

2Q | 2011

# Banco de Chile

El banco de Chile



# Second Quarter 2011 Highlights

*Keeping the Pace...*

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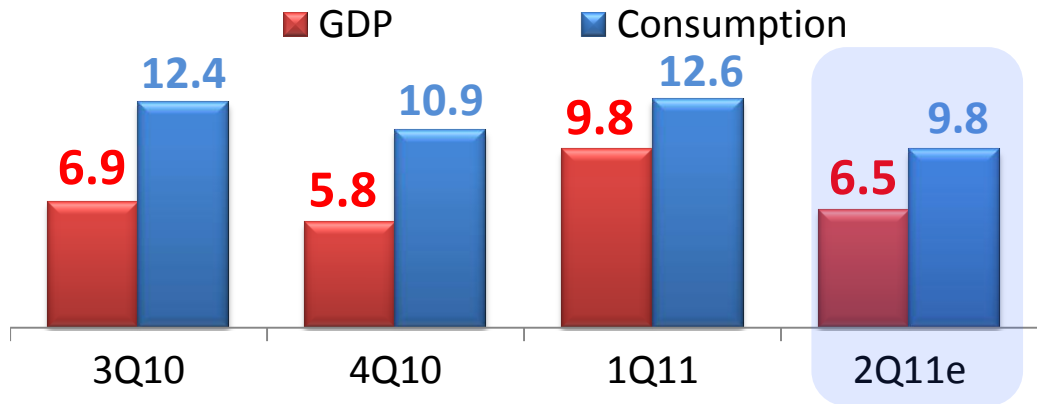
- ✓ *Positive Economic Environment*
- ✓ *ROAE Remains Above 26%*
- ✓ *Outstanding Growth in Loans*
- ✓ *Successful Completion of Equity Offering*

# Chilean Economy

Positive perspectives for GDP & unemployment...

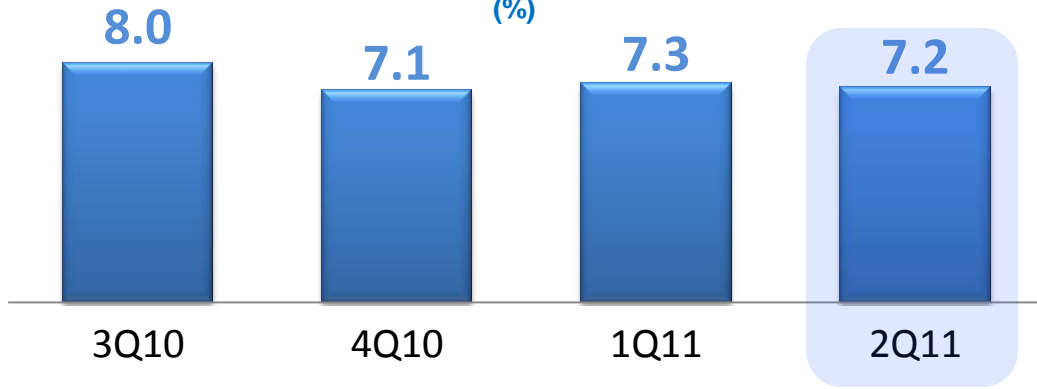
## GDP & Consumption

(Var. % 12 m)



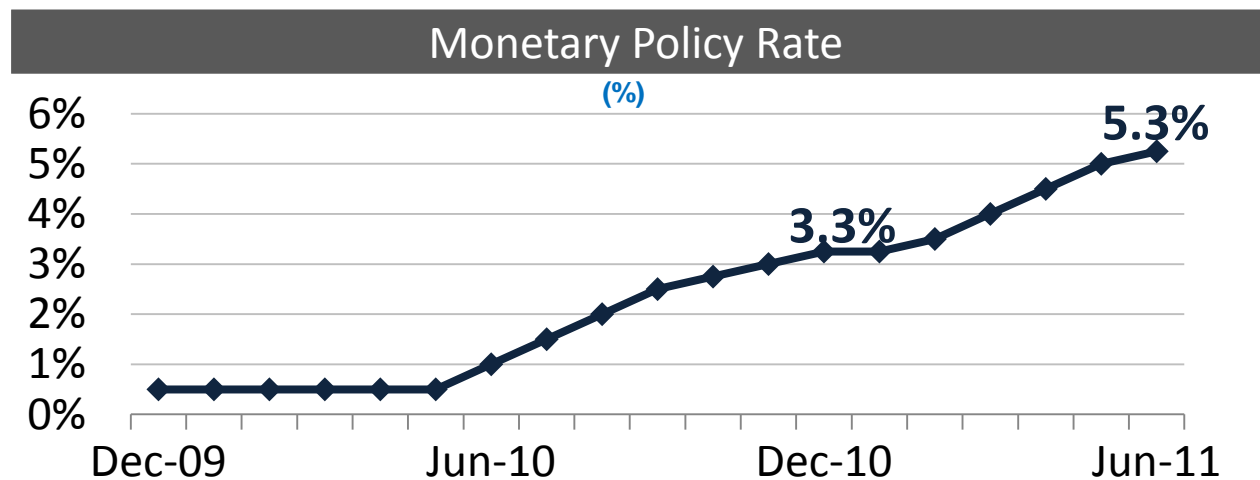
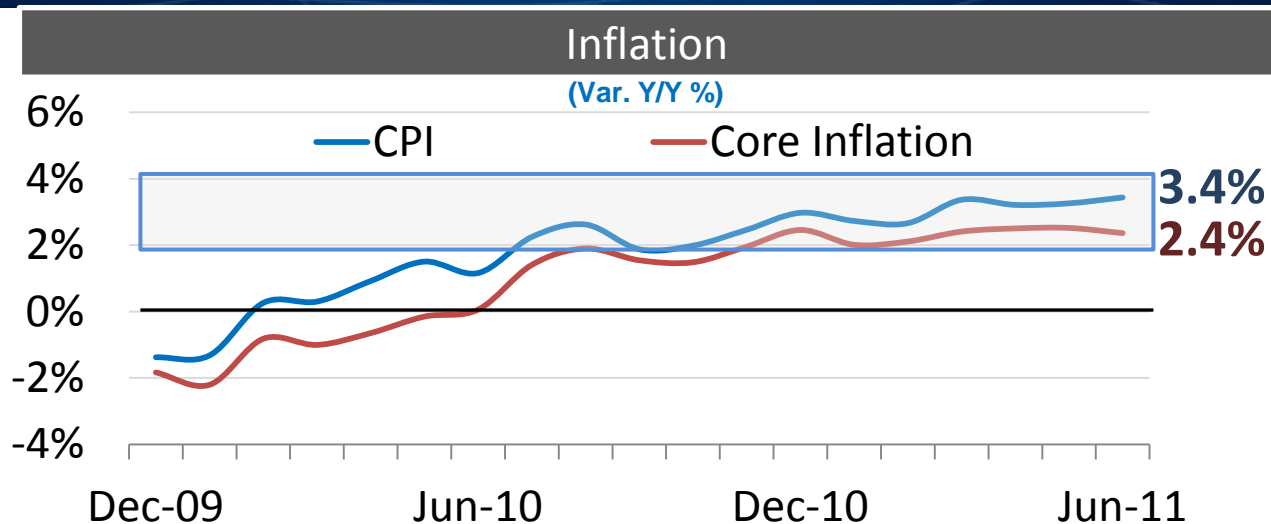
## Unemployment Rate

