



**Banco de Crédito e Inversiones
Management Discussion and Analysis of
Second Quarter Results 2005**

Prepared by:

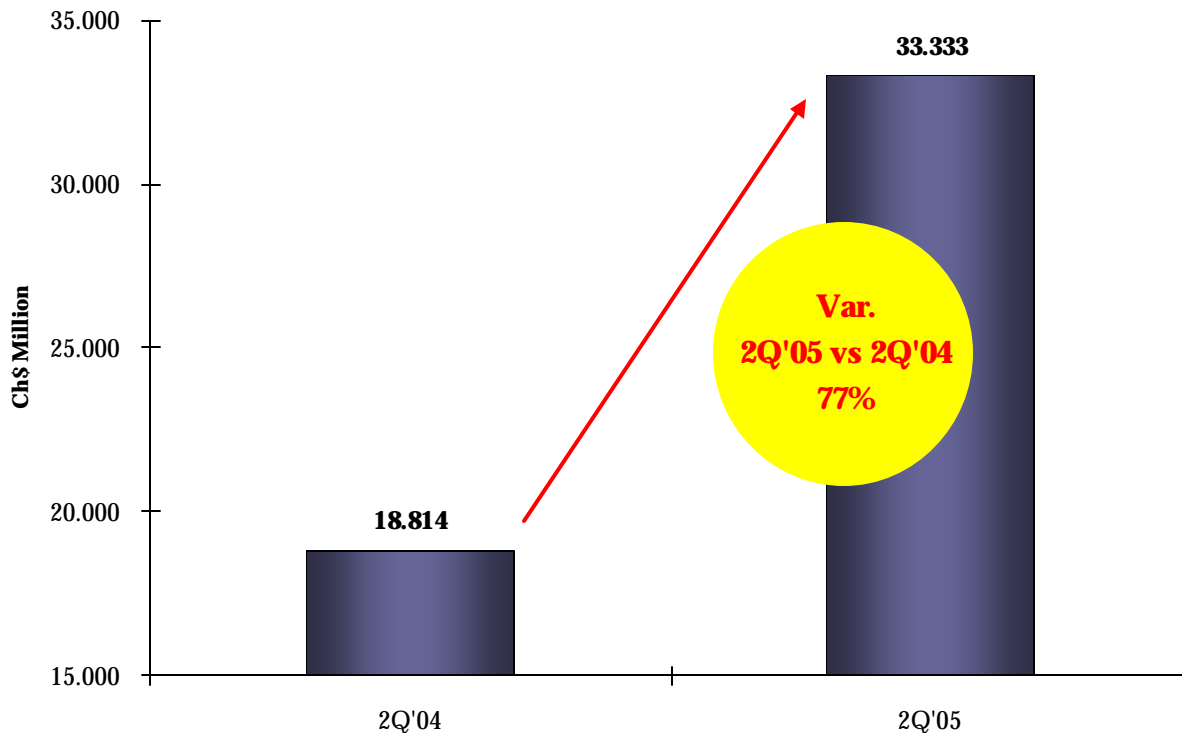
Banco Bci

Santiago, 9 August 2005

Net Income 2nd Quarter 2005

Quarterly Net Income

2Q'05 vs. 2Q'04



- Increase in operating revenue.
- Improvement in quality of loan portfolio.
- Decrease in operating expenses.
- Increased income from investments in subsidiaries (especially B. Nova, Stock Brokerage and Insurance Brokerage).

Net Income 2nd Quarter 2005

Figures in Ch\$ million as of June 30, 2005, with percentages expressed in real terms

