking new investment opportunities for its clients. This subsidiary reached a 23% market share in terms of average funds under management and sustained its leadership in the local market. As result, it increased its net income by almost 34% during 2007. On its part, net income recorded by the Securities Brokerage subsidiary grew by 14.8% over the prior year driven by higher fee income from stock transactions, investment banking and asset management units. Its strong performance in stock transactions has enabled the company to maintain its number one ranking in this market.

The Insurance Brokerage subsidiary also registered an 11.2% increase in net income during 2007, mainly as a result of higher fee income fueled by growth in the retail segment.

Higher net income accounted for by the Securitization Company was largely related to higher number of transactions conducted by this subsidiary in 2007, which implied a market share of 31% in terms of volume of assets securitized.

The Financial Advisory subsidiary reported a decrease in fee income against 2006, primarily as a result of an extraordinary performance in the last quarter of 2006, in which the company participated in important corporate acquisitions, syndicated loans and loan restructuring transactions.

## 2007 Fourth Quarter and Year End Results

The decline in net income experienced by the Factoring subsidiary- mainly concentrated in 4Q07- was largely consequence of higher inflation rate, as most of the company's loans denominated in nominal Chilean pesos, were financed by funds denominated in UF provided by the Bank. Nevertheless, this company remains as the second largest Bank-owned factoring subsidiary in Chile, playing a significant role in supporting the growth of medium size companies with a total portfolio of Ch\$213,470 million as of December 2007 and approximately 1,500 clients.

In quarterly terms, net income accounted for in 4Q07 totaled Ch\$78,715 million, being the largest quarterly net income the Bank has ever obtained, involving a 72.9% increase as compared to 4Q06. This increase was mainly driven by a significant expansion of net financial income, as a result of the inflation rate growth during 4Q07 as compared to a deflation in 4Q06. See Net Financial Income.

Higher net income obtained by the Bank during 4Q07 as compared to 4Q06 was partially offset by a lower contribution from both foreign branches and subsidiaries. It is worth noting that the 4Q06 net result was the best 2006 quarterly figure in terms of subsidiaries' contribution to the Bank's bottom line.

Concerning the Bank's foreign branches, they recorded losses of Ch\$757 million in 2007 as compared to losses of Ch\$5,215 million in 2006. During 2007, the foreign branches registered an important decrease in operating expenses accounted for as advisory expenses. However, positive results attained during the first half of 2007 were more than offset by mark to market losses registered in their securities portfolios, mainly caused by the worldwide financial turbulence over the second half of that year. In addition, foreign branches registered non-recurring expenses of approximately Ch\$1,600 million during 4Q07 as a consequence of the Asset Purchase Agreement of these branches as part of the merger agreement with Citibank Chile, which will conduct to the closing of these operations in 2008.

## NET FINANCIAL INCOME

| NET FINANCIAL INCOME                                  |                |                |                       |                |                |                       |
|---|----------------|----------------|-----------------------|----------------|----------------|-----------------------|
| (in millions of Chilean pesos)                        | 2006           | 2007           | % Change<br>2007/2006 | 4Q06           | 4Q07           | % Change<br>4Q07/4Q06 |
| Interest revenue                                      | 835,200        | 1,170,098      | 40.1%                 | 184,754        | 343,849        | 86.1%                 |
| Interest expense                                      | (399,790)      | (631,633)      | 58.0%                 | (85,019)       | (188,753)      | 122.0%                |
| Foreign Exchange transactions, net                    | (11,601)       | 18,062         | -                     | 2,424          | 10,684         | 340.8%                |
| Gains (losses) from forwards<br>derivatives contracts | 27,067         | (25,776)       | -                     | 2,947          | (13,759)       | -                     |
| <b>Net Financial Income<sup>(1)</sup></b>             | <b>450,876</b> | <b>530,751</b> | <b>17.7%</b>          | <b>105,106</b> | <b>152,021</b> | <b>44.6%</b>          |
| Avg. Int. earning assets                              | 11,028,152     | 12,199,437     | 10.6%                 | 11,784,374     | 12,959,898     | 10.0%                 |
| Net Financial Margin <sup>(2)</sup>                   | 4.1%           | 4.4%           | -                     | 3.6%           | 4.7%           | -                     |

<sup>1</sup> Net interest revenue, foreign exchange transactions and gains from forward derivative contracts.

<sup>2</sup> Net financial Income divided by average interest earning assets.

Net financial income totaled Ch\$530,751 million for 2007, an increase of 17.7% as compared to 2006, generated by an increase of 26 basis points in net financial margin<sup>1</sup> and a 10.6% growth in average interest earning assets.

Growth in average interest earning assets was mainly driven by a solid expansion of 11.4% in average loans and, to a lesser extent, by the slight 2.0% growth in average securities.

Net financial margin increased to 4.35% in 2007 from 4.09% in 2006, largely as a consequence of:

A sharp increase in the inflation rate, measured by the UF variation of 7.0% in 2007 as compared to 2.0% in 2006, which implied that in 2007 the Bank earned higher interest income on the portion of UF denominated assets financed by non-UF denominated liabilities.

A higher contribution from demand deposits as a result of the increase in nominal interest rates (the average short-term interest rate was 5.31% in 2007 and 5.02% in 2006)

A favorable funding structure as the ratio of interest bearing liabilities to interest earning assets improved to 72.5% in 2007 from 73.6% in 2006.

These effects were partially offset by lower spreads attained during 2007 as compared to the prior year as a consequence of intensive competition.

**2007 Fourth Quarter and Year End Results**

Net financial income for 4Q07 increased by 44.6% as compared to 4Q06, as a result of:

A 112 basis points increase in net financial margin to 4.69% in 4Q07 from 3.57% in 4Q06 mostly due to the increase in the inflation rate, measured by the variation of the UF, from a deflation of 0.4% in 4Q06 to an inflation of 2.3% in 4Q07,

A 14.5% loan portfolio expansion between the mentioned quarters.

These positive factors were partially offset by a negative repricing effect during 4Q07 (since liabilities reprice faster than interest earning assets) as the Central Bank raised the monetary policy interest rate by 25 basis points in such period, while in 4Q06 this rate remained stable.

**FEES AND INCOME FROM SERVICES, NET**

| (in millions of Chilean pesos) | Fees and Income from Services |        |                       | 4Q06   | 4Q07   | % Change<br>4Q07/4Q06 |
|--------------------------------|-------------------------------|--------|-----------------------|--------|--------|-----------------------|
|                                | 2006                          | 2007   | % Change<br>2007/2006 |        |        |                       |
| Bank                           | 76,198                        | 88,474 | 16.1%                 | 20,131 | 25,541 | 26.9%                 |
| Mutual funds                   | 28,009                        | 36,605 | 30.7%                 | 7,522  | 10,348 | 37.6%                 |
| Financial Advisory             | 3,085                         | 1,252  | (59.4)%               | 2,122  | 539    | (74.6)%               |
| Insurance Brokerage            | 10,433                        | 11,604 | 11.2%                 | 2,746  | 2,764  | 0.7%                  |
| Securities Brokerage           | 11,434                        | 16,216 | 41.8%                 | 3,971  | 3,949  | (0.6)%                |
| Factoring                      | 926                           | 1,034  | 11.7%                 | 353    | 307    | (13.0)%               |
| Socofin                        | 10,767                        | 11,113 | 3.2%                  | 2,709  | 2,885  | 6.5%                  |
| Securitization                 | 98                            | 352    | 259.2%                | 23     | 180    | 682.6%                |
| Promarket                      | 0                             | 142    | -                     | -      | 64     | -                     |
| Foreign Branches               | 2,309                         | 1,515  | (34.4)%               | 510    | 118    | (76.9)%               |
| Trade Services                 | 272                           | 183    | (32.7)%               | 72     | 32     | (55.6)%               |

|  |                |                |              |               |               |              |
|--|----------------|----------------|--------------|---------------|---------------|--------------|
| <b>Total Fees and Income from Services</b> | <b>143,531</b> | <b>168,490</b> | <b>17.4%</b> | <b>40,159</b> | <b>46,727</b> | <b>16.4%</b> |
|--|----------------|----------------|--------------|---------------|---------------|--------------|

The positive implementation of different initiatives focused on improving client service, strengthening the distribution network, and offering new products and services, has allowed the Bank to build and deepen client relationships thus expanding the Bank's customer base and consequently increasing annual fee-based income.