(%)



# Chilean Economy

*Moderation in expected inflation in line with monetary tightening...*



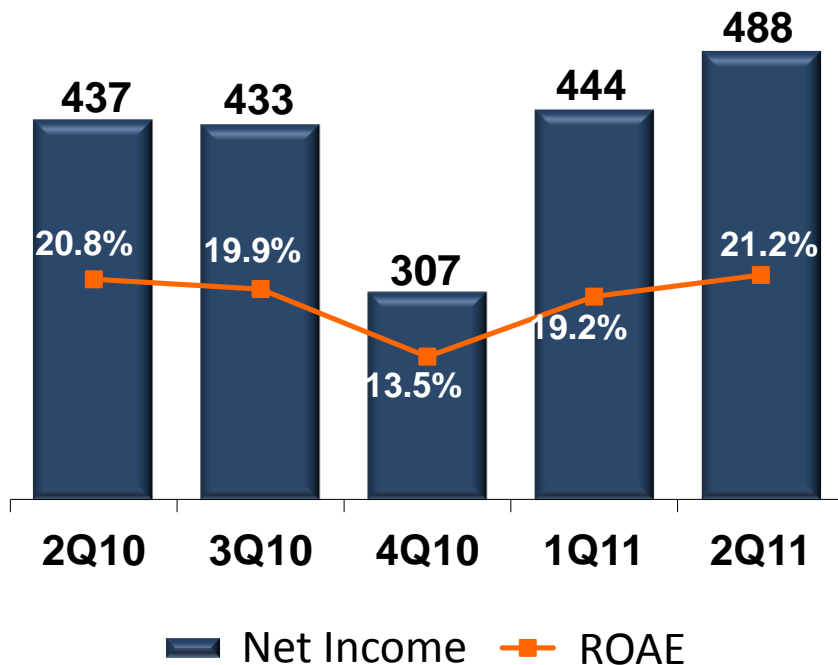
# Chilean Banking System

Excellent net income and loan growth...

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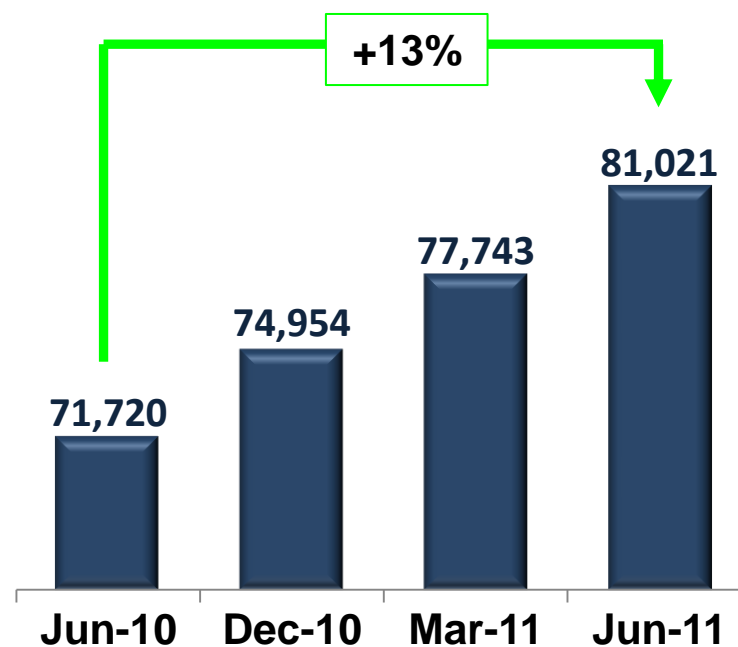
## Net Income

(Billions of Ch\$)



## Total Loans

(Billions of Ch\$)

