

REPORT OF INDEPENDENT AUDITORS

A free translation of the original Report issued in Spanish

To the Shareholders of
Banco de Chile:



1. We have audited the accompanying consolidated balances sheets of Banco de Chile and Subsidiaries (“the Bank”) as of December 31, 2004 and 2003, and the related consolidated statements of income and cash flows for the years then ended. These financial statements (which include their related notes) are the responsibility of the Bank’s management. Our responsibility is to express an opinion on these financial statements based on our audits.
2. We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.
3. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Banco de Chile and Subsidiaries as of December 31, 2004 and 2003, and the results of its operations and cash flows for the years then ended, in conformity with generally accepted accounting principles in Chile and regulations established by the Chilean Superintendency of Banks and Financial Institutions.
4. As mentioned in Notes 17 (c) and 25 (a) to the consolidated financial statements, the New York and Miami branches are under a review process by regulators in the United States of America. The final issuance of audited financial statements of these branches for the year ended as of December 31, 2004, are pending the completion of this review. As of the release date of these consolidated financial statements, based on the information being analyzed by the Bank, it is not possible to determine the existence of any further regulatory actions in addition to those already agreed with the U.S. regulators, nor is it possible to estimate the corresponding financial statement impact. As a result, the Bank has not recorded provisions related to the resolution of this contingency.

Juan Francisco Martínez A.

ERNST & YOUNG LTDA.

January 31, 2005

Santiago, Chile