Net Profit

+77%

2Q'04: \$18,814

2Q'05: \$33,333

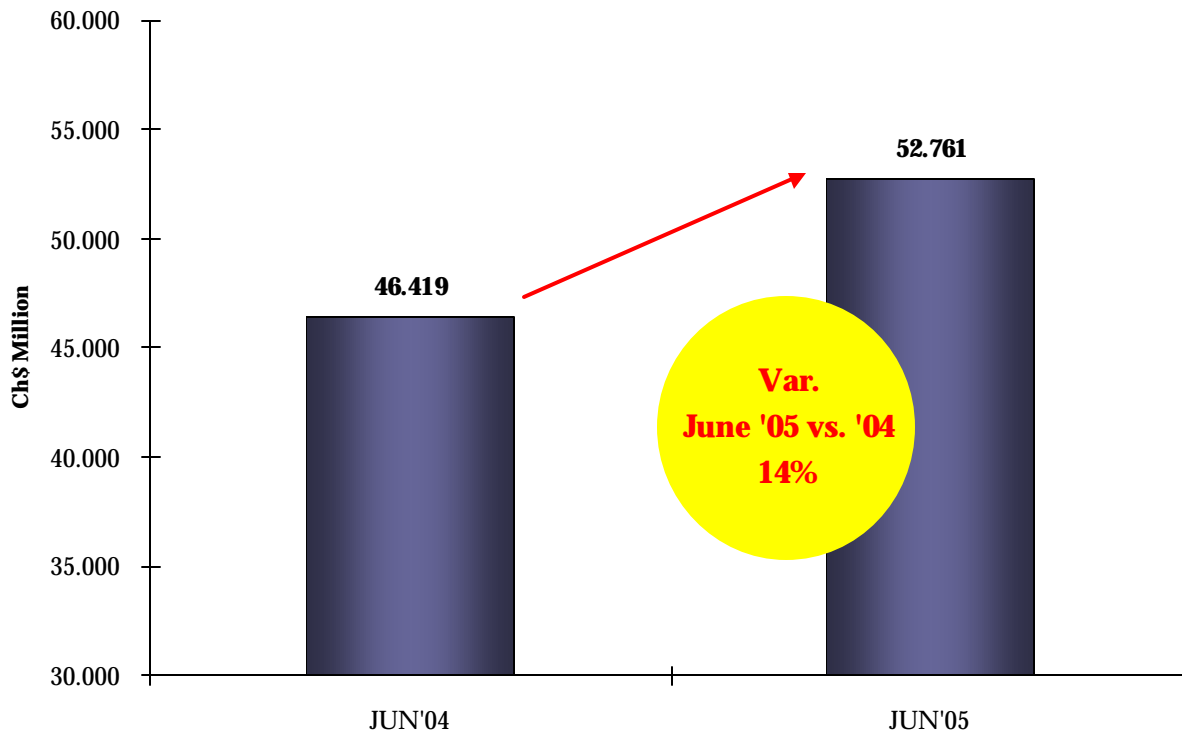
Var.: \$14.519

	<u>2Q'04</u>		<u>2Q'05</u>	<u>Variation</u>
Gross Op Revenue	\$62,487	+17%	\$73,226	+\$10,739
Op Expenses	\$33,598	-1%	\$33,231	+\$367
Provs & Write Offs	\$11,517	-50%	\$5,740	+\$5,776
Investments (1)	\$7,246	+20%	\$8,719	+\$1,473
Other Expenses	\$5,804	+66%	\$9,640	-\$3,836