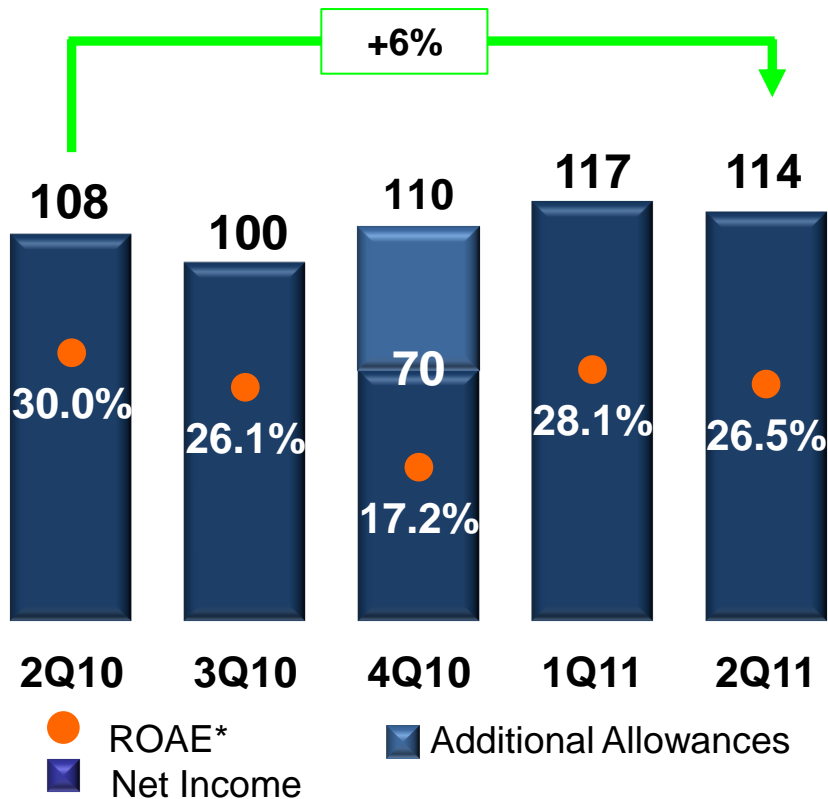


# Net Income

Solid earnings continue...

## Net Income & ROAE

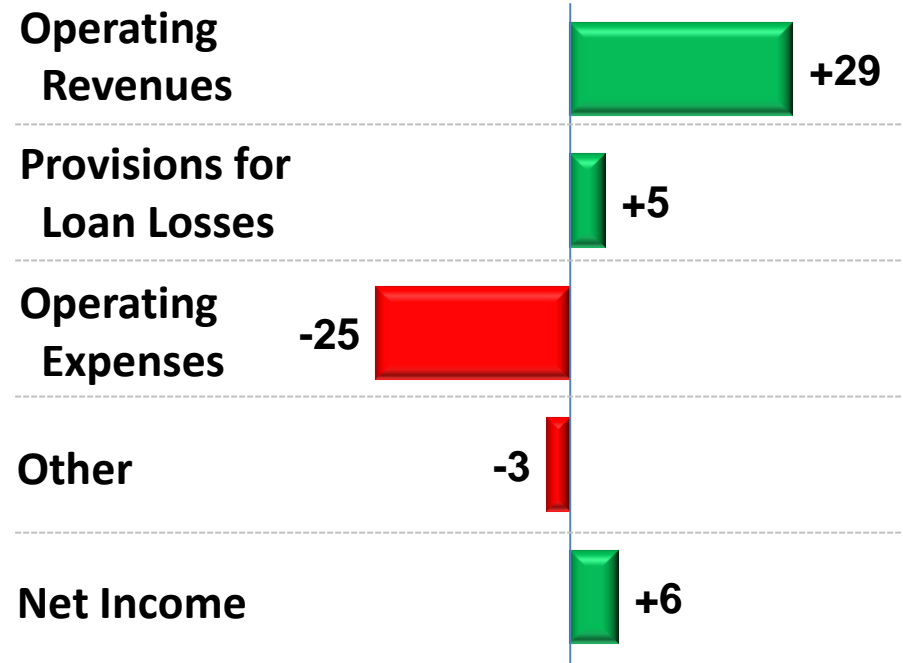
(Billions of Ch\$ & %)



\*ROAE does not include provision for minimum dividends

## P&L Δ2Q10 – 2Q11

(Billions of Ch\$)

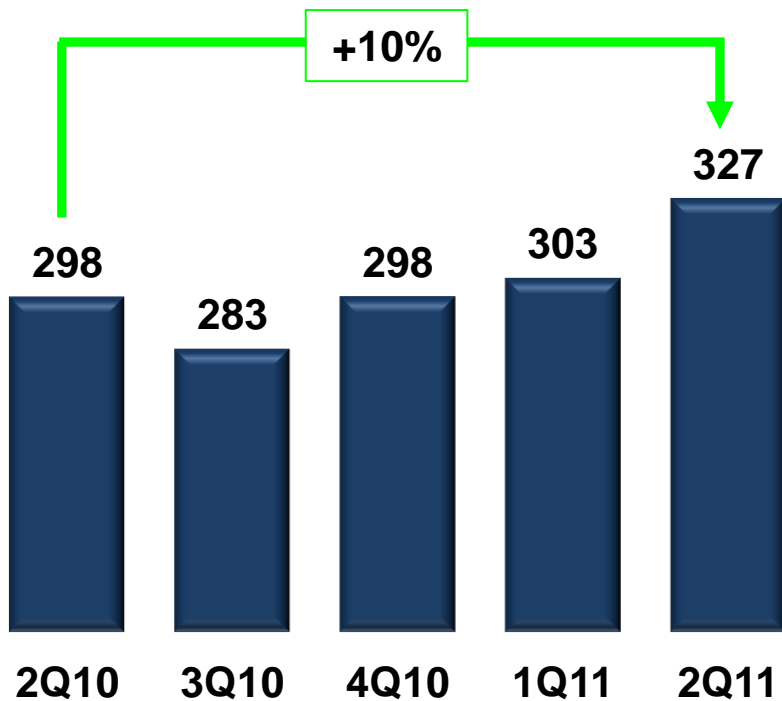


# Operating Revenues

Robust growth in our core business...

