



Banco de Chile

Q3 | 2010

November 3, 2010



Agenda

- ❑ *Chilean Economy*
- ❑ *Financial Highlights*
- ❑ *3Q10 Financial Results*
- ❑ *Key Balance Sheet Figures*

Chile: Third Quarter 2010 Highlights

Outstanding economic outlook for Chile...

- ✓ *Estimated 3Q10 GDP above 7%*
- ✓ *Unemployment strengthened despite winter seasonal effects*
- ✓ *Inflation continues to reach more normalized levels*
- ✓ *Monetary policy rate reached 2.75% in October 2010*

BCH: Financial Highlights

Excellent 2010 quarterly results which have been consistently above Ch\$100 billion

	3Q09	1Q10	2Q10	3Q10
Net Income (BCh\$)	68.7	100.8	107.8	100.0
EPS (Local Share, Ch\$)	0.83	1.22	1.31	1.21
ROAE* (%)	18.9	26.4	30.0	26.1
Tier 1 Capital / RWA (%)	9.95	8.62	8.64	8.79
Total Capital Ratio / RWA (%)	13.41	11.85	13.49	13.64

**Does not include provision for minimum dividends*

BCH: Operating Segment Highlights

Picking up speed...

Retail Banking

- Leading loan growth with an expansion of 15%
- Continued improvements in provision expenses (-20% vs 3Q09)
- Net income before taxes up 67% vs 3Q09

Wholesale Banking

- Firm increase in fee revenue of 33% as compared to 3Q09
- Provision expenses down by 48% vs 3Q09
- Operating expenses down by 23% as compared to 3Q09

Treasury

- Net income before taxes up by 65%
- US\$339 million local bond placements with spread between 51bp and 70bp above the central bank benchmark

Subsidiaries

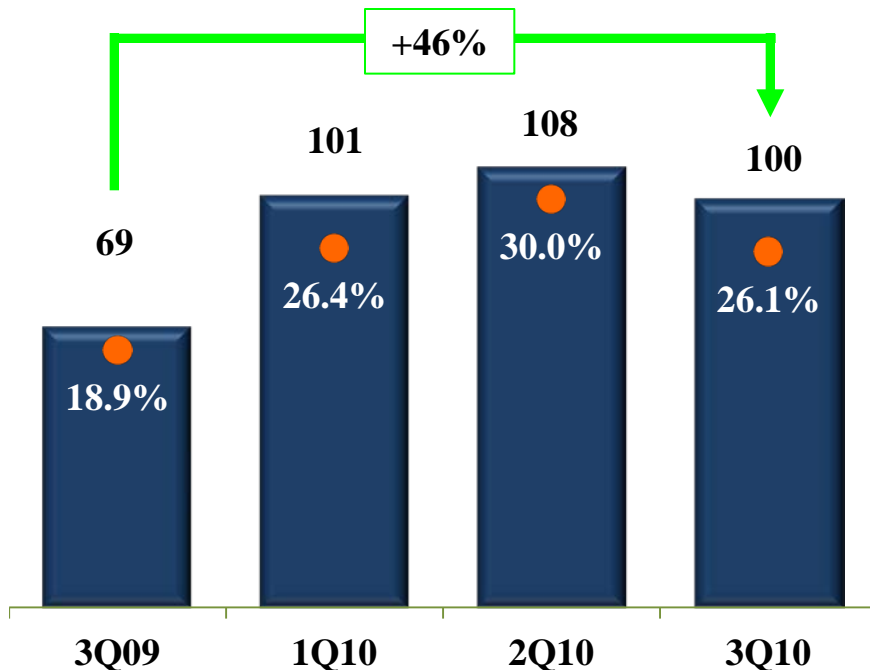
- Stock brokerage volumes up 25% y/y
- Assets under management up 20% y/y
- Net income up 16% as compared to 3Q09

BCH: Consistent Returns

(Billions of Ch\$)

Firm net income growth, providing a solid 26.1% return-on-average-equity...