(1) Income attributable to investments in subsidiaries

Accumulated Net Income as of June 2005

Accumulated Net Income June '05 vs. June '04

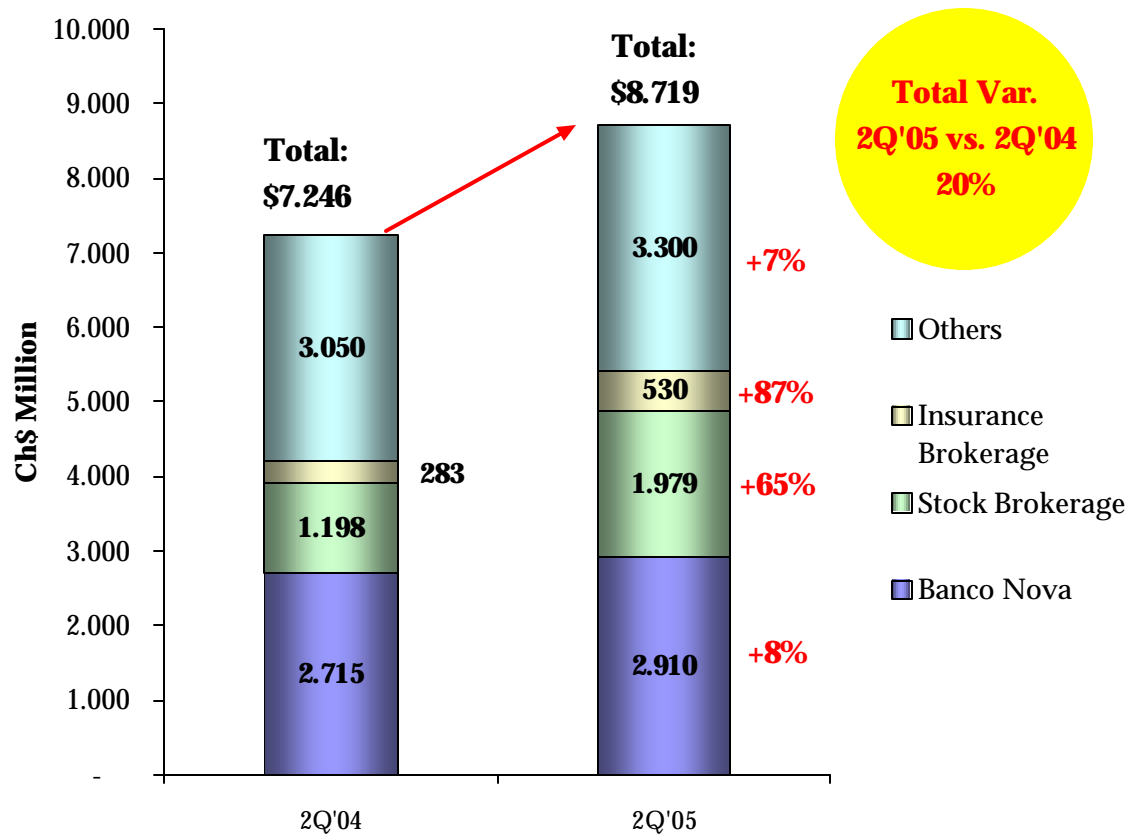


- Increase in gross operating revenue.
- Improvement in quality of loan portfolio.
- Increased income from investments in subsidiaries.

Investments in Subsidiaries

Income Attributable to Investments in Subsidiaries

2Q'05 vs. 2Q'04



Accumulated Net Profit as of June 2005

Figures in Ch\$ million as of June 30, 2005, with percentages expressed in real terms

Net Profit

+14%

JUN'04: \$46,419

JUN'05: \$52,761

Var.: \$6,342

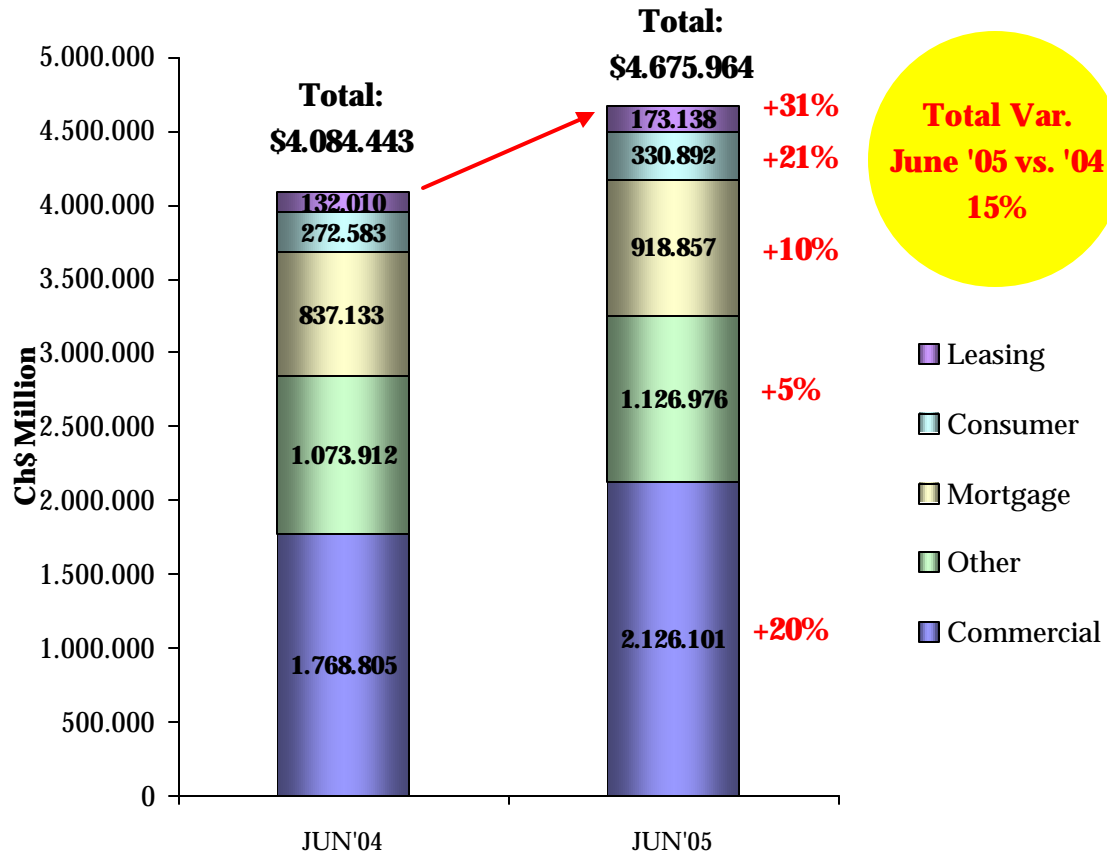
	<u>JUN'04</u>		<u>JUN'05</u>	<u>Variation</u>
Gross Op Revenue	\$129,049	+1%	\$129,928	+\$879
Op Expenses	\$64,906	+2%	\$66,338	-\$1,432
Provs & Write Offs	\$18,978	-34%	\$12,505	+\$6,473
Investments (1)	\$13,272	+14%	\$15,118	+\$1,846
Other Expenses	\$12,019	+12%	\$13,442	-\$1,424