As a result of the new regulation on labor outsourcing put on place during 2007, the annual and quarterly figures for 2007 include a reclassification of approximately Ch\$15,460 million and Ch\$5,590 million, respectively, from fees paid to operating expenses, which favor the 2007 figures. On a comparable basis, total fees and income from services increased by 6.6% in 2007 relative to 2006. Robust growth was posted across most of the Bank's subsidiaries, which overall accounted for Ch\$78,501 million, or 46.6% of the consolidated fee income line in 2007.

The major contributors to the annual increase in fee income were the Mutual Funds, Securities Brokerage and Insurance Brokerage subsidiaries.

The Mutual Funds subsidiary registered historic levels of income from services during 2007 and, consequently, improved its contribution to total fees to 21.7% from 19.5% in 2006. The important annual increase of 30.7% in commissions generated by this company reveals the diversity of products and services and a skilled conduction, as the number of participants and the average funds under management increased by 23% and 19% respectively during 2007, despite the financial turmoil in the markets.

Higher fees coming from the Securities Brokerage subsidiary were driven by higher business volumes in stock transactions and higher income arose from the asset management and investment banking units.

**2007 Fourth Quarter and Year End Results**

The Insurance business was mainly enhanced by a strong growth in the retail customer base as well as by several marketing campaigns promoting a variety of residential, automobile and other property and casualty as well as life insurance services.

The Securitization subsidiary made solid progress in terms of its contribution to total fees during 2007, materializing important new businesses related to the securitization of credit cards and bonds.

Regarding the Factoring company, higher fee income recorded in 2007 was result of a 31% growth in average loan portfolio and a 12% growth in the number of clients. This subsidiary fostered its business through several marketing initiatives and the launch of a renovated web page, with new services and improved client information. As of December 31, 2007, this subsidiary achieved a loan market share of approximately 28% among factoring companies associated with Banks.

The Bank's fee income coming from its core products also achieved an important growth during 2007. The increase in its customer base and the Bank's branch network expansion implied an increase of 11.4% in the number of checking accounts and consequently an important increase in service charges related to checking accounts and ATMs. In addition, higher fee income related to prepayment loans and credit cards also boosted this annual growth.

For the quarter, excluding the aforementioned reclassification, the Bank achieved a 2.4% increase as compared to 4Q06. This increase was mainly driven by higher fees related to the mutual fund and insurance businesses and by higher fees related to checking and sight accounts, ATMs and loans, thus compensating lower fees obtained by the Financial Advisory Subsidiary and lower income from assets received in lieu of payment accounted as other services.

In terms of ratios, total fee income represented 24% of the Bank's consolidated operating revenues and 50% of its operating expenses.

**GAINS (LOSSES) ON FINANCIAL INSTRUMENTS & NON-FORWARD DERIVATIVES, NET**

| (in millions of Chilean pesos)               | 2006  | 2007    | % Change<br>2007/2006 | 4Q06  | 4Q07    | % Change<br>4Q07/4Q06 |
|--|-------|---------|-----------------------|-------|---------|-----------------------|
| Gains (losses) on financial instruments, net | 7,610 | (1,043) | -                     | 4,460 | (1,549) | -                     |



|   |        |          |   |       |          |   |
|---|--------|----------|---|-------|----------|---|
| Gains (losses) from non-forward derivatives contracts                 | 314    | (6,590)  | - | 649   | (2,931)  | - |
| <b>Subtotal</b>   | 7,924  | (7,633)  | - | 5,109 | (4,480)  | - |
| Gains (losses) from forward contracts                                 | 27,067 | (25,776) | - | 2,947 | (13,759) | - |
| <b>Gains from trading activities and derivatives instruments, net</b> | 34,991 | (33,409) | - | 8,056 | (18,239) | - |

Gains on financial instruments and non-forward derivatives contracts for the year 2007 amounted to a loss of Ch\$7,633 million, a decline from a gain of Ch\$7,924 million in 2006. This decrease was mainly related to: (i) losses in the value of the Bank's securities portfolio (related to Latin American securities) arising from the global financial instability during the second half of 2007 and, (ii) losses resulting from Chilean securities booked in foreign branches caused mainly by an increase of 68 basis points in Chile's country risk during the second half of 2007.

The aforementioned factors impacted negatively the Bank's results during 4Q07, generating losses of Ch\$4,480 million as compared to gains of Ch\$5,109 million in 4Q06 as in the latter local long-term real interest rates decreased by 39 basis points implying positive earnings from Chilean securities.

## PROVISIONS

Provisions for loan losses amounted to Ch\$52,619 million in 2007 as compared to Ch\$38,909 million in 2006, representing 0.49% and 0.41% of total average loans, respectively, well below the system's average of 0.98% for 2007 and 0.74% for 2006.

The annual increase in provisions for loan losses was mainly related to overall loan portfolio expansion and to an increase in the level of risk primarily associated with the consumer portfolio.

The Bank's charge-offs and loan loss recoveries have stood almost stable as a percentage of average loans during the last two years with ratios of 0.67% and 0.33% respectively as of December 31, 2007.

In terms of quarterly figures, provisions for loan losses decreased slightly by 2.1% as compared to 4Q06, as higher loan loss recoveries more than offset the increase in established provisions. The ratio of provisions to average loans decreased to 0.49% in 4Q07 from 0.56% in 4Q06.