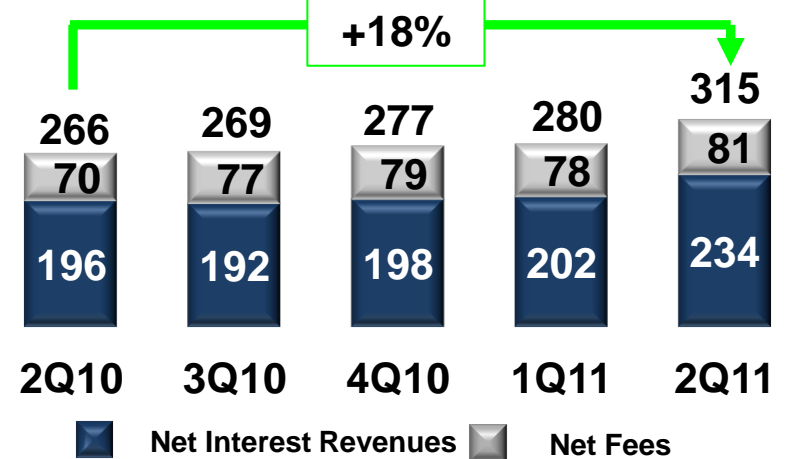
## Operating Revenues

(Billions of Ch\$)



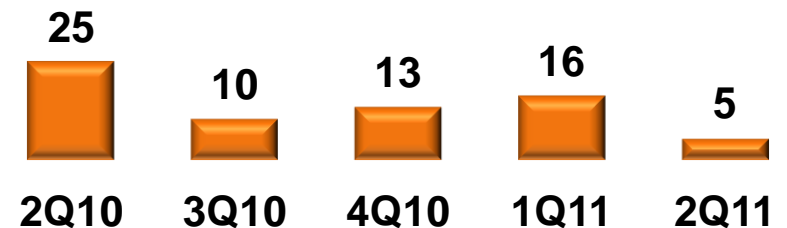
## Net Interest Revenues and Fees

(Billions of Ch\$)



## Financial Op. Income & Fx Transactions

(Billions of Ch\$)

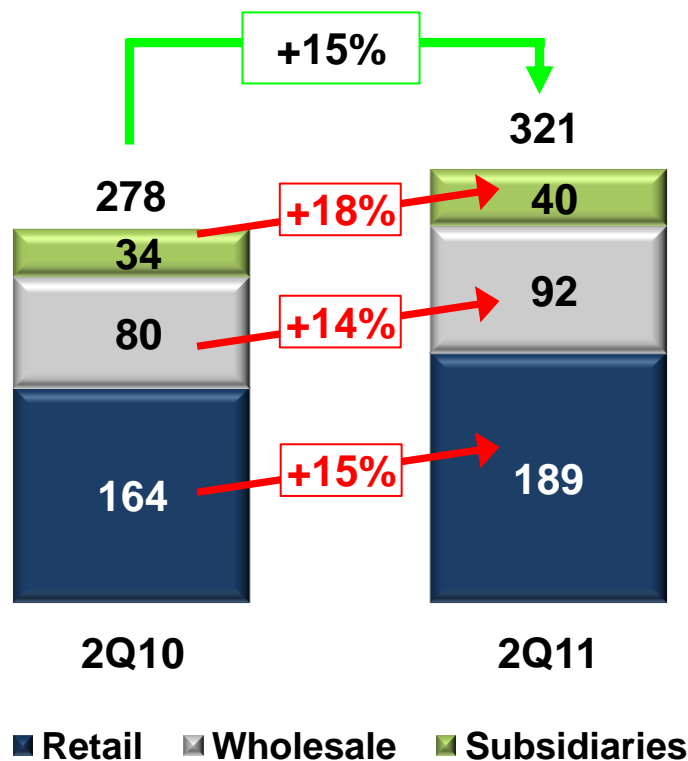


# Operating Revenues by Segment

Excellent results in each of our core business segments...

## Revenues by Segment

(Billions of Ch\$)



## Key Drivers

- ✓ Strong loan growth
- ✓ Rise in retail segment fees
- ✓ Higher business activity in subsidiaries
- ✓ Benefit from increase in MPR\*
- ✓ Higher inflation on net UF denominated asset position

\*Monetary Policy Rate

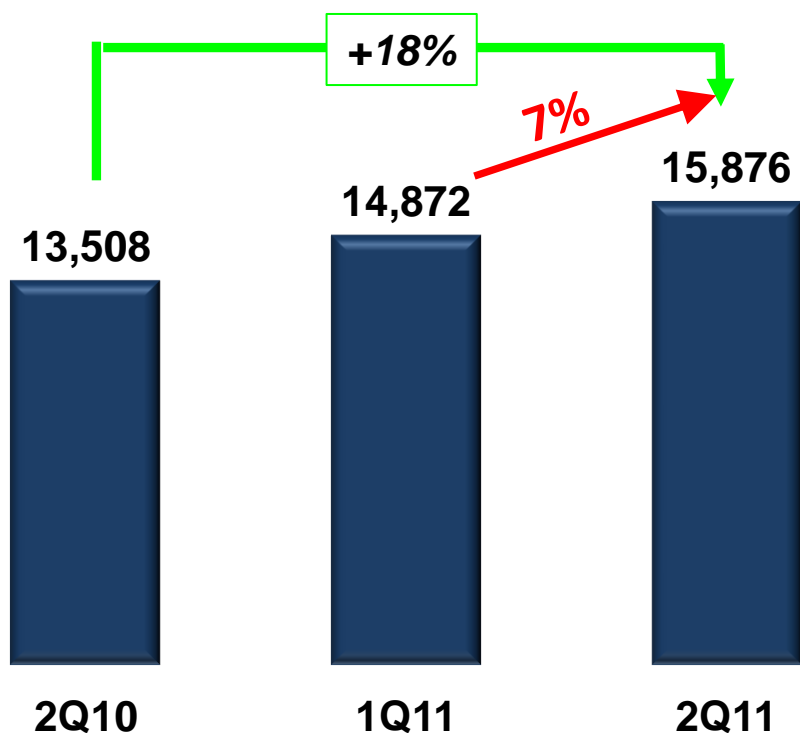


# Total Loan Portfolio

Better performance than our peers...

