Comments about the 2005 third quarter results,
presented by

Arturo Tagle, Chief Financial Officer

November 4th, 2005.

Introduction

If you now turn to slide number 2, an outline on the subjects to be covered is provided. In the first place, I intend to briefly go through the performance of our share in the aftermath of the stock placement materialized in early August.
We will later comment on our very successful results for 2005 third quarter and first nine months, while the last minutes will be devoted to give you an update on our business drivers.

Stock placement after-market

On slide number three, and as far as the placement of 2.5% of the Bank's shares is concerned, while the details were already discussed in our second quarter release, I only want to highlight two important consequences which we anticipated during the offering and of which we are now quite satisfied about.

Firstly, the market seemed to endorse the offering price - as can be seen on the left hand side of the slide - maintaining a quite stable price level. Indeed, the share price has since stood above the offering price, even in spite of a rather bearish market, thus backing a strong financial performance and a deeply-rooted brand name.

A second, and also desired effect, has been the important increase in the traded amounts, consequence of the enhanced liquidity gained through the replacement of the shares in the market. The chart on the right, pictures what has happened in our local market, where the number of daily traded Banco de Chile shares has increased by more than 3 times, comparing pre and post placement averages. In terms of amounts, and adding the ADR volumes, we currently trade roughly 2 million dollars per day, up from less than half that figure in any previous period.

Following on to slide number 4, the increased trading is consequence of a larger free float which now stands at 41% on a combined - direct plus indirect - minority stake.

Capital Adequacy

One other positive consequence of the transaction was the enhancement of the capital base, now featuring Total Capital to Risk Adjusted Assets at a 12% level, an almost 100 basis points increase, which can comfortably support a near to 20% potential growth in total loans. Thus, some additional 15 hundred billion pesos, equivalent to 3.6% of the system's current total loans could be allocated in the Bank's portfolio without requiring additional capital. Should further space were to be required, Banco de Chile's capital base could be additionally increased by issuing new stock or through partial profit retentions, the latter being an increasingly more likely option in the light of our high bottom-line results.

Net Income

On this respect, please turn to slide number 5 so as to revise our results for the quarter. Though slightly below the remarkable performance shown in the second quarter, the net income of 48.3 billion Chilean pesos of the last three-month period, exceeded the equivalent previous year figure by more than 19% and contributed by 24% to the system's bottom line, quite above our overall loans market share.
This result involves a per share quarterly income of 71 cents of a peso, and an accumulated per share income of more than 2 pesos per share as of September, thus leaving only 27 cents to go before equaling last year's outstanding earnings performance.

ROAE

As can be seen in slide number 6, these very positive results allow the Bank to maintain its industry-leading profitability. With a 28.2% return on average equity, Banco de Chile once more stands as the most profitable bank among the financial institutions operating in Chile, well above the remaining banks' quarterly average of 14.5%. Consequently, the first nine-month output provides a 29% ROE for the period and favourably compares to the average return of our three main competitors and also to the 17.5% average for the system as a whole.

Net Income Drivers

Turning to slide number 7, let us go through the main positive and counter effects on the quarter's net income, on a year-on-year comparison. On the positive side, a lower amount of provisions of 7.5 billion pesos proved to be in line with a very favourable economic scenario driven by: an unusually high copper price, increasing export amounts and growing domestic consumption in response to lower unemployment rates and a growing sentiment of economic confidence.

Higher financial income was the second dominant driver, exceeding the 2004 third quarter figure by almost 5 billion pesos, and involving a year-on-year increase in net financial margin of 14 basis points. An almost 2% expansion in average interest earning assets, added to a higher inflation rate as compared to a year ago, more than compensated the negative repricing effect of the 75 basis points increase in the reference interest rate during the period. An improved asset mix also played favourably and reflects the growth in the commercial portfolio at the expense of financial investments.
I find it worthwhile to emphasize that an increase in financial income, within a context of higher interest rates, seems quite a worthy achievement and speaks well of our sustained effort towards a higher-yielding portfolio mix.

Lower non-operating losses and higher gains on sales of financial instruments, also contributed to the enhanced bottom line, as well as fee income, to which I will refer later in more detail.

Conversely, operating expenses grew by 7.7 billion pesos year-on-year while lower recoveries of previously charged-off loans, also pushed against. However, compared to the year ago ratio of 0.74%, the current recovery ratio of 0.42% over average loans seems to be more in line with a stable portfolio within a growing and sustainable economy.
It is worth considering that a sizable portion of these recoveries, roughly half of them, correspond to individual retail loans which provides quite a stable base as long as the incoming loan level is kept. The remaining portion of recoveries, related to corporate loans, may show higher volatility, mainly responding to the economy's performance.