## 2007 Fourth Quarter and Year End Results

| <b>Allowances and Provisions</b>            |                 |                 |                               |                 |                 |                               |
|---|-----------------|-----------------|-------------------------------|-----------------|-----------------|-------------------------------|
| (in millions of Chilean pesos)              | <b>2006</b>     | <b>2007</b>     | <b>% Change<br/>2007/2006</b> | <b>4Q06</b>     | <b>4Q07</b>     | <b>% Change<br/>4Q07/4Q06</b> |
| <b>Allowances</b>                           |                 |                 |                               |                 |                 |                               |
| Allowances at the beginning of each period  | <b>154,947</b>  | <b>155,707</b>  | <b>0.5%</b>                   | <b>150,685</b>  | <b>156,262</b>  | <b>3.7%</b>                   |
| Price-level restatement                     | (3,167)         | (10,746)        | 239.3%                        | 558             | (3,371)         | -                             |
| Charge-off                                  | (65,161)        | (71,564)        | 9.8%                          | (17,166)        | (16,754)        | (2.4)%                        |
| Provisions for loan losses established, net | 69,088          | 87,743          | 27.0%                         | 21,630          | 25,003          | 15.6%                         |
| <b>Allowances at the end of each period</b> | <b>155,707</b>  | <b>161,140</b>  | <b>3.5%</b>                   | <b>155,707</b>  | <b>161,140</b>  | <b>3.5%</b>                   |
| <b>Provisions for loan losses</b>           |                 |                 |                               |                 |                 |                               |
| Provisions for loan losses established      | (69,088)        | (87,743)        | 27.0%                         | (21,630)        | (25,003)        | 15.6%                         |
| Loan loss recoveries                        | 30,179          | 35,124          | 16.4%                         | 7,340           | 11,015          | 50.1%                         |
| <b>Provisions for loan losses</b>           | <b>(38,909)</b> | <b>(52,619)</b> | <b>35.2%</b>                  | <b>(14,290)</b> | <b>(13,988)</b> | <b>(2.1)%</b>                 |
| <b>Ratios</b>                               |                 |                 |                               |                 |                 |                               |
| Allowances/Total loans                      | 1.51%           | 1.36%           |                               | 1.51%           | 1.36%           |                               |
| Provisions for loan losses / Avg. Loans     | 0.41%           | 0.49%           |                               | 0.56%           | 0.49%           |                               |
| Charge-offs / Avg. Loans                    | 0.68%           | 0.67%           |                               | 0.67%           | 0.58%           |                               |
| Recoveries / Avg. Loans                     | 0.32%           | 0.33%           |                               | 0.29%           | 0.38%           |                               |

**OTHER INCOME AND EXPENSES**

Total Other Income and Expenses decreased to Ch\$1,580 million in 2007 from Ch\$4,087 million in 2006, mainly due to: (i) lower participation in earnings on equity investment in 2007, caused by losses incurred by the Administrador Financiero de Transantiago (AFT), which amounted to Ch\$3,327 million during the period and, (ii) a non-recurring tax provision release in 2006 of approximately Ch\$3,600 million. It is worth mentioning that higher income related to assets received in lieu of payments previously charged off registered in 2007 partially offset the aforementioned factors.

During 4Q07 other income and expenses amounted to Ch\$6,604 million as compared to a negative figure of Ch\$2,353 million in 4Q06. This significant increase was mainly related to higher income from assets received in lieu of payment as result of a sale in 4Q07 of a property previously charged off in 2Q07.



## 2007 Fourth Quarter and Year End Results

**OPERATING EXPENSES**

| Operating Expenses                |                  |                  |                       |                 |                 |                       |
|-----------------------------------|------------------|------------------|-----------------------|-----------------|-----------------|-----------------------|
| (in millions of Chilean pesos)    | 2006             | 2007             | % Change<br>2007/2006 | 4Q06            | 4Q07            | % Change<br>4Q07/4Q06 |
| Personnel salaries and expenses   | (169,373)        | (192,011)        | 13.4%                 | (44,944)        | (51,292)        | 14.1%                 |
| Administrative and other expenses | (132,173)        | (118,169)        | (10.6)%               | (33,271)        | (31,068)        | (6.6)%                |
| Depreciation and amortization     | (21,230)         | (23,233)         | 9.4%                  | (5,824)         | (6,440)         | 10.6%                 |
| <b>Total operating expenses</b>   | <b>(322,776)</b> | <b>(333,413)</b> | <b>3.3%</b>           | <b>(84,039)</b> | <b>(88,800)</b> | <b>5.7%</b>           |
| <b>Efficiency Ratio*</b>          | <b>53.6 %</b>    | <b>48.2%</b>     |                       | <b>55.9%</b>    | <b>45.7%</b>    | <b>-</b>              |

\* Operating expenses/Operating revenues

Total operating expenses amounted to Ch\$333,413 million in 2007, a 3.3% year-over-year increase, mainly driven by the Bank's compliance with the new regulations related to labor outsourcing, issued in 2007, which implied a reclassification of approximately Ch\$15,460 million out from the line of fees paid and into the line of personnel salaries and expenses as a consequence of the Bank's modification of its contract with Promarket subsidiary (sales force).

In addition higher operating expenses responded to the Bank's focus on expanding its business, transactional capabilities and service quality. Accordingly, the Bank recorded:

An increase in personnel salaries, primarily related to additional employees for new branches and call centers.

An increase in communication and technology expenses (including amortization expenses), providing improved productivity and service quality.

Larger rental expenses related to the expansion of the Bank's branch network.

Also, the Bank accounted non-recurring expenses related to the merger with Citibank Chile and to the Asset Purchase Agreement of the foreign branches, which amounted to approximately Ch\$3,600 million in 2007, mainly concentrated in 4Q07.

However, the increase in these expenses was partially offset by a decrease in advisory expenses accounted in foreign branches related to the requirements of US regulators in compliance matters.

Total operating expenses during 4Q07 increased by 5.7% as compared to 4Q06 as a result of: (i) the aforementioned reclassification of approximately Ch\$5,590 million in 4Q07 from other services expenses (fee income line) to personnel salaries, (ii) higher bonus, incentives and indemnities expenses as well as higher advisories and legal expenses registered in foreign branches related to the Asset Purchase Agreement of the New York and Miami

branches between Banco de Chile and Citibank N.A, (iii) higher related merger expenses booked in the Bank (mainly advisories and technology expenses) and, (iv) higher depreciation and amortization expenses related to the implementation of the new technology platform.

The efficiency ratio continued to improve reaching a 48.2% during 2007 down from 53.6% in 2006. In terms of quarters, the cost to income ratio decreased to 45.7% in 4Q07 from 55.9% in 4Q06. These figures reflect the Bank's strong growth in operating income and conservative approach to operating expenses.

#### **LOSS FROM PRICE- LEVEL RESTATEMENT**

Loss from price-level restatement increased to Ch\$37,948 million in 2007 from Ch\$9,157 million during 2006, as a consequence of the significant increase in the inflation rate used for adjustment purposes from 2.1% in 2006 to 7.4% in 2007 and, to a lesser extent, due to the increase in net non-monetary liabilities as a result of the partial capitalization of the 2006 net income and the capital increase mostly carried out during 3Q07.

## 2007 Fourth Quarter and Year End Results

## INCOME TAXES

The Bank's income taxes totaled Ch\$26,920 million in 2007, as compared to Ch\$25,879 million in 2006, showing effective tax rates of 10.0% and 11.0%, respectively. The annual increase in income taxes was mostly related to a higher income tax base as a result of a 14.3% increase in net income before taxes.

## LOAN PORTFOLIO

As of December 31, 2007, the Bank's loan portfolio, net of interbank loans, totaled Ch\$11,785,507 million, equal to an annual expansion of 14.5% and a market share of 18.5%.

This significant annual growth showed however, a slight deceleration as compared to the previous year, mainly as consequence of higher inflation rate and higher interest rates, which affected overall loan portfolio and particularly consumer loans.

Loans to the retail segment showed an increase of 12.3% during the year, as the Bank continued fostering this higher yield segment with strong initiatives in the incorporation of new clients. This has resulted in an increase of 13% in the number of retail debtors totaling 678,956 as of December 2007. The Bank has placed a special focus on expanding mortgage loans financed by the Bank's general borrowings through new product alternatives and better services accessible online. These loans increased by 37% during 2007, twice offsetting the decrease observed in mortgage loans financed by mortgage bonds. Consumer loans continued to perform well, but at a lower pace, with a 9.2% increase in 2007 as the Bank also made important campaigns promoting these loans and credit cards.