Quarterly Net Income & ROAE



● ROAE*
■ Net Income

*ROAE does not include provision for minimum dividends

Δ3Q09/3Q10 Highlights

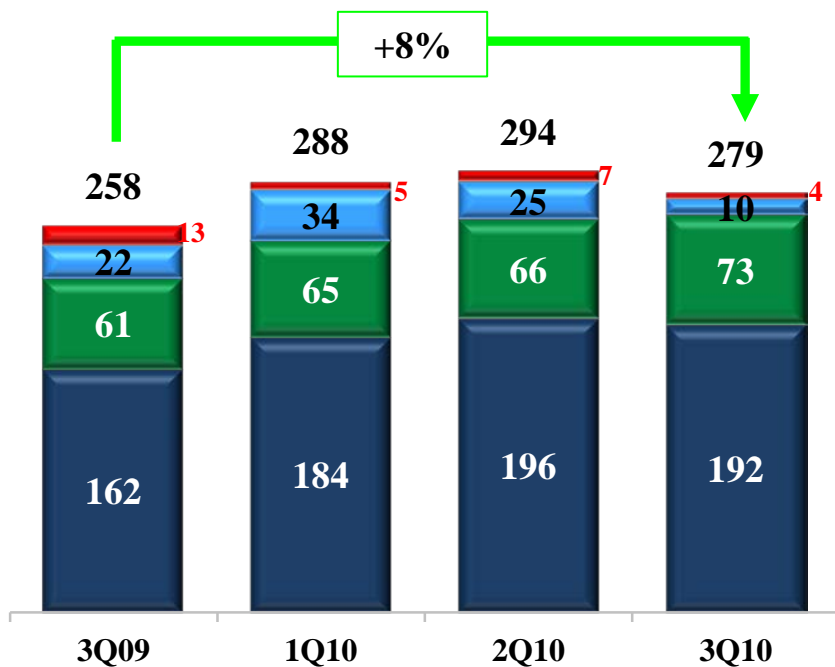
- ✓ Higher net interest income (+18%)
- ✓ Strong fee revenue growth (+21%)
- ✓ Lower loan loss provisions (-32%)
- ✓ Controlled increase in expenses (+8%)

BCH: Operating Revenues

(Billions of Ch\$)

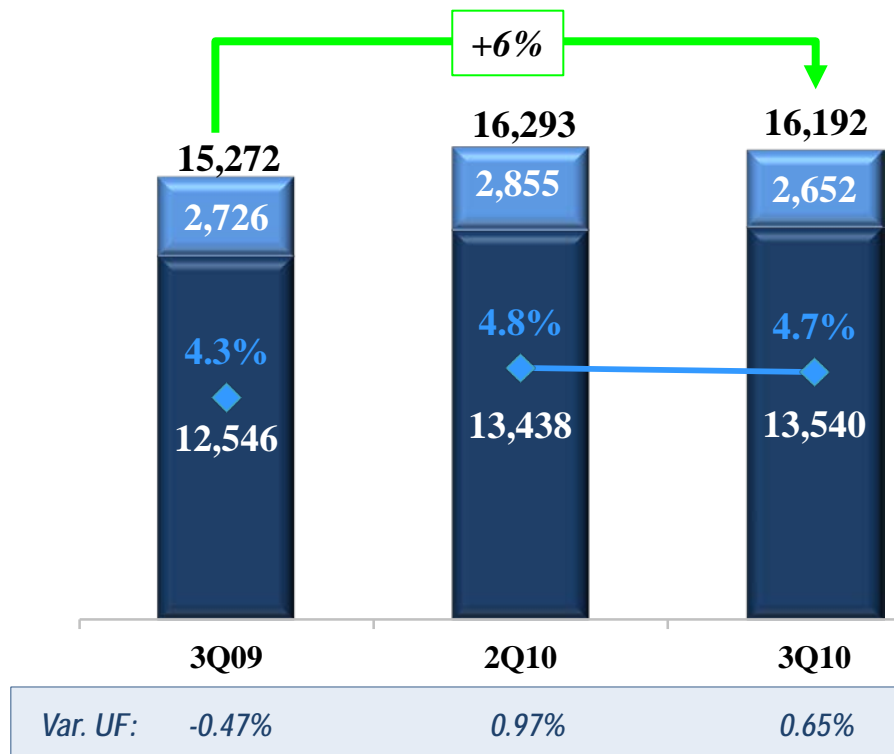
Solid growth in core banking revenues...