Fee Income

Turning to slide number 8, fee income has been reflecting the serious cross-selling effort being carried out for quite some time now which has enhanced not only the fees from our subsidiaries but also those originated in our core banking business. As shown in the slide, the Bank's non-consolidated net fees showed a yearly increase of more than 17%, quite ahead of the 10.7% posted by the system and also above our main competitors' figure - both individually and as a group.
Income from collection and payment services as well as those coming from the use of ATMs, and from credit and debit cards have boosted the fee income line coherent with our effort of focusing on the retail segment.

In the next slide, number 9, we can see how this successful performance allowed the Bank - on a non consolidated basis - to compensate, through its fee income, for 38.5% of the operational expenses generated in the first nine months of 2005, up from 35.6% for last year's equal period. This performance exceeds the system's 30% and also the figure shown by our main competitors, as an average.
As a reference, Banco de Chile's consolidated fee income currently covers almost 50% of total operating expenses with an important contribution from our subsidiaries, mainly Banchile Stockbroker and Mutual Fund.

Operational Expenses

As for operational expenses, slide number 10 shows how the quarterly figure, though slightly lower than that of the previous period, experienced an increase of 12.5% on a year-on-year basis.
As was also mentioned in the past quarter, during this third quarter, the increase in operating expenses can be explained, by roughly 58%, by additional advisories and legal support required by our US branches in the planning and application of a comprehensive compliance system. These services have been crucial in the elaboration of the required working plan submitted to US regulators in relation to the supervision and compliance of our US branches, aimed to building reliable procedures and controls.

Taking into consideration the Bank's willfulness to comply with the regulations prevailing in the United States and having taken full responsibility for any previous operational lapses, Banco de Chile reached agreements with both the OCC and the FinCEN, involving the payment of a civil monetary penalty of 3 million US dollars which will be accounted for in the current fourth quarter.
While the Bank has made highly significant strides in enhancing its safeguards, the aim is to achieve a sustainable, best-in-class compliance framework and culture.
For this purpose, a total amount standing to some 23 million dollars has been disbursed up to date, out of which 19 million were accrued for during the first nine-month period. We estimate that the ongoing additional expense stands to some 3 to 4 millions dollars per year.

Going back to the operational expense slide, another 27% of the year-on-year marginal growth can be explained by additional personnel expenses, mostly concentrated in newly hired sales force required by the expansion of our branch network, which has involved the opening of 16 new branches during the course of 2005. The expenses related to this network enhancement account for an additional 5% over the year-on-year increase on operational expenses.

Similarly, our ATM network has experienced a substantial 18% increase during the first nine months, involving 182 new machines.

Additional personnel is also the result of transitory duplications involved in the process of centralizing the individual retail operations which now concentrates the procedures of the whole organization, including regional branches.

This important release is part of our NEOS operation and systems project and this stage runs in line with our schedule and will be followed by an equivalent stage involving the corporate retail segment of medium to small companies to be rolled out between December and March 2006.

Credit Quality

As regards to credit quality, and as pictured on slide number 11, a very conservative loan approval policy, added to a strong charge-off procedure involving an average charge-off ratio for the last 12 months of 1.2% of average loans, has seemingly paid-off by reducing the past due loans to only 1% of total loans, one of the lowest ratios among the large banks.

Together with this conservative stance, the favourable economic environment has additionally contributed to support a quite low ratio of provisions to loans, of 0.7% for the first nine months of 2005, below the system's and our main competitors' averages. Albeit, our decision to participate more actively in the retail market, thus gaining in the gross margin line, allows us to reasonably expect a mild increase in this ratio.

Business segments & Loan growth

Based on the combined goal of obtaining business growth under profitability restrictions, our new NEOS platform, currently being developed, is aimed to support a reformulated business model where a stronger emphasis is given to the retail markets. As can be seen on slide number 12, the business definition considers a larger retail segment which not only includes individuals but also those smaller businesses where a closer relationship is required with a more intensive need of on-site service. This segment, involving 39.2% of the Bank's loan portfolio has experienced an important 10% growth during the last twelve months. Even stronger has been the increase of 13.5% experienced by the CrediChile loans, our lower consumer platform, which now concentrates 2.9% of the Bank's portfolio.

