

BANCOESTADO S.A. ADMINISTRADORA GENERAL DE FONDOS

BALANCE SHEETS AT DECEMBER 31, 2008 AND 2007

(In thousand of Chilean pesos - ThCh\$ and thousand of US dollars - ThUS\$)

ASSETS	2008		2007
	ThUS\$	ThCh\$	ThCh\$
CURRENT:			
Cash and banks	1.119	712.373	206.401
Marketable securities	2.014	1.281.701	1.364.333
Trade accounts receivable	1.285	817.465	59.437
Sundry debtors	1	884	123
Recoverable taxes	-	-	29.690
Prepaid expenses	5	3.410	39.425
Deferred taxes	36	22.645	15.352
Total current assets	4.460	2.838.478	1.714.761
FIXED ASSETS:			
Machinery and equipment	134	85.318	71.070
Other fixed assets	476	302.822	181.034
Accumulated depreciation (less)	(340)	(216.163)	(169.307)
Total fixed assets	270	171.977	82.797
OTHER ASSETS:			
Intangible assets	38	23.979	11.014
TOTAL ASSETS	4.768	3.034.434	1.808.572

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	2008		2007
	ThUS\$	ThCh\$	ThCh\$
CURRENT:			
Borrowings from banks short-term	22	14.002	4.919
Accounts payable	24	14.993	16.211
Notes payable	4	2.748	448
Sundry debtors	509	323.708	-
Notes and accounts payable to related companies	89	56.434	52.024
Allowances	493	313.621	192.842
Withholdings	119	75.497	47.810
Equity in losses of related companies	19	12.204	-
Other current liabilities	-	-	24.293
Total current liabilities	1.279	813.207	338.547
SHAREHOLDERS' EQUITY:			
Paid-in capital	1.013	644.912	644.912
Retained earnings	1.296	825.113	420.123
Net income for the year	1.180	751.202	404.990
Total shareholders' equity	3.489	2.221.227	1.470.025
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4.768	3.034.434	1.808.572

BANCOESTADO S.A. ADMINISTRADORA GENERAL DE FONDOS

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

(In thousand of Chilean pesos - ThCh\$ and thousand of US dollars - ThUS\$)

	2008		2007
	ThUS\$	ThCh\$	ThCh\$
OPERATING INCOME	5.056	3.217.761	2.164.146
ADMINISTRATIVE AND SELLING EXPENSES	<u>(3.615)</u>	<u>(2.300.304)</u>	<u>(1.671.258)</u>
GROSS OPERATING MARGIN	<u>1.441</u>	<u>917.457</u>	<u>492.888</u>
NON-OPERATING INCOME:			
Financial income	139	88.623	78.299
Other non-operating income	59	37.769	-
Equity in losses of related companies	-	(118)	-
Other non-operating expenses	-	(118)	(152)
Price-level restatement	<u>(219)</u>	<u>(139.445)</u>	<u>(83.425)</u>
Non-operating loss	<u>(21)</u>	<u>(13.289)</u>	<u>(5.278)</u>
INCOME BEFORE INCOME TAXES	1.420	904.168	487.610
INCOME TAXES	<u>(240)</u>	<u>(152.966)</u>	<u>(82.620)</u>
NET INCOME FOR THE YEAR	<u>1.180</u>	<u>751.202</u>	<u>404.990</u>

The accompanying notes are an integral part of these financial statements.

BANCOESTADO S.A. ADMINISTRADORA GENERAL DE FONDOS

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

(In thousand of Chilean pesos - ThCh\$ and thousand of US dollars - ThUS\$)

	2008		2007
	ThUS\$	ThCh\$	ThCh\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection of trade account receivables	3.655	2.326.300	2.058.844
Financial income received	133	84.941	75.295
Other income received	54	34.095	-
Payments to suppliers and personnel	(2.516)	(1.601.312)	(1.436.521)
Income tax paid (less)	(178)	(113.392)	(130.826)
Net cash flow provided by operating activities	<u>1.148</u>	<u>730.632</u>	<u>566.792</u>
NET CASH FLOW FROM FINANCING ACTIVITIES:			
Bank loans obtained	962	612.179	-
Loans obtained from related companies	2.149	1.367.987	36.897.493
Payment of bank loans	(962)	(612.177)	-
Payment of other loans from related companies	(2.149)	(1.367.988)	(36.897.492)
Net cash flow provided by financing activities	<u>-</u>	<u>1</u>	<u>1</u>
NET CASH FLOW FROM INVESTING ACTIVITIES:			
Sale of investment in related company	1	411	-
Addition of fixed assets	(257)	(163.218)	(37.310)
Investment in related company	(1)	(500)	-
Net cash flow used in investing activities	<u>(257)</u>	<u>(163.307)</u>	<u>(37.310)</u>
NET TOTAL CASH FLOW FOR THE YEAR	891	567.326	529.483
EFFECT OF INFLATION ON CASH AND CASH EQUIVALENTS	(226)	(143.986)	(77.051)
NET VARIATION IN CASH AND CASH EQUIVALENTS	665	423.340	452.432
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2.468	1.570.734	1.118.302
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>3.133</u>	<u>1.994.074</u>	<u>1.570.734</u>

(Continued)

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BANCOESTADO S.A. ADMINISTRADORA GENERAL DE FONDOS

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

(In thousand of Chilean pesos - ThCh\$ and thousand of US dollars - ThUS\$)

	2008		2007
	ThUS\$	ThCh\$	ThCh\$
RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES AND NET INCOME FOR THE YEAR:			
Net income for the year	1.180	751.202	404.990
Charges (credits) to income that do not represent cash flows:			
Depreciation for the year	76	48.614	51.551
Amortization of intangible assets	20	12.462	19.572
Price-level restatement, net	219	139.445	83.425
Equity in losses of related companies	-	118	-
Other charges to income not representing cash flows	205	130.149	58.514
Change in assets affecting cash flows - (increases) decreases			
Trade account receivables	(1.219)	(775.816)	(19.953)
Other assets	(24)	(15.260)	(149.846)
Change in liabilities affecting cash flows - increases (decreases)			
Accounts payable related to operating income	763	485.888	124.957
Income tax payable (net)	(130)	(82.932)	(27.689)
VAT and similar payables (net)	58	36.762	21.271
Net cash flow provided by operating activities	<u>1.148</u>	<u>730.632</u>	<u>566.792</u>

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