Total Operating Revenues



■ Net Interest Revenues ■ Net Fees
■ Fx & Trading ■ Other

Avg. Interest Earning Assets & NIM



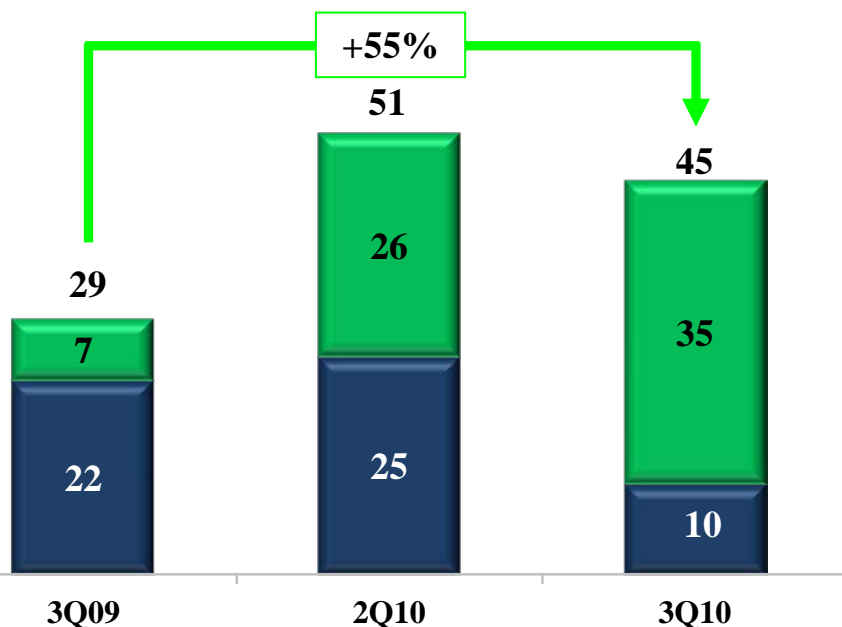
■ Loans ■ Other financial assets ◆ NIM

BCH: Treasury Operating Revenues

(Billions of Ch\$)

Excellent ability of the treasury area to generate complementary revenues...

Treasury Operating Revenues



Δ3Q09/3Q10 Highlights

- ✓ Proactive and strategic management of UF GAP position
- ✓ Positive results associated with funding Ch\$ denominated assets by US\$ denominated liabilities hedged with derivatives

■ Net financial and Fx operating income ■ Segment Information*

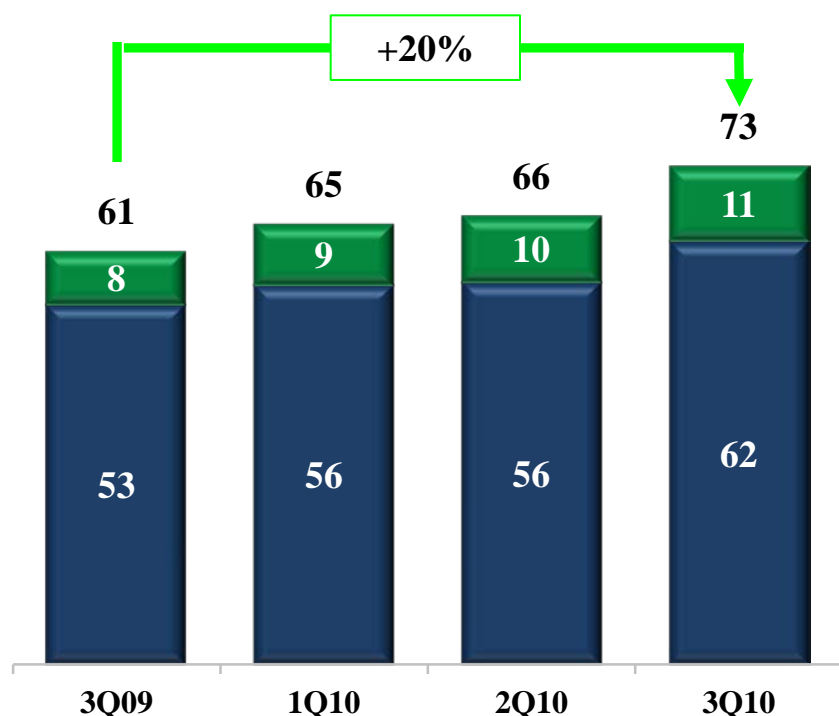
*Other operating revenues generated by the treasury area

BCH: Net Fee Revenues

(Billions of Ch\$)

Strong growth in all transactional products...

Net Fees by Segment



- Retail Banking & Subsidiaries*
- Wholesale Banking & Treasury

*Consolidation adjustments have been included in the Retail Banking & Subsidiaries segments