## Total Loans

(Billions of Ch\$)



## Main Banks

(Billions of Ch\$)

(ΔQ/Q)

Loan Volumes	Banco de Chile	15,876	+7 %
	Corp	5,738	+5 %
	BCI	10,384	+5 %
	SAN	17,422	+4 %
	Estado	11,893	+1 %

(Market Share in %)

(ΔQ/Q)

Market Share	Banco de Chile	19.6%	+47 bp
	Corp	7.1%	+7 pb
	BCI	12.8%	+3 pb
	SAN	21.5%	-7 pb
	Estado	14.7%	-45 pb

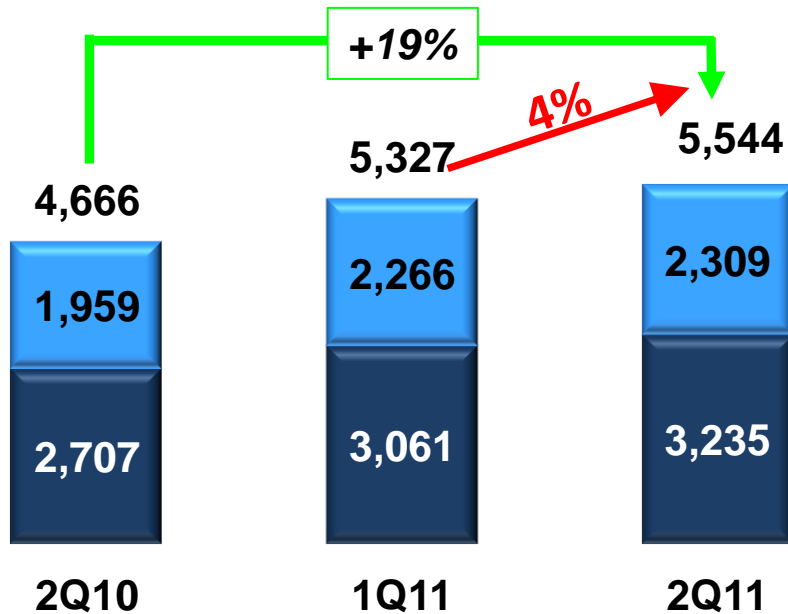
# Retail Loan Portfolio

Retail loans leading growth....

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## Individual Loan Portfolio

(Billions of Ch\$)

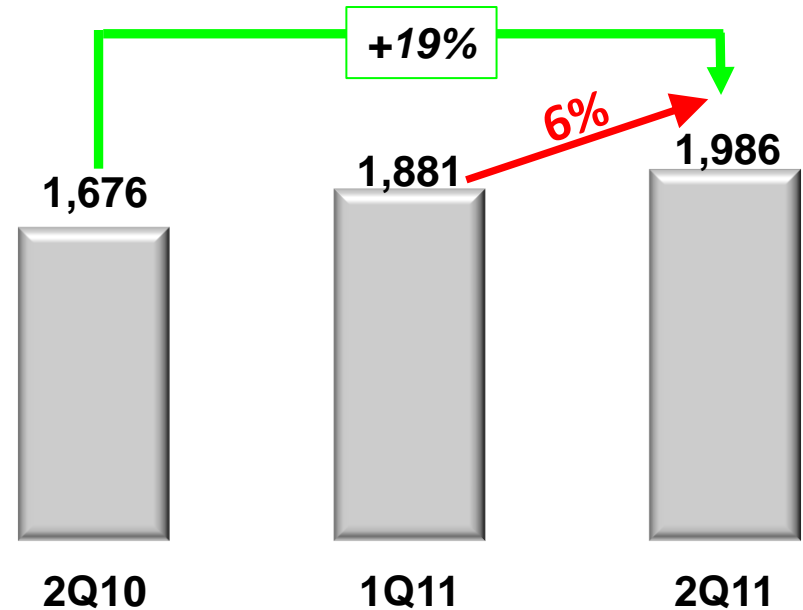


■ Mortgage

■ Consumer

## SME Loan Portfolio

(Billions of Ch\$)



■ Commercial

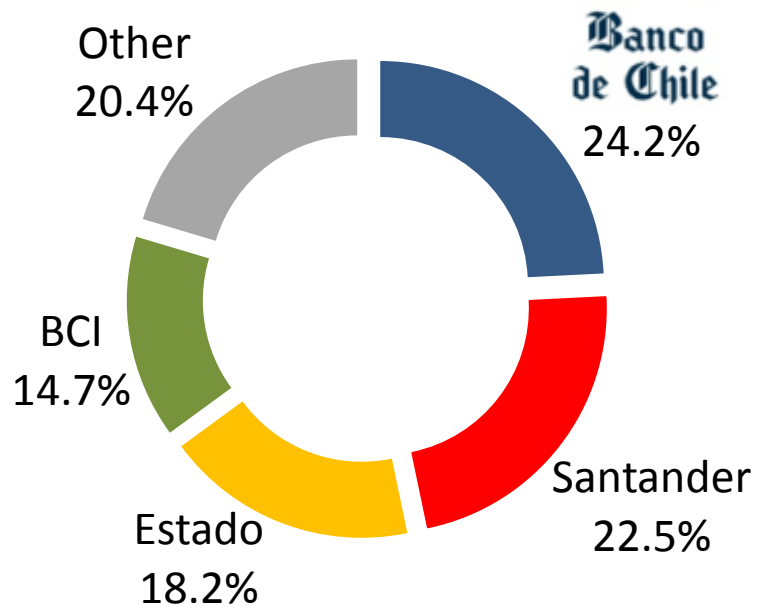
# Funding Structure

*Leadership in non-interest bearing deposits...*

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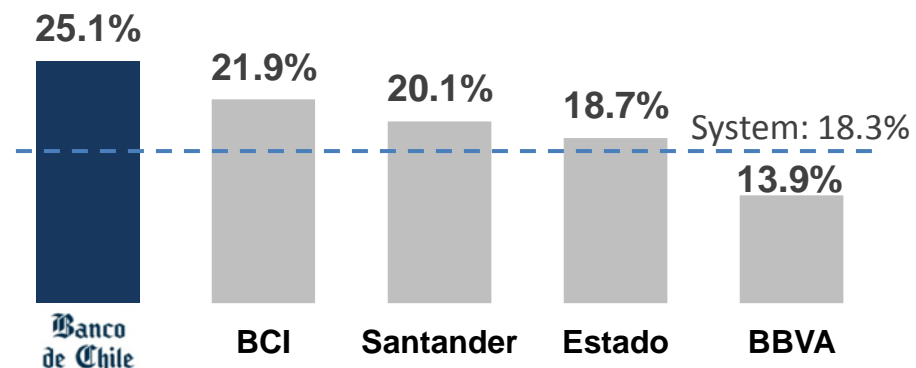
## Market Share – Demand Deposits

(%, June 2011)



## Funding from Demand Deposits

(% of total funding structure, June 2011)



# Fees and Commissions

Market leader in fee income...