Within the wholesale sector, which registered an important 20% annual expansion, loan growth was primarily driven by commercial loans, contingent loans and, to a lesser extent, by foreign trade loans.

Commercial and contingent loans, which grew by 16.8% and 19.7%, respectively during the year, were mainly boosted by the financial services, construction, community service and retail sectors.

Foreign trade and leasing portfolios also posted solid annual increases of 19.4% and 12.5%, respectively, during 2007.

| <b>Loan Portfolio</b>                 |               |               |               |                               |                               |
|---------------------------------------|---------------|---------------|---------------|-------------------------------|-------------------------------|
| (in millions of Chilean pesos)        | <b>Dec-06</b> | <b>Sep-07</b> | <b>Dec-07</b> | <b>% Change<br/>12-months</b> | <b>% Change<br/>4Q07/3Q07</b> |
| Commercial Loans                      | 4,264,756     | 4,516,976     | 4,981,777     | 16.8%                         | 10.3%                         |
| Mortgage Loans <sup>1</sup>           | 624,228       | 507,255       | 471,509       | (24.5)%                       | (7.0)%                        |
| Consumer Loans                        | 1,151,676     | 1,238,224     | 1,257,738     | 9.2%                          | 1.6%                          |
| Foreign trade Loans                   | 727,416       | 882,703       | 868,747       | 19.4%                         | (1.6)%                        |
| Contingent Loans                      | 1,060,375     | 1,114,065     | 1,268,808     | 19.7%                         | 13.9%                         |
| Others Outstanding Loans <sup>2</sup> | 1,821,934     | 2,102,067     | 2,223,875     | 22.1%                         | 5.8%                          |
| Leasing Contracts                     | 579,075       | 648,989       | 651,726       | 12.5%                         | 0.4%                          |
| Past-due Loans                        | 66,250        | 63,769        | 61,327        | (7.4)%                        | (3.8)%                        |

|                          |                   |                   |                   |              |             |
|--------------------------|-------------------|-------------------|-------------------|--------------|-------------|
| <b>Total Loans , net</b> | <b>10,295,710</b> | <b>11,074,048</b> | <b>11,785,507</b> | <b>14.5%</b> | <b>6.4%</b> |
| Interbank Loans          | 46,202            | 118,097           | 28,419            | (38.5)%      | (75.9)%     |
| <b>Total Loans</b>       | <b>10,341,912</b> | <b>11,192,145</b> | <b>11,813,926</b> | <b>14.2%</b> | <b>5.6%</b> |

<sup>1</sup> Mortgage loans financed by mortgage bonds.

<sup>2</sup> Includes mortgage loans financed by the Bank's general borrowings and factoring contracts.

During 4Q07, total loans, net of interbank loans, grew by 6.4% in response to the expansion in commercial, contingent and mortgage loans financed by the Bank's general borrowings. In terms of segments, during this quarter the wholesale and retail segments increased by 12.6% and 1.2% respectively. It is worth mentioning that in 4Q07 the Bank settled a loan purchase for a total amount of approximately Ch\$108,000 million.

## 2007 Fourth Quarter and Year End Results

| <b>Past Due Loans</b>          |               |               |               |                       |                       |
|--------------------------------|---------------|---------------|---------------|-----------------------|-----------------------|
| (in millions of Chilean pesos) | Dec-06        | Sep-07        | Dec-07        | % Change<br>12-months | % Change<br>4Q07/3Q07 |
| Commercial loans               | 50,560        | 49,547        | <b>46,351</b> | (8.3)%                | (6.5)%                |
| Consumer loans                 | 6,130         | 6,587         | <b>6,249</b>  | 1.9%                  | (5.1)%                |
| Residential mortgage loans     | 9,560         | 7,635         | <b>8,727</b>  | (8.7)%                | 14.3%                 |
| <b>Total Past Due Loans</b>    | <b>66,250</b> | <b>63,769</b> | <b>61,327</b> | <b>(7.4)%</b>         | <b>(3.8)%</b>         |

Consistent with the Bank's strict focus on maintaining a robust asset quality, the Bank's past-due loans amounted to Ch\$61,327 million, a 7.4% year-on-year reduction, mainly related to commercial loans and, to a lesser extent, to residential mortgage loans. As a consequence, past due loans to total loans ratio improved once again to 0.52% from 0.64% as of December 2006, figures that compare favorably to the system's average of 0.75% for both years 2007 and 2006. Allowances to cover potential loan losses increased to 263% of past due loans as of December 2007 from 235% a year ago.

**FUNDING**

| <b>Funding</b>                          |                  |                  |                  |                       |                       |
|---|------------------|------------------|------------------|-----------------------|-----------------------|
| (in millions of Chilean pesos)          | Dec-06           | Sep-07           | Dec-07           | % Change<br>12-months | % Change<br>4Q07/3Q07 |
| <b>Non-interest Bearing Liabilities</b> |                  |                  |                  |                       |                       |
| Current Accounts                        | 1,867,656        | 1,711,253        | <b>1,961,430</b> | 5.0%                  | 14.6%                 |
| Bankers drafts and other deposits       | 540,479          | 614,542          | <b>550,466</b>   | 1.8%                  | (10.4)%               |
| Derivatives instruments                 | 75,132           | 89,677           | <b>120,162</b>   | 59.9%                 | 34.0%                 |
| Other Liabilities                       | 1,474,468        | 1,627,772        | <b>1,551,557</b> | 5.2%                  | (4.7)%                |
| <b>Total</b>                            | <b>3,957,735</b> | <b>4,043,244</b> | <b>4,183,615</b> | <b>5.7%</b>           | <b>3.5%</b>           |



**Interest Bearing Liabilities**

|  |                   |                   |                   |             |             |
|--|-------------------|-------------------|-------------------|-------------|-------------|
| Savings & Time Deposits                | 6,217,188         | 6,422,437         | 6,551,174         | 5.4%        | 2.0%        |
| Central Bank Borrowings                | 885               | 582               | 513               | (42.0)%     | (11.9)%     |
| Repurchase agreements                  | 329,562           | 257,489           | 301,979           | (8.4)%      | 17.3%       |
| Mortgage Finance Bonds                 | 512,982           | 433,917           | 397,333           | (22.5)%     | (8.4)%      |
| Subordinated Bonds                     | 435,982           | 456,451           | 446,395           | 2.4%        | (2.2)%      |
| Other Bonds                            | 595,288           | 650,826           | 772,801           | 29.8%       | 18.7%       |
| Borrowings from Domestic Financ. Inst. | 94,792            | 89,666            | 73,947            | (22.0)%     | (17.5)%     |
| Foreign Borrowings                     | 635,349           | 620,270           | 782,868           | 23.2%       | 26.2%       |
| Other Obligations                      | 28,388            | 42,329            | 58,490            | 106.0%      | 38.2%       |
| <b>Total</b>                           | <b>8,850,416</b>  | <b>8,973,967</b>  | <b>9,385,500</b>  | <b>6.0%</b> | <b>4.6%</b> |
| <b>Total Liabilities</b>               | <b>12,808,151</b> | <b>13,017,211</b> | <b>13,569,115</b> | <b>5.9%</b> | <b>4.2%</b> |

The Bank's total liabilities amounted to Ch\$13,569,115 million in 2007, an increase of 5.9% as compared to the previous year.