Breakdown of Net Fee Revenue

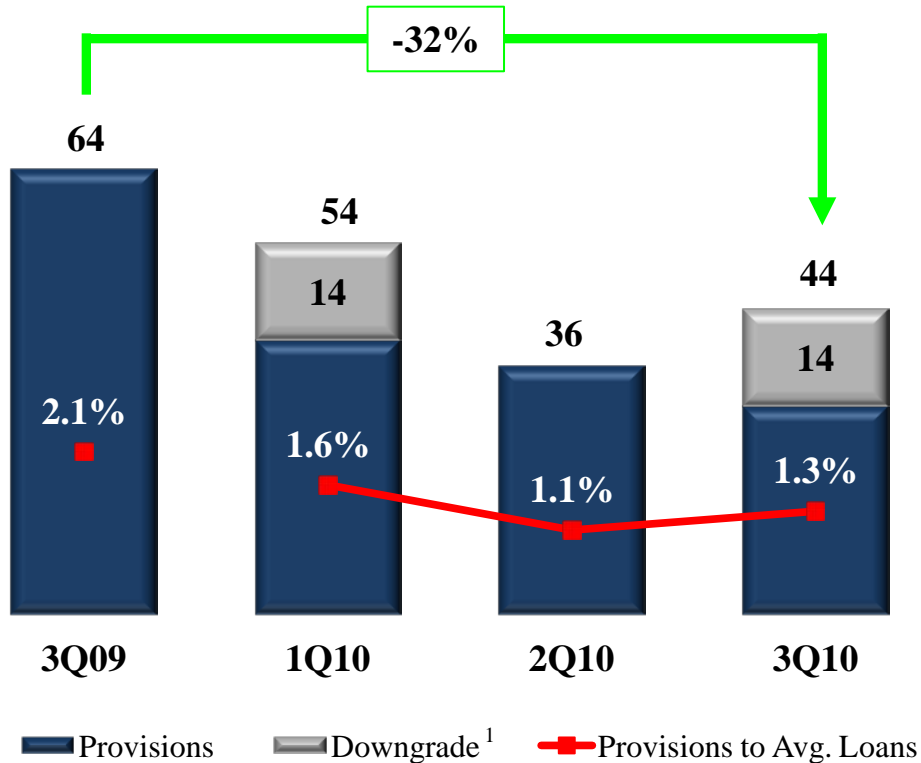
	3Q09	2Q10	3Q10	Δ12M
Portfolio management	12.6	14.9	16.6	4.0
Card services, net	9.8	10.6	11.9	2.1
Trading & securities mgt	6.0	11.9	10.7	4.8
Checking accounts	9.0	11.1	10.3	1.3
Insurance Brokerage	8.8	8.6	10.0	1.2
Collection services	8.7	9.0	9.3	0.6
Guarantees & ltrs of cred.	3.4	3.8	4.1	0.7
Other fees & commissions	1.7	(3.7)	0.4	(1.4)
Total	60.1	66.1	73.4	13.3

BCH: Superior Asset Quality

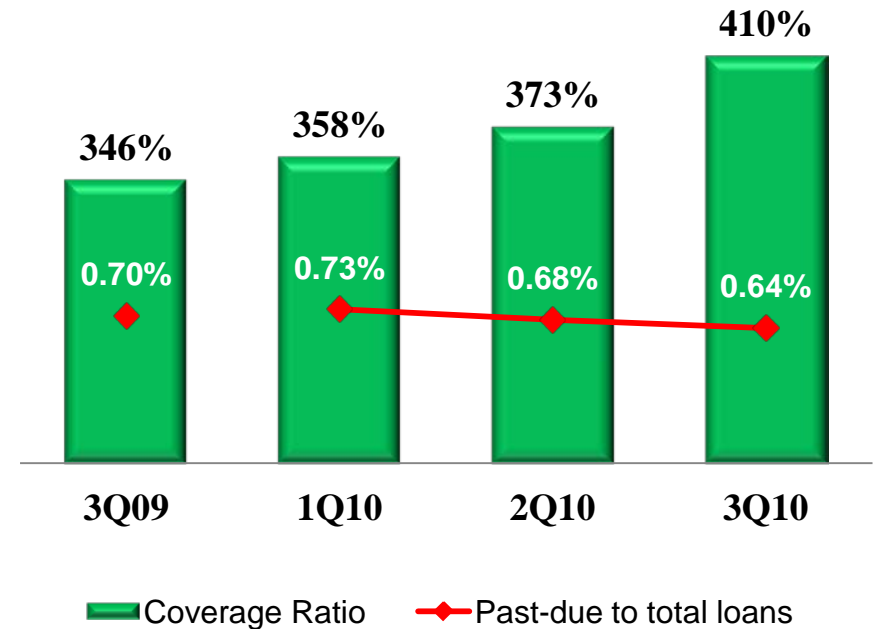
(Billions of Ch\$)

Asset quality and NPLs continue to improve... coverage ratio reaches 410%...

Provisions Expenses



Asset Quality Indicators



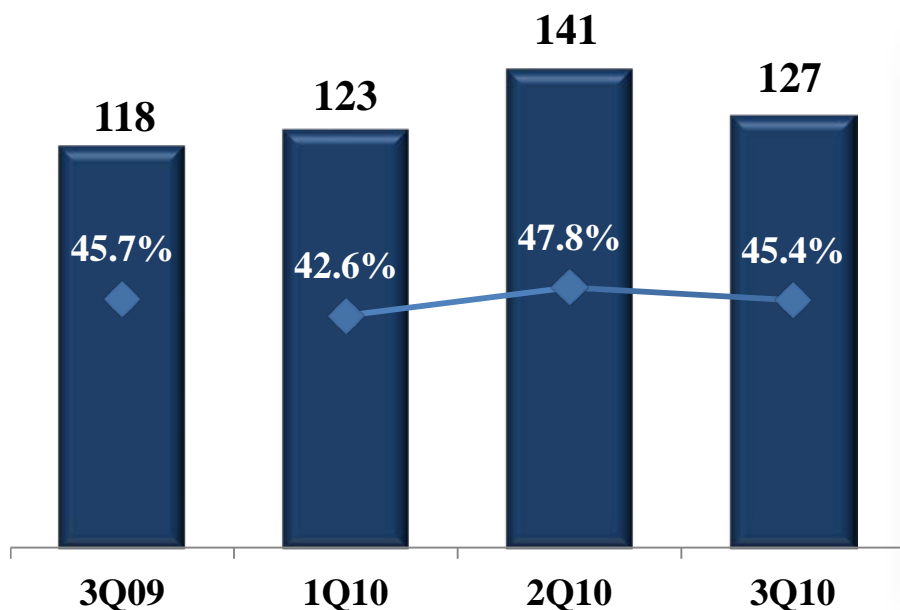
(1) Downgrade of certain wholesale debtor

BCH: Operating Expenses

(Billions of Ch\$)

Operating expenses remain under control...