(1) Income attributable to investments in subsidiaries

Net Loans

Net Loans

June '05 vs. June '04



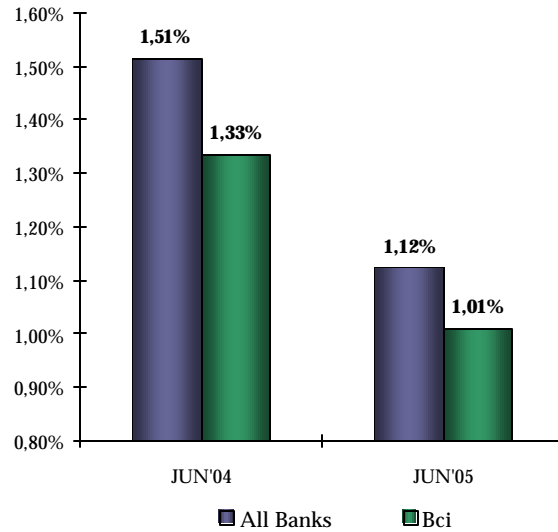
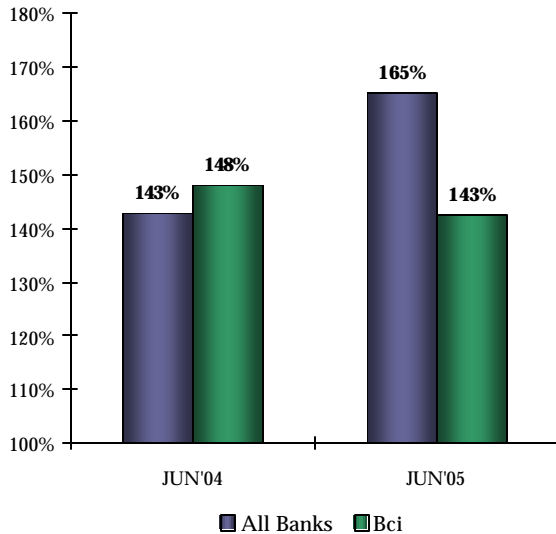
Does not include Banco Nova

- Between June '04 and June '05, Bci's net loans increased by 15%, versus 12% for all banks.
- Commercial, leasing, mortgage and consumer loans have posted especially dynamic growth.
- As of June 2005, Bci's market share was 11.61%, which increases to 12.06% considering Banco Nova.