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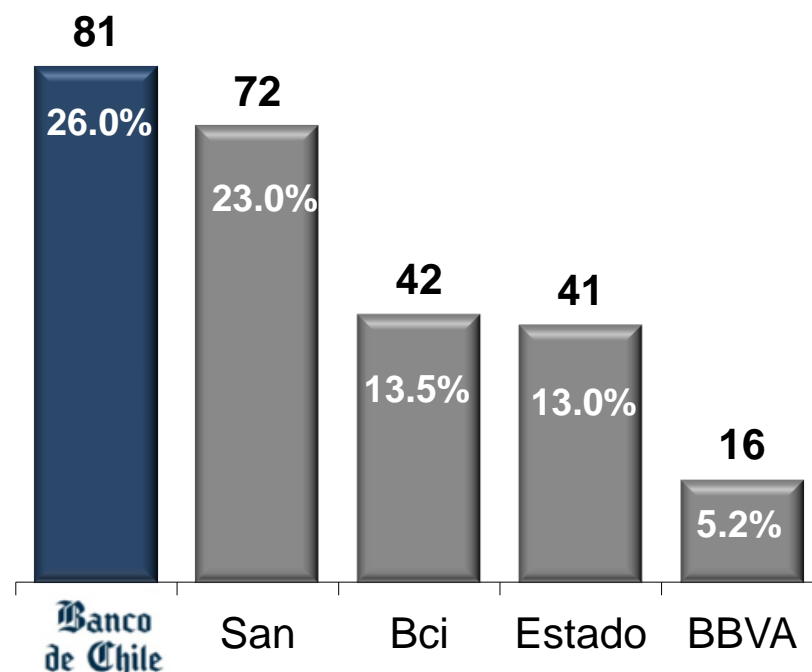
## Breakdown of Fees and Commissions

(Billions of Ch\$)

	2Q10	2Q11	Δ10/11
Chq Accts & Credit Cards	22,651	25,093	+10.8%
Mutual Funds	14,215	17,538	+23.4%
Insurance	11,303	14,228	+25.9%
Stock Brokerage	5,860	7,643	+30.4%
Loans	5,103	5,520	+8.2%
Cash Management Services	3,285	3,440	+4.7%
Foreign trade and Currency	1,176	1,296	+10.2%
Other	6,548	6,713	+2.5%
<b>Total</b>	<b>70,141</b>	<b>81,470</b>	<b>+16.2%</b>

## Net Fees and Commissions

(Billions of Ch\$ & Market Share)

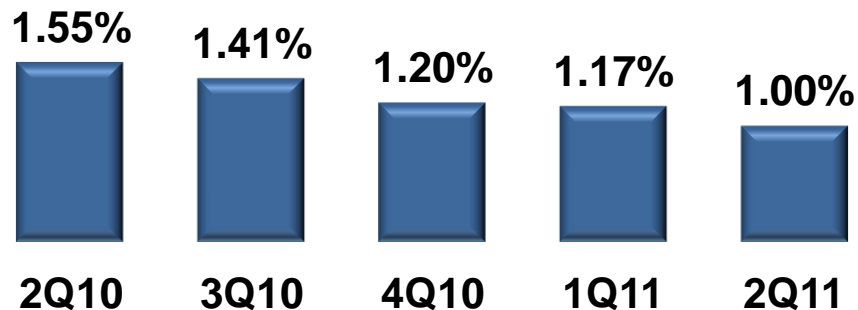


# Credit Quality

Improving trends in risk indicators...

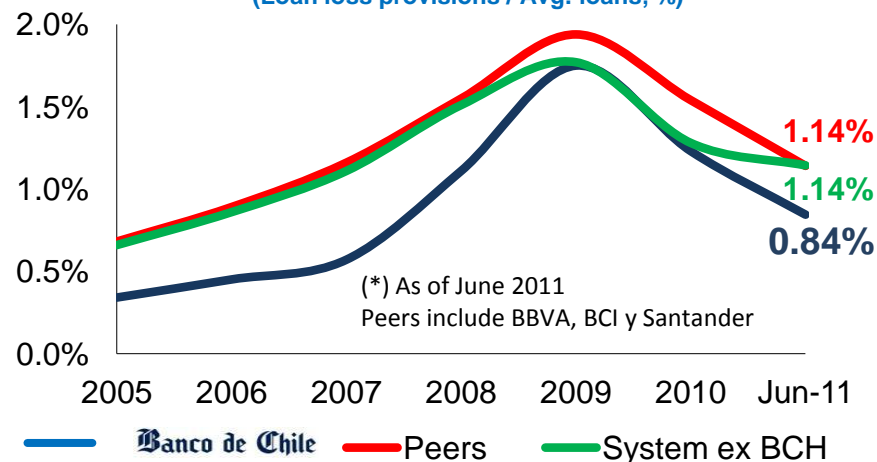
## 90 Days Past-due / Total Loans

(%)



## Loan Loss Provisions

(Loan loss provisions / Avg. loans, %)