Total Operating Expenses



■ Total Operating Expenses ◆ Efficiency Ratio

Detail of Operating Expenses

	3Q09	1Q10	2Q10	3Q10	Δ12M
Personnel*	62.2	65.8	66.7	67.7	5.5
Administration*	39.8	38.4	42.1	45.2	5.4
Dep. /Amort/Imp*	8.0	7.6	7.5	7.7	(0.3)
Other **	8.0	6.9	8.7	8.0	-
Subtotal	118.0	118.7	125.0	128.6	10.6
Earthquake	-	2.8	1.9	1.4	1.4
Non-recurring	-	1.3	13.6	(3.0)	(3.0)
Total Expenses	118.0	122.8	140.5	127.0	9.0

*Excludes earthquake expenses

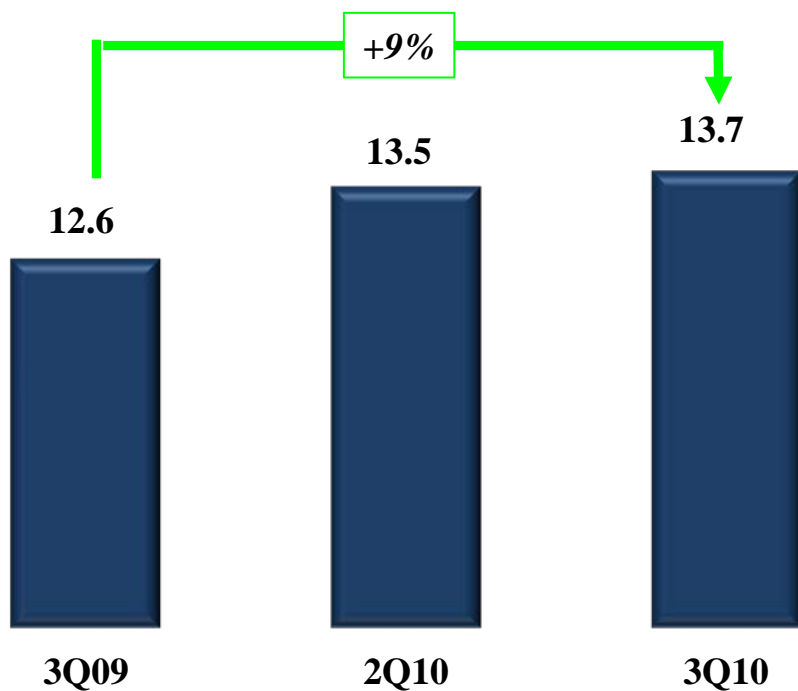
**Excludes earthquake and non-recurring expenses

BCH: Total loan portfolio

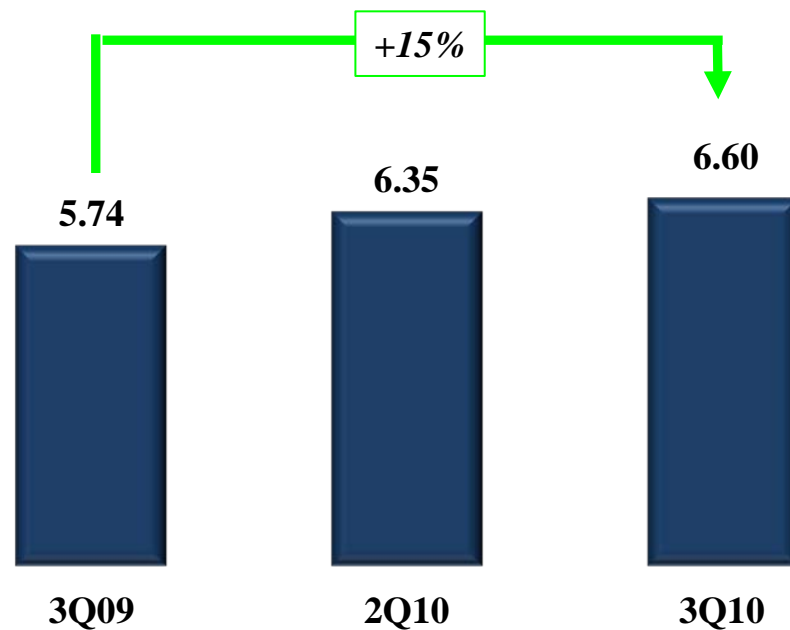
(Trillions of Ch\$)

Loan growth is being driven by retail segments...