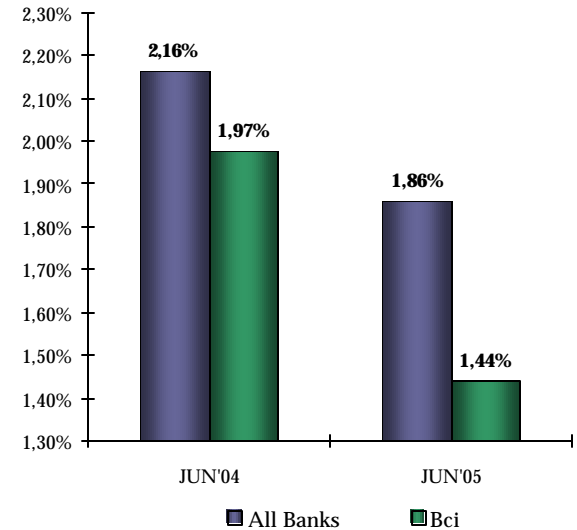
Credit Quality Ratios

**Loan Loss Reserve/
Past Due Loans**



Ratios for Bci
(Do not include Banco Nova data)

**Loan Loss Reserve/
Total Loans**

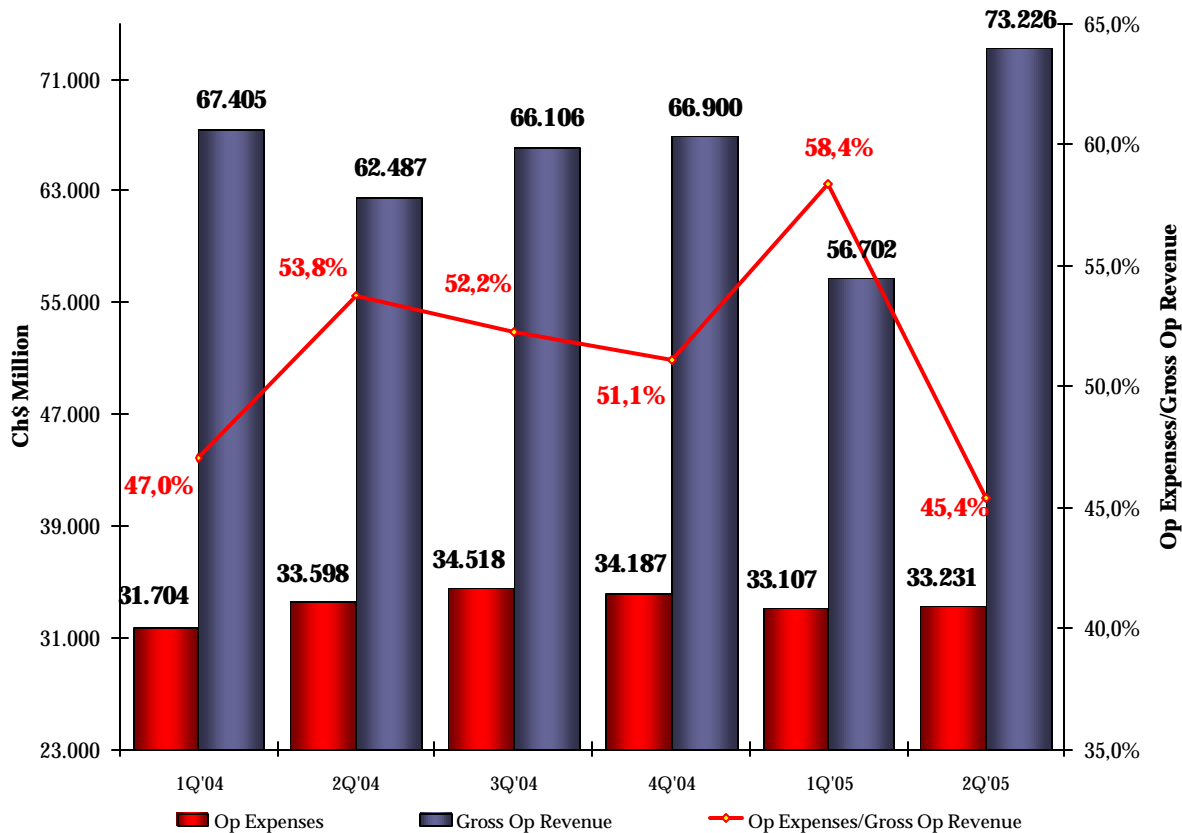


**Past Due Loans/
Total Loans**



Efficiency

Operating Expenses and Efficiency: 1Q'04 through 2Q'05



- During 2Q'05, Bci's efficiency improved to 45.4%, a difference of 13.0 pp. compared to 1Q'05 and 8.4 pp. versus 2Q'04.
- An increase in the gross operating revenue, combined with an effective control of operating expenses, led to the improvement in Bci's efficiency ratio.