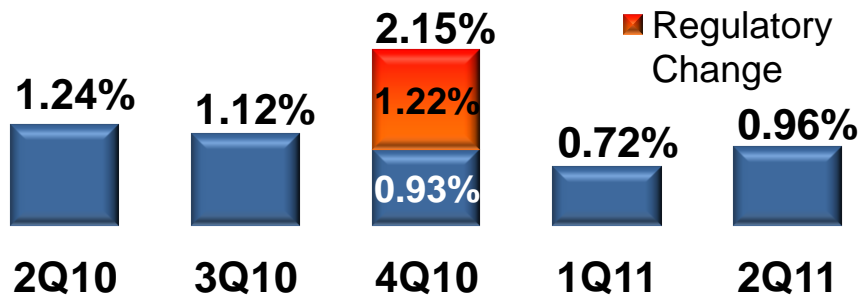


## Loan Loss Provisions<sup>1</sup> / Avg. Loans

(%)

■ Provisions

■ Regulatory Change



## Highlights

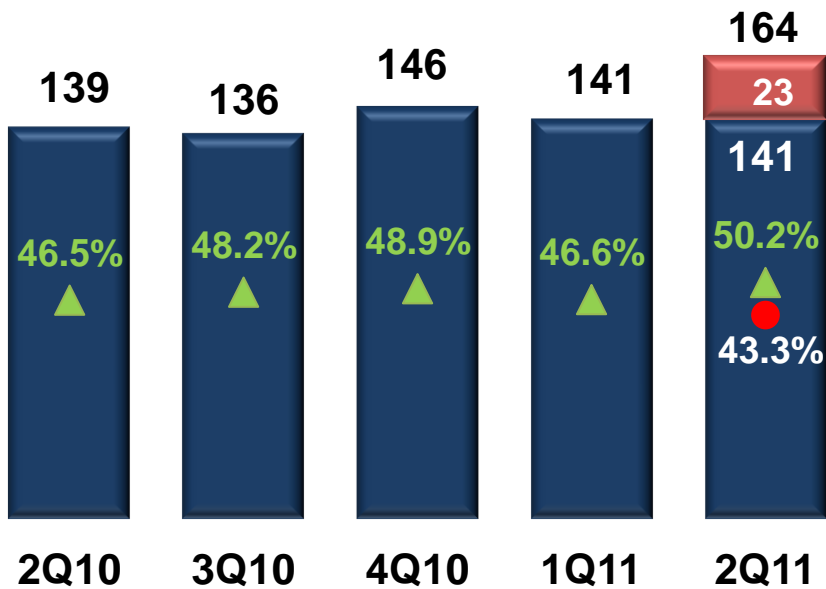
- ✓ Positive economic scenario
- ✓ Reduction in exposure in fishing sector

# Efficiency

Operating expenses in line with our business growth plan...

## Operating expenses

(Billions of Ch\$)



■ Expenses

■ Extraordinary Expenses

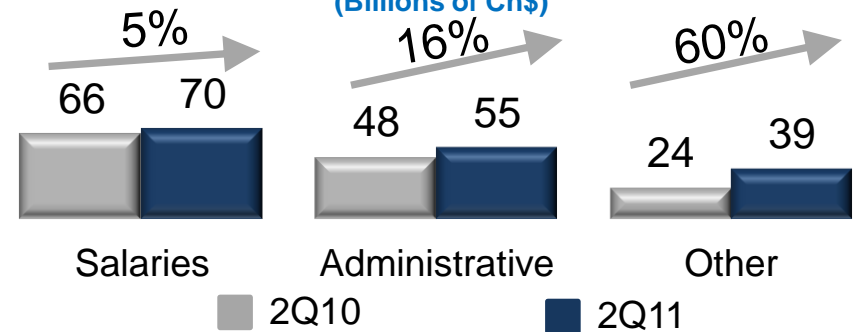
▲ Efficiency

● Adjusted Efficiency\*

\* Adjusted for provisions related to collective bargaining agreements

## Breakdown of Operating Expenses

(Billions of Ch\$)



## 2011 Operating Expenses Highlights

### Salary Expenses:

- ✓ Stable employee base
- ✓ Expense growth in line with inflation

### Administrative Expenses:

- ✓ +\$2.9bn Information Technology
- ✓ +\$2.8bn Marketing
- ✓ +\$2.3bn Outsourced Sales Force