Total Loan Portfolio



Breakdown of Retail Loan Portfolio

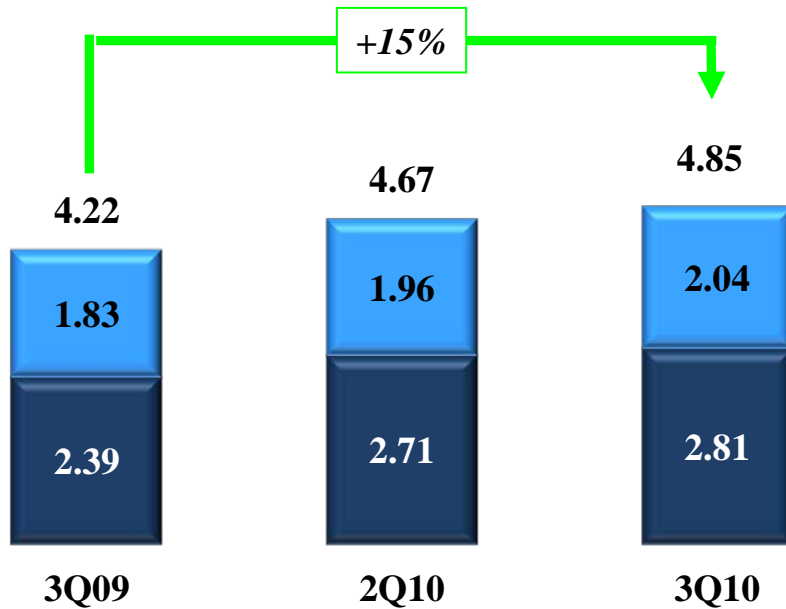


BCH: Retail loan portfolio

(Trillions of Ch\$)

Strong retail loan growth by both individuals and SMEs...

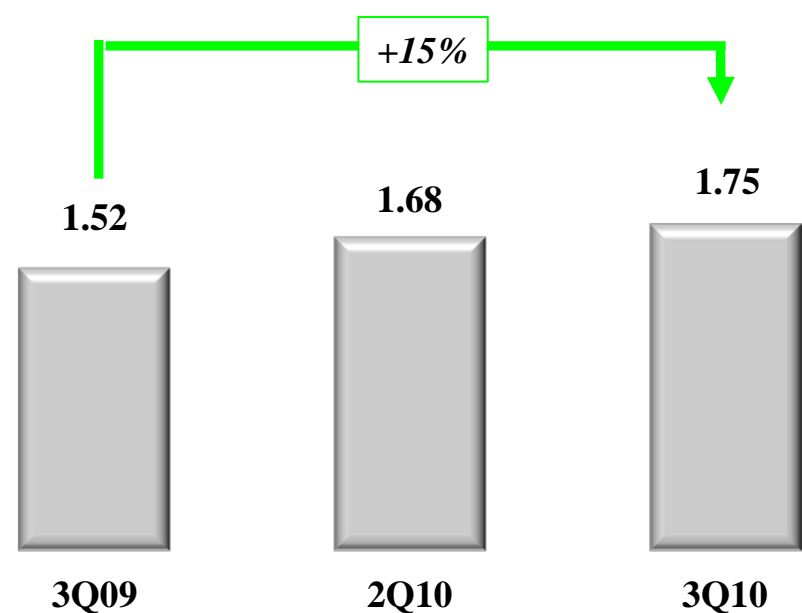
Individual Loan Portfolio



■ Mortgage

■ Consumer

SME Loan Portfolio



■ Commercial

BCH: Funding Structure

(Trillions of Ch\$)

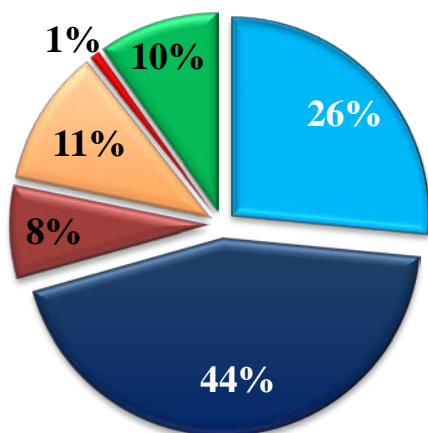
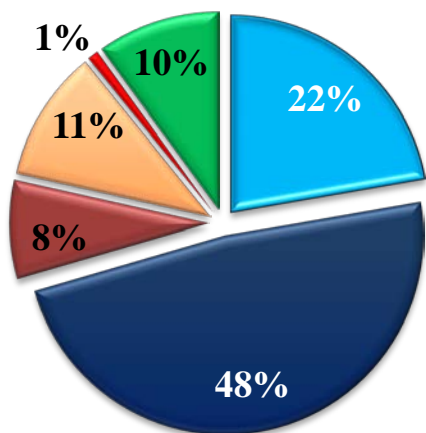
Growth has been funded through a rise of 26% in non-interest bearing deposits...