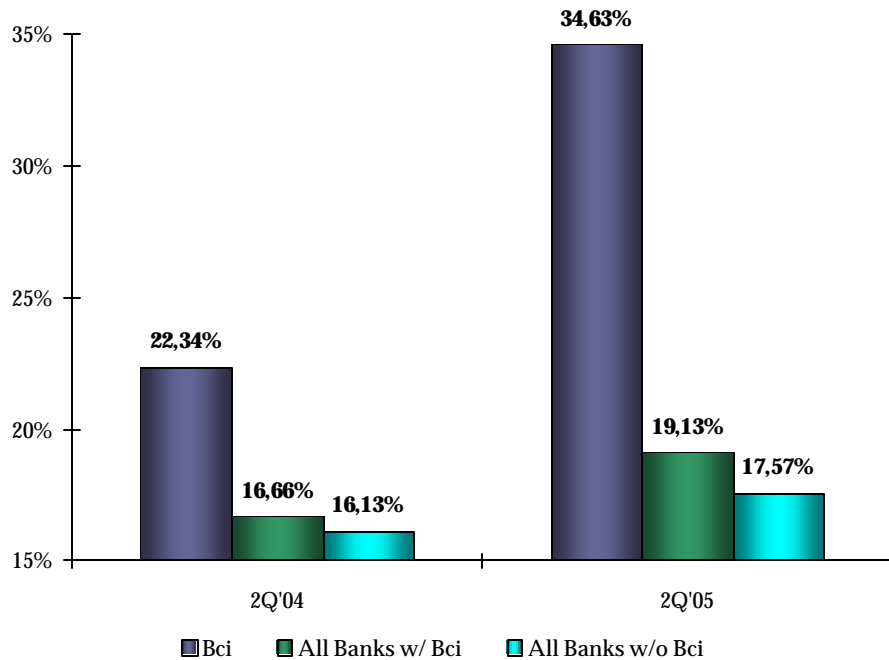
ROAE

(Return On Average Equity)

ROAE Banco Bci vs. All Banks

(With and Without Bci):

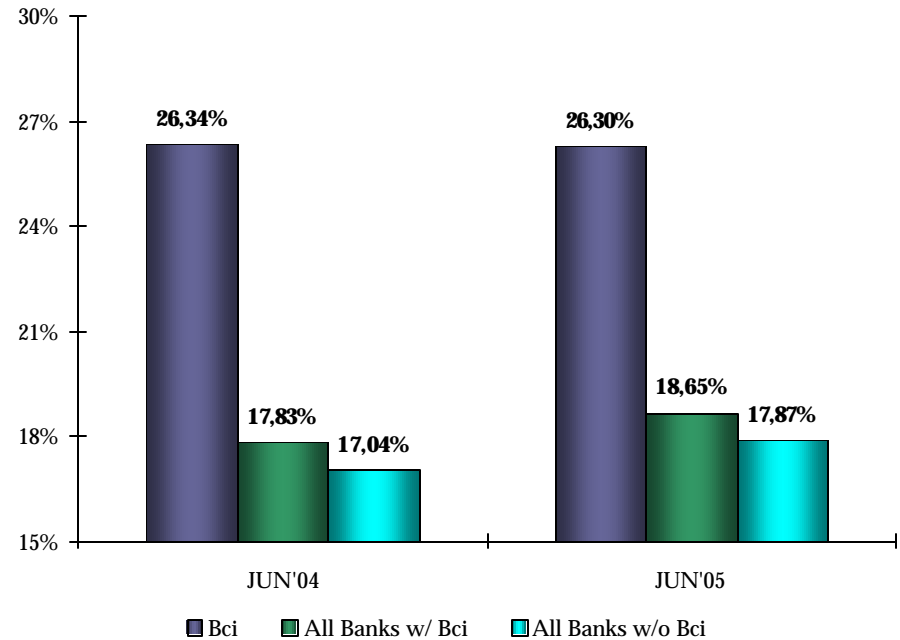
2Q'05 vs. 2Q'04



ROAE Banco Bci vs. All Banks

(With and Without Bci):