The emphasis given to the products provided by our subsidiaries has empowered cross-selling - within the Bank's distribution platform – giving our corporate sales force a wider range of products thus adding value to our wholesale segment offer. These actions taken to reformulate our business model seem to be already paying in and show on the strong growth rates of 17 and almost 12% in the loan portfolios of large and middle market companies, respectively.

In overall terms, and as shown on slide 13, the last twelve-month loan growth has outpaced both the average of our main three competitors, as well as the system's average. With a 16% growth in net loans, we were able to gain some market share reaching a 17.8% portion of the system's total net loans.
Even stronger has been the more than 21% growth rate in commercial loans and almost 28% in lease contracts, both quite ahead of the expansion shown by the system as a whole and providing market shares of 18.6% and 21.4%, respectively.
On the part of our subsidiaries, high growth rates can be observed allowing our brands to maintain its leadership positions in areas such as stock brokerage, mutual funds, insurance and factoring.

Final Remarks

Our focus on higher yielding assets has been a strategic cornerstone that proved to be successful. However, as global activity keeps on steadily gaining pace, I am confident that we will be able to also open up to additional exposure in the corporate segments.

Remix of assets, product integration through more intensive network utilization, empowerment of subsidiaries, and a global product offer based on added value have allowed us to materialize very solid results.

Banco de Chile

Chile's most profitable Bank

Third Quarter 2005 Results

November 4, 2005

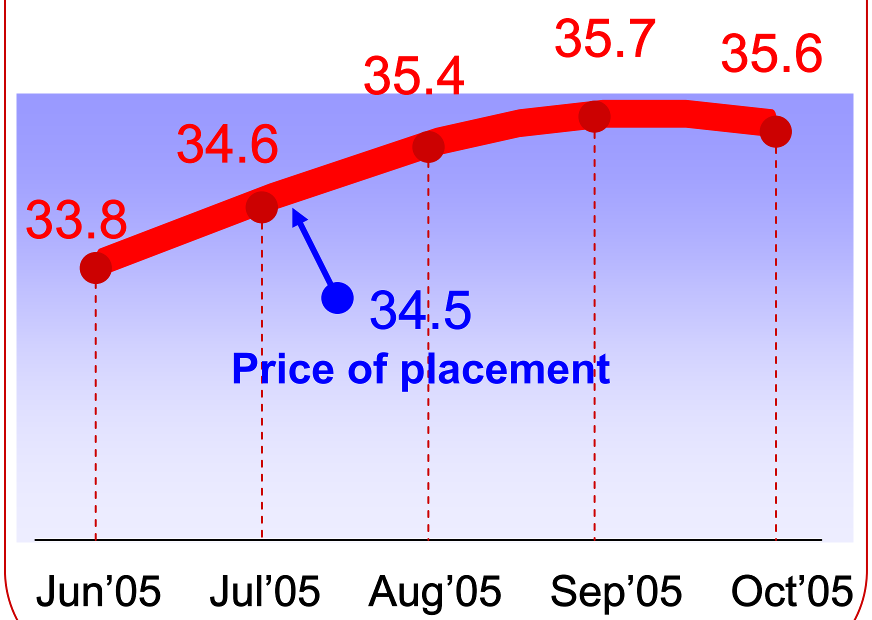
CONTENTS

- Banco de Chile share performance
- Results for 3Q’05
- Business focus

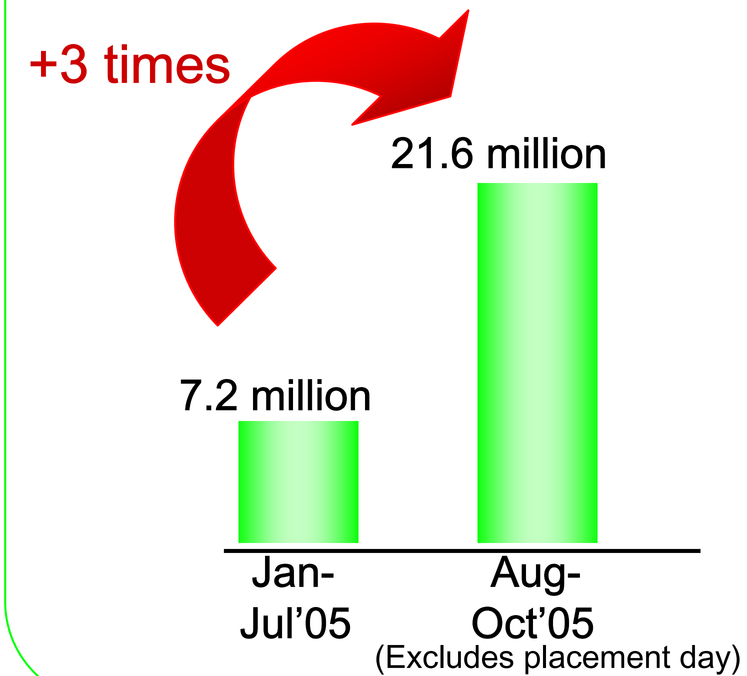
Latibex LATINOAMERICA EN EUROS
BCH LISTED NYSE
London STOCK EXCHANGE
BOLSA ELECTRONICA DE CHILE BOLSA DE VALORES
BOLSA DE COMERCIO