Funding Structure

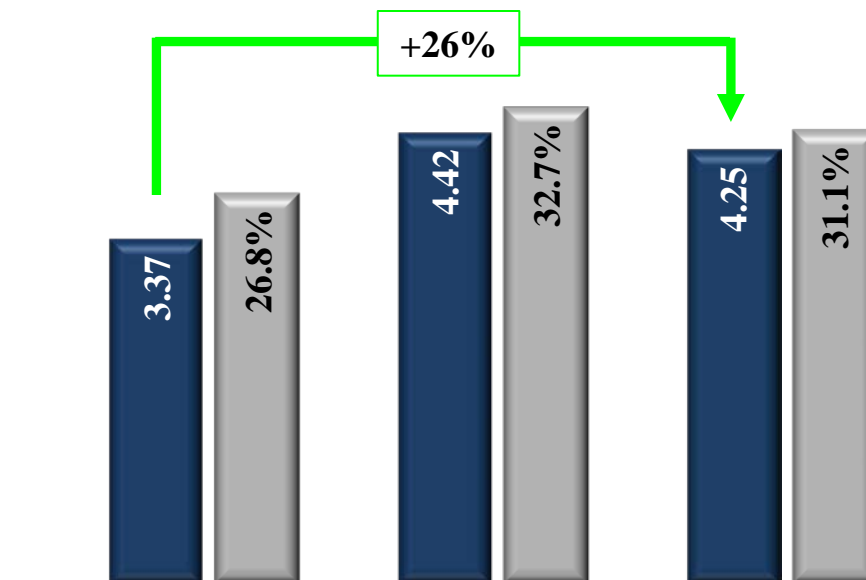
Non-interest bearing deposits

September 2009

September 2010



- Non-interest bearing deposits
- Time Deposits
- Financial Institutions
- Debt Issued
- Other
- Equity



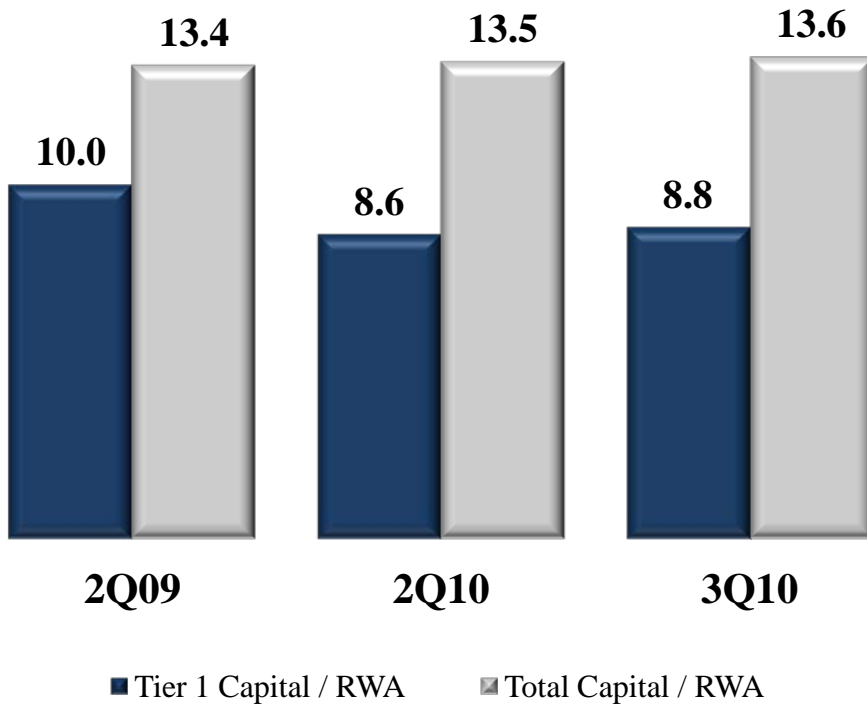
- Non-interest bearing deposits
- Non-interest bearing deposits to loans