2Q'05 vs. 2Q'04



End

All forward-looking statements made by Banco de Crédito e Inversiones involve material risks and uncertainties and are subject to change based on various important factors which may be beyond the Bank's control. Accordingly, the Bank's future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. The Bank does not undertake to publicly update or revise the forward-looking statements even if experience or future changes make it clear that the projected results expressed or implied therein will not be realized.



Banco Nova

700,000
clients

- 60 branches with highly qualified personnel.
- 249 payment and collection points through Servipag.

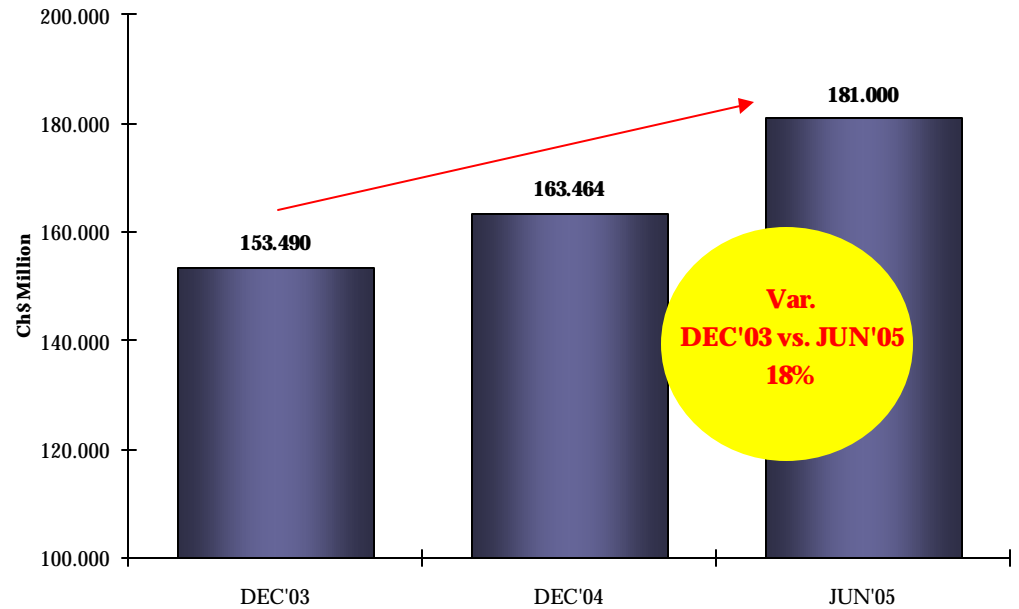
- Consumer loans.
- Auto loans.
- Master Card credit card.
- Time deposits.
- Home savings accounts.
- Demand deposit accounts (“electronic checkbook”).