Non-interest bearing liabilities grew by 5.7% as the Bank continued expanding its current account client base. As a consequence, the balance in current accounts recorded an annual growth of 5.0%, even though these liabilities were negatively impacted by a significant increase in the inflation rate and by a 75 basis points increase in the short-term reference interest rate during the last twelve-months. Higher non-interest bearing liabilities were also explained by an increase in other liabilities, related to contingent obligations consistent with the 19.7% expansion showed by contingent loans during the year, and in derivative instruments.

The Bank's interest bearing liabilities rose by 6.0% during 2007. This increase was mainly driven by time deposits, which were positively impacted by the increase in the short-term interest rates, by foreign borrowings and other bonds. During 2007 the Bank placed ordinary bonds for a total amount of 15UF million (Ch\$293,340 million), implying an important increase of 29.8% in Other Bonds. In particular, during 4Q07, the Bank placed two series of bonds. The first one, for UF4 million, with a 5 year maturity and a duration of 4.48 years, at an annual interest rate of 3.52%, equivalent to 60 basis points above the Central Bank's bond rate, while the second one was issued for UF2 million at an annual interest rate of 3.56%. The 23.2% annual growth in foreign borrowings was closely related to the 19.4% expansion in foreign trade loans and their lower relative costs.

**2007 Fourth Quarter and Year End Results**

By contrast, mortgage finance bonds decreased by 22.5% during the year in response to the 24.5% reduction in the associated mortgage loans, since the Bank has fostered the financing of mortgage loans through the Bank's general borrowings.

**SECURITIES PORTFOLIO**

As of December 2007, the Bank's securities portfolio totaled Ch\$1,247,481 million, a 7.3% and a 5.2% decrease as compared to December 2006 and September 2007, respectively. The reduction was concentrated in short term Central Bank securities, classified as trading securities. The main reason for this was lower technical reserve requirements caused by a change in the regulations put in place in mid 2007 and due to the Bank's capital increase.

As of December 2007, the Bank maintained its entire securities portfolio classified as trading.

**SHAREHOLDERS' EQUITY**

During 2007 the Bank further enhanced its capital base in order to provide the platform for future growth in its core markets. Accordingly, as of December 31, 2007, the Bank's Shareholder Equity totaled Ch\$1,051,393 million (US\$2,121 million), a 17.3% increase compared to 2006, mainly as a consequence of the 18.1% growth in capital and reserves and of the 15.5% increase in net income during the last twelve-months. The increase in capital and reserves was largely due to: (i) the capitalization of a portion of the 2006 net income which amounted to Ch\$33,833 million and (ii) the capital increase of Ch\$84,350 million mostly carried out during 3Q07.

At the end of December 2007, on a consolidated basis, Total Capital to Risk-Adjusted Assets (BIS ratio) stood at 10.7%, while Basic Capital to Total Assets reached 5.50%, both above the minimum requirements applicable to Banco de Chile of 10% and 3%, respectively.

**Shareholders' Equity**

(in million of Chilean pesos)

**Dec.06****Sept.07****Dec.07**

|   |                |                | <b>% C h a n g e<br/>12 - m o n t h s</b> |              |
|---|----------------|----------------|---|--------------|
| Capital and reserves  | 688,370        | 813,358        | 813,159                                   | 18.1%        |
| Accumulated adjustment for translation differences <sup>1</sup> | (1,665)        | (3,224)        | (4,054)                                   | 143.5%       |
| Unrealized gains (losses) on securities available for sale      | (8)            | 32             | 0   | (100.0)%     |
| Net Income  | 209,696        | 167,172        | 242,288                                   | 15.5%        |
| <b>Total Share holders' equity</b>                              | <b>896,393</b> | <b>977,338</b> | <b>1,051,393</b>                          | <b>17.3%</b> |

<sup>1</sup> Represents the effect of the variation in the exchange rate on investments abroad that exceed the restatement of these investments according to the change in the consumer price index.

## 2007 Fourth Quarter and Year End Results

## BANCO DE CHILE

## CONSOLIDATED STATEMENTS OF INCOME (Under Chilean GAAP)

(Expressed in millions of constant Chilean pesos (MCh\$) as of December 31, 2007 and millions of US dollars (MUS\$))

|                                     | Quarters      |                |                |              |               |                |                |                |                | %<br>Change         |
|-------------------------------------|---------------|----------------|----------------|--------------|---------------|----------------|----------------|----------------|----------------|---------------------|
|                                     | 4Q06          | 3Q07           | 4Q07           | 4Q07         | 4Q07-4Q06     | 4Q07-3Q07      | Dec06          | Dec07          | Dec07          | Dec<br>07-Dec<br>06 |
|                                     | MCh\$         | MCh\$          | MCh\$          | MUS<br>\$    |               |                | MCh\$          | MCh\$          | MUS \$         |                     |
| <b>Interest revenue and expense</b> |               |                |                |              |               |                |                |                |                |                     |
| Interest revenue                    | 184,754       | 369,658        | 343,849        | 693.5        | 86.1 %        | (7.0) %        | 835,200        | 1,170,098      | 2,359.9        | 40.1 %              |
| Interest expense                    | (85,019)      | (210,861)      | (188,753)      | (380.7)      | 122.0 %       | (10.5) %       | (399,790)      | (631,633)      | (1,273.9)      | 58.0 %              |
| <b>Net interest revenue</b>         | <b>99,735</b> | <b>158,797</b> | <b>155,096</b> | <b>312.8</b> | <b>55.5 %</b> | <b>(2.3) %</b> | <b>435,410</b> | <b>538,465</b> | <b>1,086.0</b> | <b>23.7 %</b>       |
| <b>Income from services, net</b>    |               |                |                |              |               |                |                |                |                |                     |
| Income from fees and other services | 57,787        | 57,960         | 61,840         | 124.8        | 7.0 %         | 6.7 %          | 206,844        | 224,775        | 453.3          | 8.7 %               |
| Other services expenses             | (17,628)      | (14,633)       | (15,113)       | (30.5)       | (14.3) %      | 3.3 %          | (63,313)       | (56,285)       | (113.5)        | (11.1) %            |
| <b>Income from services, net</b>    | <b>40,159</b> | <b>43,327</b>  | <b>46,727</b>  | <b>94.3</b>  | <b>16.4 %</b> | <b>7.8 %</b>   | <b>143,531</b> | <b>168,490</b> | <b>339.8</b>   | <b>17.4 %</b>       |
| <b>Other operating income, net</b>  |               |                |                |              |               |                |                |                |                |                     |
| Gains from trading activities and   | 8,056         | (4,255)        | (18,239)       | (36.8)       | n/a           | 328.6 %        | 34,991         | (33,409)       | (67.4)         | n/a                 |