Source: SBIF

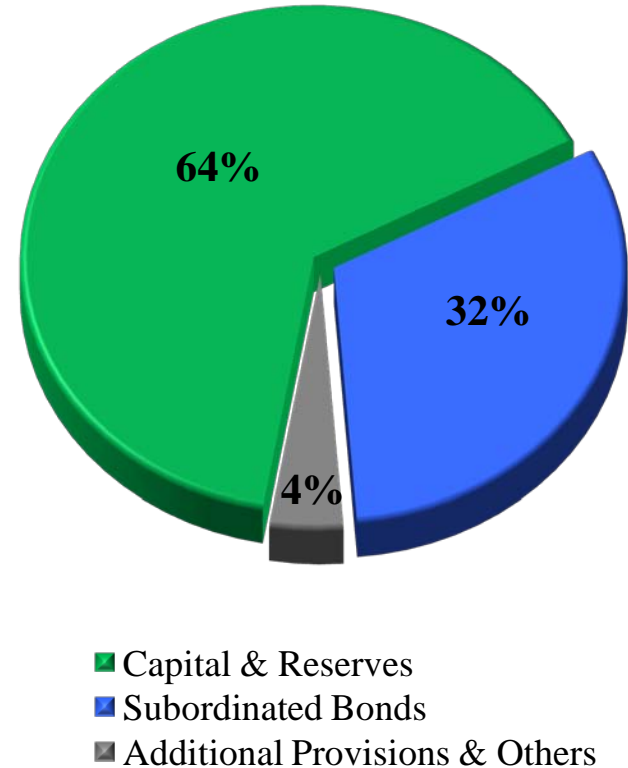
BCH: Strong Capital Base

Capital adequacy ratios remain high...

Capital Adequacy Ratios (%)

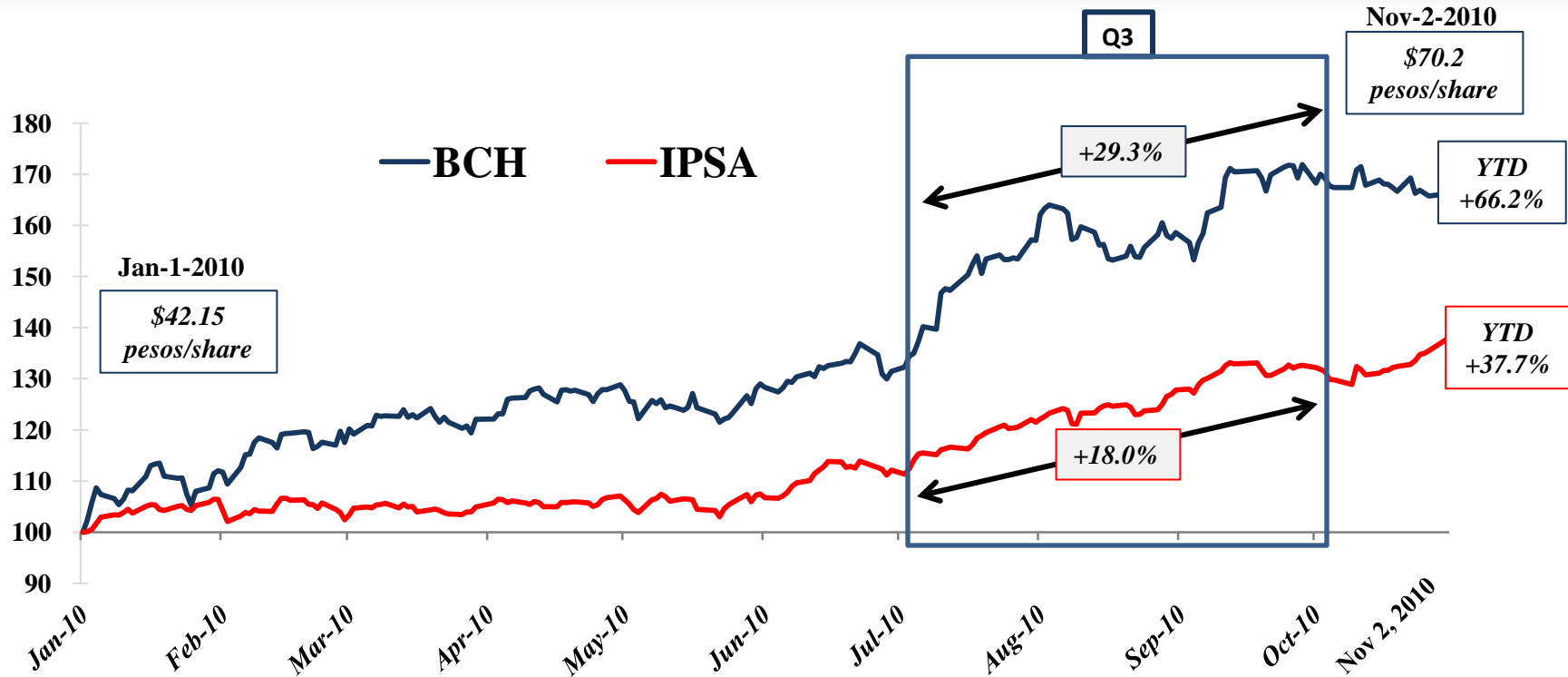


Effective Equity



BCH: A profitable investment

Banco de Chile's share has outperformed the IPSA index throughout the year....



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; 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.

End of Presentation