Banco Nova

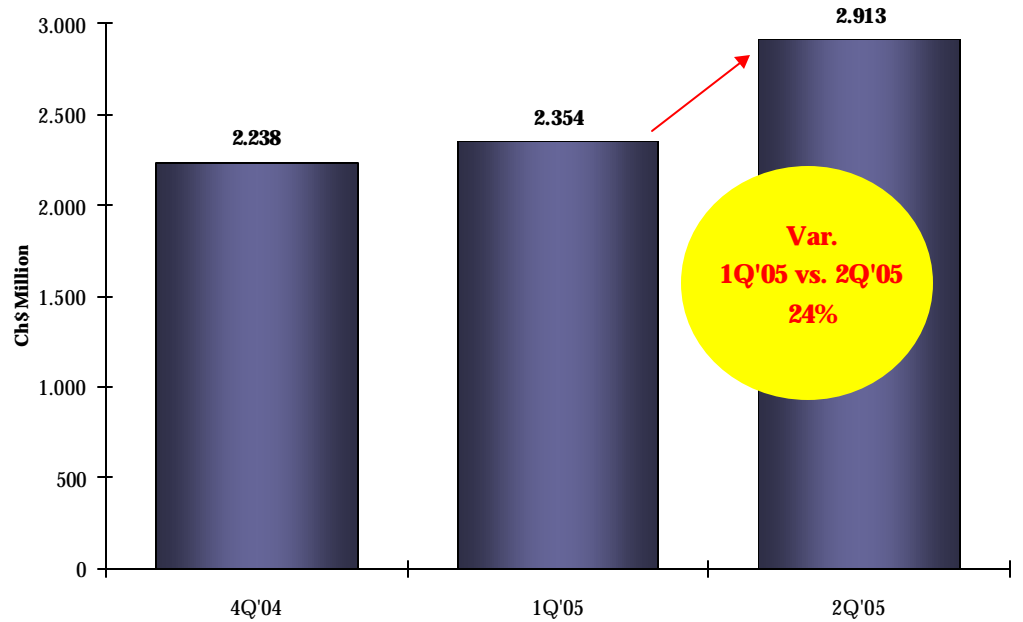


Net Loans: DEC'03 through JUN'05



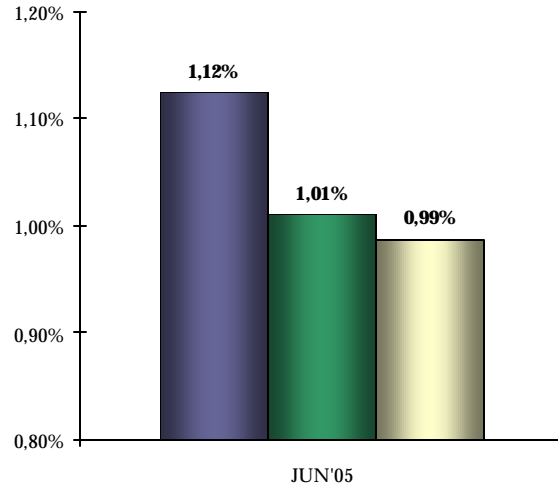
Banco Nova

Net Income: 4Q'04 through 2Q'05

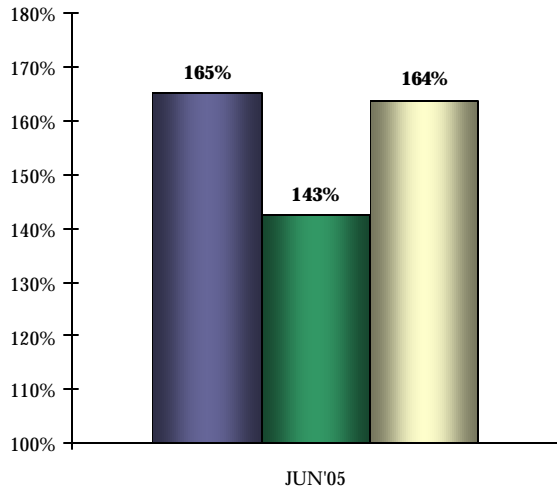
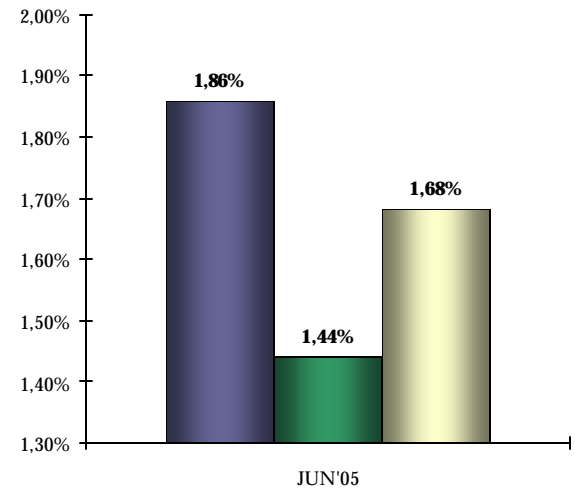


Credit Quality Ratios: Proforma with B. Nova

**Loan Loss Reserve/
Past Due Loans**



**Loan Loss Reserve/
Total Loans**



**Past Due Loans /
Total Loans**

■ All Banks ■ Bci ■ Bci Proforma

■ All Banks ■ Bci ■ Bci Proforma