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|   |                 |                 |                 |                |                |                 |                  |                  |                |                 |  |
|---|-----------------|-----------------|-----------------|----------------|----------------|-----------------|------------------|------------------|----------------|-----------------|--|
| derivative instruments, net                     |                 |                 |                 |                |                |                 |                  |                  |                |                 |  |
| Foreign exchange transactions, net              | 2,424           | (6,191)         | 10,684          | 21.5           | 340.8 %        | n/a             | (11,601)         | 18,062           | 36.4           | n/a             |  |
| <b>Total other operating income, net</b>        | <b>10,480</b>   | <b>(10,446)</b> | <b>(7,555)</b>  | <b>(15.3)</b>  | <b>n/a</b>     | <b>(27.7) %</b> | <b>23,390</b>    | <b>(15,347)</b>  | <b>(31.0)</b>  | <b>n/a</b>      |  |
| <b>Operating Revenues</b>                       | <b>150,374</b>  | <b>191,678</b>  | <b>194,268</b>  | <b>391.8</b>   | <b>29.2 %</b>  | <b>1.4 %</b>    | <b>602,331</b>   | <b>691,608</b>   | <b>1,394.8</b> | <b>14.8 %</b>   |  |
| <b>Provision for loan losses</b>                | <b>(14,290)</b> | <b>(11,792)</b> | <b>(13,988)</b> | <b>(28.2)</b>  | <b>(2.1) %</b> | <b>18.6 %</b>   | <b>(38,909)</b>  | <b>(52,619)</b>  | <b>(106.1)</b> | <b>35.2 %</b>   |  |
| <b>Other income and expenses</b>                |                 |                 |                 |                |                |                 |                  |                  |                |                 |  |
| Non-operating income                            | 2,988           | 3,419           | 8,815           | 17.9           | 195.0 %        | 157.8 %         | 17,798           | 18,644           | 37.7           | 4.8 %           |  |
| Non-operating expenses                          | (5,399)         | (6,057)         | (1,470)         | (3.0)          | (72.8) %       | (75.7) %        | (14,818)         | (15,017)         | (30.3)         | 1.3 %           |  |
| Participation in earnings of equity investments | 58              | (607)           | (741)           | (1.5)          | n/a            | 22.1 %          | 1,107            | (2,047)          | (4.1)          | n/a             |  |
| <b>Total other income and expenses</b>          | <b>(2,353)</b>  | <b>(3,245)</b>  | <b>6,604</b>    | <b>13.4</b>    | <b>n/a</b>     | <b>n/a</b>      | <b>4,087</b>     | <b>1,580</b>     | <b>3.3</b>     | <b>(61.3) %</b> |  |
| <b>Operating expenses</b>                       |                 |                 |                 |                |                |                 |                  |                  |                |                 |  |
| Personnel salaries and expenses                 | (44,944)        | (49,441)        | (51,292)        | (103.4)        | 14.1 %         | 3.7 %           | (169,373)        | (192,011)        | (387.3)        | 13.4 %          |  |
| Administrative and other expenses               | (33,271)        | (30,804)        | (31,068)        | (62.7)         | (6.6) %        | 0.9 %           | (132,173)        | (118,169)        | (238.3)        | (10.6) %        |  |
| Depreciation and amortization                   | (5,824)         | (5,957)         | (6,440)         | (13.0)         | 10.6 %         | 8.1 %           | (21,230)         | (23,233)         | (46.9)         | 9.4 %           |  |
| <b>Total operating expenses</b>                 | <b>(84,039)</b> | <b>(86,202)</b> | <b>(88,800)</b> | <b>(179.1)</b> | <b>5.7 %</b>   | <b>3.0 %</b>    | <b>(322,776)</b> | <b>(333,413)</b> | <b>(672.5)</b> | <b>3.3 %</b>    |  |

|   |                |                 |                 |               |               |                 |                 |                 |               |                |
|---|----------------|-----------------|-----------------|---------------|---------------|-----------------|-----------------|-----------------|---------------|----------------|
| <b>Loss from price-level restatement</b>              | <b>1,969</b>   | <b>(17,225)</b> | <b>(12,228)</b> | <b>(24.7)</b> | <b>n/a</b>    | <b>(29.0) %</b> | <b>(9,157)</b>  | <b>(37,948)</b> | <b>(76.5)</b> | <b>314.4 %</b> |
| <b>Minority interest in consolidated subsidiaries</b> | <b>(1)</b>     | <b>0</b>        | <b>0</b>        | <b>0.0</b>    | <b>n/a</b>    | <b>n/a</b>      | <b>(1)</b>      | <b>0</b>        | <b>0.0</b>    | <b>n/a</b>     |
| <b>Income before income taxes</b>                     | <b>51,660</b>  | <b>73,214</b>   | <b>85,856</b>   | <b>173.2</b>  | <b>66.2 %</b> | <b>17.3 %</b>   | <b>235,575</b>  | <b>269,208</b>  | <b>543.0</b>  | <b>14.3 %</b>  |
| <b>Income taxes</b>                                   | <b>(6,145)</b> | <b>(7,896)</b>  | <b>(7,141)</b>  | <b>(14.4)</b> | <b>16.2 %</b> | <b>(9.6) %</b>  | <b>(25,879)</b> | <b>(26,920)</b> | <b>(54.3)</b> | <b>4.0 %</b>   |
| <b>Net income</b>                                     | <b>45,515</b>  | <b>65,318</b>   | <b>78,715</b>   | <b>158.8</b>  | <b>72.9 %</b> | <b>20.5 %</b>   | <b>209,696</b>  | <b>242,288</b>  | <b>488.7</b>  | <b>15.5 %</b>  |

*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 December 31, 2007, unless otherwise stated. Therefore, all growth rates are in real terms. All figures expressed in US dollars (except earnings per ADR) were converted using the exchange rate of Ch\$495.82 for US\$1.00 as of December 31, 2007. Earnings per ADR were calculated considering the nominal net income and, the exchange rate and the number of shares existing at the end of each period.*

## 2007 Fourth Quarter and Year End Results

## BANCO DE CHILE

## CONSOLIDATED BALANCE SHEETS (Under Chilean GAAP)

(Expressed in millions of constant Chilean pesos (MCh\$) as of December 31, 2007 and millions of US dollars (MUS\$))