Due to Business growth

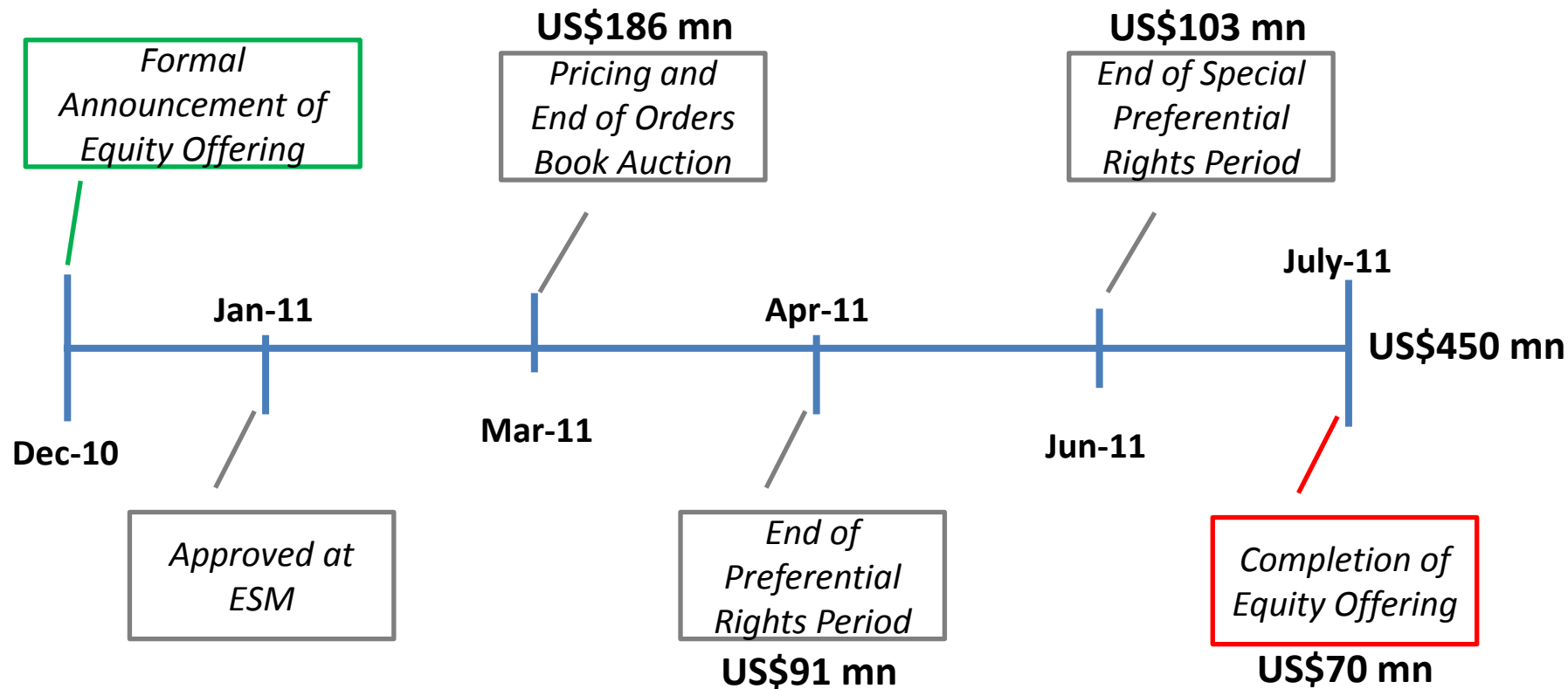
### Other Expenses:

- ✓ +\$22.4bn Collective Bargaining Agreements

# Equity Offering

Successful placement of US\$450 million...

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Free Float: 12.1%

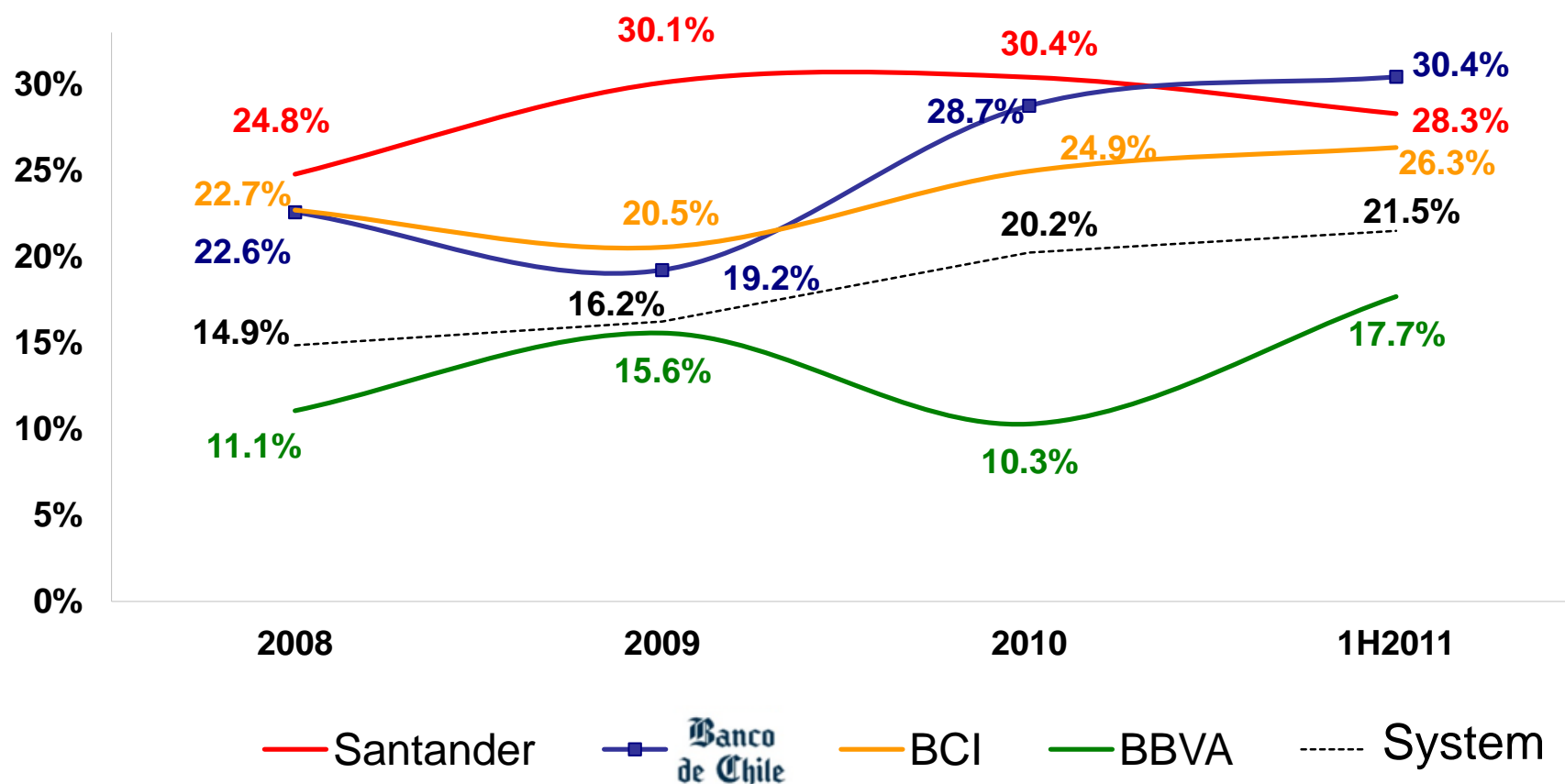


15.5%

# Banco de Chile

An outstanding performance in ROAC...

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# Forward-looking Information

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

*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.*