| ASSETS  | Dec 05           | Dec 06            | S ep 07           | Dec 07            | Dec 07          | % C h a n g e     |                   |
|---|------------------|-------------------|-------------------|-------------------|-----------------|-------------------|-------------------|
|   | MCh\$            | MCh\$             | MCh\$             | MCh\$             | MUS \$          | Dec 07-<br>Sep 07 | Dec 07-<br>Dec 06 |
| <b>Cash and due from banks</b>                          |                  |                   |                   |                   |                 |                   |                   |
| Non-interest bearing                                    | 700,264          | 929,561           | 421,248           | 524,569           | 1,058.0         | 24.5%             | (43.6%)           |
| Interbank deposits-interest bearing                     | 22,703           | 379,723           | 266,337           | 248,792           | 501.8           | (6.6%)            | (34.5%)           |
| <b>Total cash and due from banks</b>                    | <b>722,967</b>   | <b>1,309,284</b>  | <b>687,585</b>    | <b>773,361</b>    | <b>1,559.8</b>  | <b>12.5%</b>      | <b>(40.9%)</b>    |
| <b>Investments purchased under agreements to resell</b> | <b>51,204</b>    | <b>57,259</b>     | <b>33,235</b>     | <b>69,130</b>     | <b>139.4</b>    | <b>108.0%</b>     | <b>20.7%</b>      |
| <b>Securities</b>                                       |                  |                   |                   |                   |                 |                   |                   |
| Trading securities                                      | 1,468,648        | 1,285,978         | 1,290,430         | 1,247,481         | 2,516.0         | (3.3%)            | (3.0%)            |
| Available for sale                                      | 27,024           | 43,031            | 10,337            | 0                 | 0.0             | (100.0%)          | (100.0%)          |
| Held to maturity  | 16,903           | 17,187            | 15,667            | 0                 | 0.0             | (100.0%)          | (100.0%)          |
| <b>Total securities</b>                                 | <b>1,512,575</b> | <b>1,346,196</b>  | <b>1,316,434</b>  | <b>1,247,481</b>  | <b>2,516.0</b>  | <b>(5.2%)</b>     | <b>(7.3%)</b>     |
| <b>Loans, Net</b>                                       |                  |                   |                   |                   |                 |                   |                   |
| Commercial loans  | 3,849,894        | 4,264,756         | 4,516,976         | 4,981,777         | 10,047.6        | 10.3%             | 16.8%             |
| Consumer loans  | 947,581          | 1,151,676         | 1,238,224         | 1,257,738         | 2,536.7         | 1.6%              | 9.2%              |
| Mortgage loans  | 735,072          | 624,228           | 507,255           | 471,509           | 951.0           | (7.0%)            | (24.5%)           |
| Foreign trade loans                                     | 603,949          | 727,416           | 882,703           | 868,747           | 1,752.1         | (1.6%)            | 19.4%             |
| Interbank loans   | 27,427           | 46,202            | 118,097           | 28,419            | 57.3            | (75.9%)           | (38.5%)           |
| Lease contracts   | 498,718          | 579,075           | 648,989           | 651,726           | 1,314.4         | 0.4%              | 12.5%             |
| Other outstanding loans                                 | 1,463,922        | 1,821,934         | 2,102,067         | 2,223,875         | 4,485.2         | 5.8%              | 22.1%             |
| Past due loans  | 78,238           | 66,250            | 63,769            | 61,327            | 123.7           | (3.8%)            | (7.4%)            |
| Contingent loans  | 793,438          | 1,060,375         | 1,114,065         | 1,268,808         | 2,559.0         | 13.9%             | 19.7%             |
| <b>Total loans</b>                                      | <b>8,998,239</b> | <b>10,341,912</b> | <b>11,192,145</b> | <b>11,813,926</b> | <b>23,827.0</b> | <b>5.6%</b>       | <b>14.2%</b>      |
| Allowance   | (154,948)        | (155,707)         | (156,262)         | (161,140)         | (325.0)         | 3.1%              | 3.5%              |
| <b>Total loans, net</b>                                 | <b>8,843,291</b> | <b>10,186,205</b> | <b>11,035,883</b> | <b>11,652,786</b> | <b>23,502.0</b> | <b>5.6%</b>       | <b>14.4%</b>      |
| <b>Derivative instruments</b>                           | <b>0</b>         | <b>54,238</b>     | <b>64,765</b>     | <b>81,112</b>     | <b>163.6</b>    | <b>25.2%</b>      | <b>49.5%</b>      |

**Other assets**

|   |                |                |                |                |                |               |             |
|---|----------------|----------------|----------------|----------------|----------------|---------------|-------------|
| Assets received in lieu of payment, net | 11,459         | 11,598         | 5,334          | 5,337          | 10.8           | 0.1%          | (54.0% )    |
| Bank premises and equipment             | 156,204        | 162,901        | 163,633        | 169,164        | 341.2          | 3.4%          | 3.8%        |
| Investments in other companies          | 7,851          | 8,262          | 6,030          | 7,357          | 14.8           | 22.0%         | (11.0% )    |
| Other                                   | 415,058        | 568,603        | 681,650        | 614,781        | 1,239.9        | (9.8% )       | 8.1%        |
| <b>Total other assets</b>               | <b>590,572</b> | <b>751,364</b> | <b>856,647</b> | <b>796,639</b> | <b>1,606.7</b> | <b>(7.0%)</b> | <b>6.0%</b> |

|                     |                   |                   |                   |                   |                 |             |             |
|---------------------|-------------------|-------------------|-------------------|-------------------|-----------------|-------------|-------------|
| <b>Total assets</b> | <b>11,720,609</b> | <b>13,704,546</b> | <b>13,994,549</b> | <b>14,620,509</b> | <b>29,487.5</b> | <b>4.5%</b> | <b>6.7%</b> |
|---------------------|-------------------|-------------------|-------------------|-------------------|-----------------|-------------|-------------|



## 2007 Fourth Quarter and Year End Results

**BANCO DE CHILE**  
**CONSOLIDATED BALANCE SHEETS (Under Chilean GAAP)**

(Ex pressed in millions of constant Chilean pesos (MCh\$) as of December 31, 2007 and millions of US dollars (MUS\$))

| LIABILITIES & SHAREHOLDERS' EQUITY                    | Dec 05           | Dec 06           | S ep 07          | Dec 07           | Dec 07          | % C h a n g e     |                   |
|---|------------------|------------------|------------------|------------------|-----------------|-------------------|-------------------|
|   | MCh\$            | MCh\$            | MCh\$            | MCh\$            | MUS \$          | Dec 07-<br>Sep 07 | Dec 07-<br>Dec 06 |
| <b>Deposits</b>                                       |                  |                  |                  |                  |                 |                   |                   |
| Current accounts                                      | 1,662,616        | 1,867,656        | 1,711,253        | 1,961,430        | 3,955.9         | 14.6%             | 5.0%              |
| Bankers drafts and other deposits                     | 531,298          | 540,479          | 614,542          | 550,466          | 1,110.2         | (10.4%)           | 1.8%              |
| Saving accounts and time deposits                     | 5,058,681        | 6,217,188        | 6,422,437        | 6,551,174        | 13,212.8        | 2.0%              | 5.4%              |
| <b>Total deposits</b>                                 | <b>7,252,595</b> | <b>8,625,323</b> | <b>8,748,232</b> | <b>9,063,070</b> | <b>18,278.9</b> | <b>3.6%</b>       | <b>5.1%</b>       |
| <b>Borrowings</b>                                     |                  |                  |                  |                  |                 |                   |                   |
| Central Bank borrowings                               | 1,543            | 885              | 582              | 513              | 1.0             | (11.9%)           | (42.0%)           |
| Securities sold under agreements to repurchase        | 296,892          | 329,562          | 257,489          | 301,979          | 609.0           | 17.3%             | (8.4%)            |
| Mortgage finance bonds                                | 610,237          | 512,982          | 433,917          | 397,333          | 801.4           | (8.4%)            | (22.5%)           |
| Other bonds   | 356,055          | 595,288          | 650,826          | 772,801          | 1,558.6         | 18.7%             | 29.8%             |
| Subordinated bonds                                    | 334,760          | 435,982          | 456,451          | 446,395          | 900.3           | (2.2%)            | 2.4%              |
| Borrowings from domestic financial institutions       | 98,865           | 94,792           | 89,666           | 73,947           | 149.1           | (17.5%)           | (22.0%)           |
| Foreign borrowings                                    | 725,363          | 635,349          | 620,270          | 782,868          | 1,578.9         | 26.2%             | 23.2%             |
| Other obligations                                     | 37,001           | 28,388           | 42,329           | 58,490           | 118.0           | 38.2%             | 106.0%            |
| <b>Total borrowings</b>                               | <b>2,460,716</b> | <b>2,633,228</b> | <b>2,551,530</b> | <b>2,834,326</b> | <b>5,716.3</b>  | <b>11.1%</b>      | <b>7.6%</b>       |
| <b>Derivative instruments</b>                         | <b>65,812</b>    | <b>75,132</b>    | <b>89,677</b>    | <b>120,162</b>   | <b>242.4</b>    | <b>34.0%</b>      | <b>59.9%</b>      |
| <b>Other liabilities</b>                              |                  |                  |                  |                  |                 |                   |                   |
| Contingent liabilities                                | 793,803          | 1,061,498        | 1,115,147        | 1,267,706        | 2,556.8         | 13.7%             | 19.4%             |
| Other   | 297,735          | 412,970          | 512,625          | 283,851          | 572.5           | (44.6%)           | (31.3%)           |
| <b>Total other liabilities</b>                        | <b>1,091,538</b> | <b>1,474,468</b> | <b>1,627,772</b> | <b>1,551,557</b> | <b>3,129.3</b>  | <b>(4.7%)</b>     | <b>5.2%</b>       |
| <b>Minority interest in consolidated subsidiaries</b> | <b>1</b>         | <b>2</b>         | <b>0</b>         | <b>1</b>         | <b>0.0</b>      | <b>n/a</b>        | <b>(50.0%)</b>    |

|   |                   |                   |                   |                   |                 |             |              |
|---|-------------------|-------------------|-------------------|-------------------|-----------------|-------------|--------------|
| <b>Shareholders' equity</b>                         |                   |                   |                   |                   |                 |             |              |
| Capital and Reserves                                | 651,773           | 686,697           | 810,166           | 809,105           | 1,631.9         | (0.1% )     | 17.8%        |
| Net income for the year                             | 198,174           | 209,696           | 167,172           | 242,288           | 488.7           | 44.9%       | 15.5%        |
| <b>Total shareholders' equity</b>                   | <b>849,947</b>    | <b>896,393</b>    | <b>977,338</b>    | <b>1,051,393</b>  | <b>2,120.6</b>  | <b>7.6%</b> | <b>17.3%</b> |
| <b>Total liabilities &amp; shareholders' equity</b> | <b>11,720,609</b> | <b>13,704,546</b> | <b>13,994,549</b> | <b>14,620,509</b> | <b>29,487.5</b> | <b>4.5%</b> | <b>6.7%</b>  |

## 2007 Fourth Quarter and Year End Results

**BANCO DE CHILE**  
**SELECTED CONSOLIDATED FINANCIAL INFORMATION**

|  | Quarters  |           |           | Year ended |           |
|--|-----------|-----------|-----------|------------|-----------|
|  | 4Q06      | 3Q07      | 4Q07      | Dec 06     | Dec 07    |
| <b>Earnings per Share</b>                                |           |           |           |            |           |
| Net income per Share (Ch\$) <sup>(1)</sup>               | 0.66      | 0.91      | 1.09      | 3.04       | 3.37      |
| Net income per ADS (Ch\$) <sup>(1)</sup>                 | 395.56    | 544.35    | 655.99    | 1,822.45   | 2,019.18  |
| Net income per ADS (US\$) <sup>(2)</sup>                 | 0.74      | 1.06      | 1.32      | 3.41       | 4.07      |
| Book value per Share (Ch\$) <sup>(1)</sup>               | 12.98     | 13.57     | 14.60     | 12.98      | 14.60     |
| Shares outstanding (Millions)                            | 69,037.56 | 71,995.84 | 71,996.08 | 69,037.56  | 71,996.08 |
| <b>Profitability Ratios <sup>(3)(4)</sup></b>            |           |           |           |            |           |
| Net Interest Margin                                      | 3.39%     | 4.96%     | 4.79%     | 3.95%      | 4.41%     |
| Net Financial Margin                                     | 3.57%     | 4.78%     | 4.69%     | 4.09%      | 4.35%     |
| Fees / Avg. Interest Earnings Assets                     | 1.36%     | 1.35%     | 1.44%     | 1.30%      | 1.38%     |
| Other Operating Revenues / Avg. Interest Earnings Assets | 0.36%     | -0.33%    | -0.23%    | 0.21%      | -0.13%    |
| Operating Revenues / Avg. Interest Earnings Assets       | 5.10%     | 5.98%     | 6.00%     | 5.46%      | 5.67%     |
| Return on Average Total Assets                           | 1.37%     | 1.84%     | 2.20%     | 1.68%      | 1.78%     |
| Return on Average Shareholders' Equity                   | 20.05%    | 28.62%    | 30.84%    | 25.00%     | 27.42%    |
| <b>Capital Ratios</b>                                    |           |           |           |            |           |
| Shareholders Equity / Total Assets                       | 6.54%     | 6.98%     | 7.19%     | 6.54%      | 7.19%     |
| Basic capital / Total assets                             | 4.97%     | 5.74%     | 5.50%     | 4.97%      | 5.50%     |
| Basic Capital / Risk-Adjusted Assets                     | 6.75%     | 7.47%     | 7.01%     | 6.75%      | 7.01%     |
| Total Capital / Risk-Adjusted Assets                     | 10.67%    | 11.49%    | 10.69%    | 10.67%     | 10.69%    |
| <b>Credit Quality Ratios</b>                             |           |           |           |            |           |
| Past Due Loans / Total Loans                             | 0.64%     | 0.57%     | 0.52%     | 0.64%      | 0.52%     |
| Allowance for loan losses / Past due loans               | 235.03%   | 245.04%   | 262.76%   | 235.03%    | 262.76%   |
| Allowance for Loans Losses / Total Loans                 | 1.51%     | 1.40%     | 1.36%     | 1.51%      | 1.36%     |
| Provision for Loan Losses / Avg.Loans <sup>(4)</sup>     | 0.56%     | 0.42%     | 0.49%     | 0.41%      | 0.49%     |
| <b>Operating and Productivity Ratios</b>                 |           |           |           |            |           |
| Operating Expenses / Operating Revenue                   | 55.89%    | 44.97%    | 45.71%    | 53.59%     | 48.21%    |

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| Operating Expenses / Average Total Assets <sup>(3)</sup> | 2.52% | 2.43% | 2.48% | 2.59% | 2.45% |
|--|-------|-------|-------|-------|-------|

**Average Balance Sheet Data <sup>(1)(3)</sup>**

|  |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|
| Avg. Interest Earnings Assets (million Ch\$)     | 11,784,374 | 12,817,576 | 12,959,898 | 11,028,152 | 12,199,437 |
| Avg. Assets (million Ch\$)                       | 13,325,331 | 14,176,496 | 14,327,452 | 12,466,441 | 13,594,213 |
| Avg. Shareholders Equity (million Ch\$)          | 907,841    | 912,835    | 1,020,907  | 838,852    | 883,642    |
| Avg. Loans (million Ch\$)                        | 10,188,437 | 11,128,082 | 11,492,681 | 9,541,392  | 10,632,131 |
| Avg. Interest Bearing Liabilities (million Ch\$) | 8,762,579  | 9,231,032  | 9,160,237  | 8,113,008  | 8,842,588  |

**Other Data**

|                      |        |        |        |        |        |
|----------------------|--------|--------|--------|--------|--------|
| Exchange rate (Ch\$) | 534.43 | 511.72 | 495.82 | 534.43 | 495.82 |
|----------------------|--------|--------|--------|--------|--------|

**Notes**

(1) These figures were expressed in constant Chilean pesos as of December 31, 2007.

(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.

**2007 Fourth Quarter and Year End Results**

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**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.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: January 31, 2008

Banco de Chile

/s/ Fernando Cañas B.  
By: Fernando Cañas Berkowitz  
President and CEO

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