After-market of the local share placement

Banco de Chile Share Price (Ch$)
Monthly closing prices

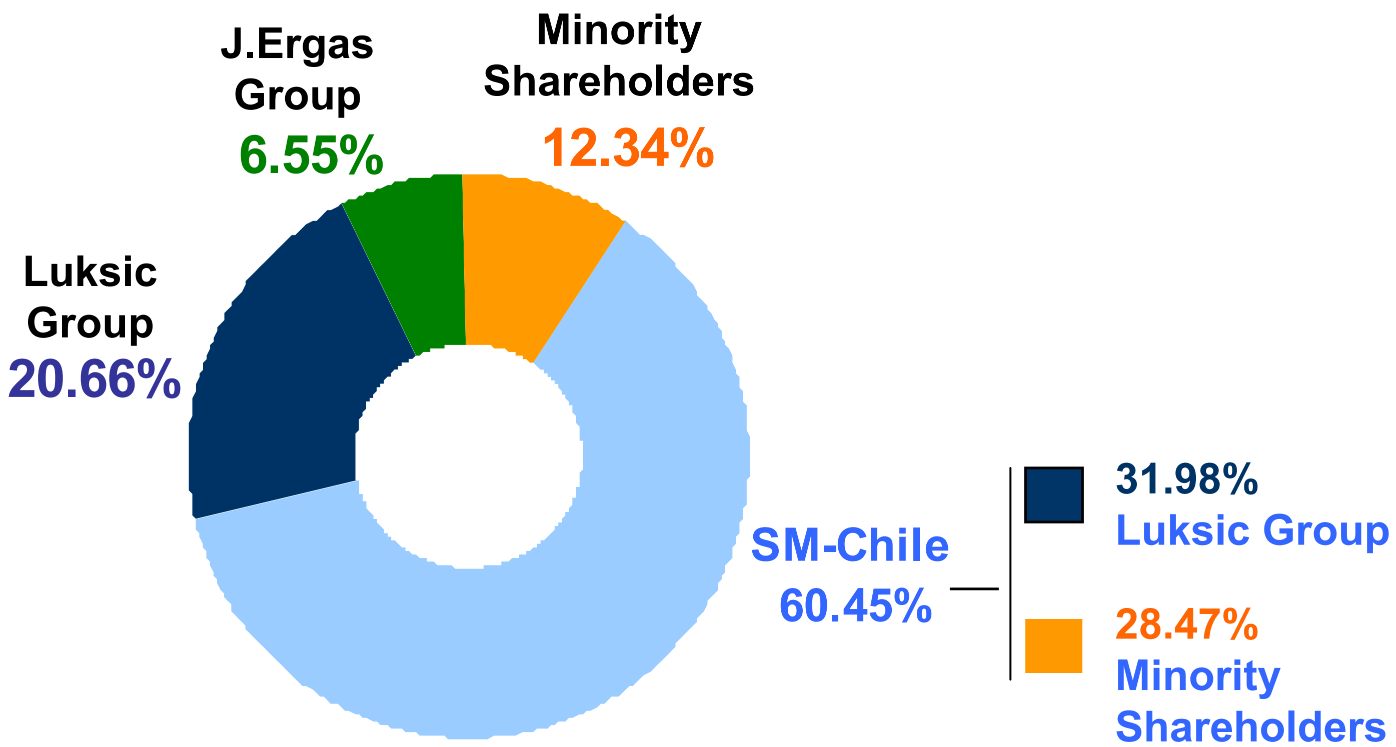


Local Trading of CHILE shares
Daily average amount of shares



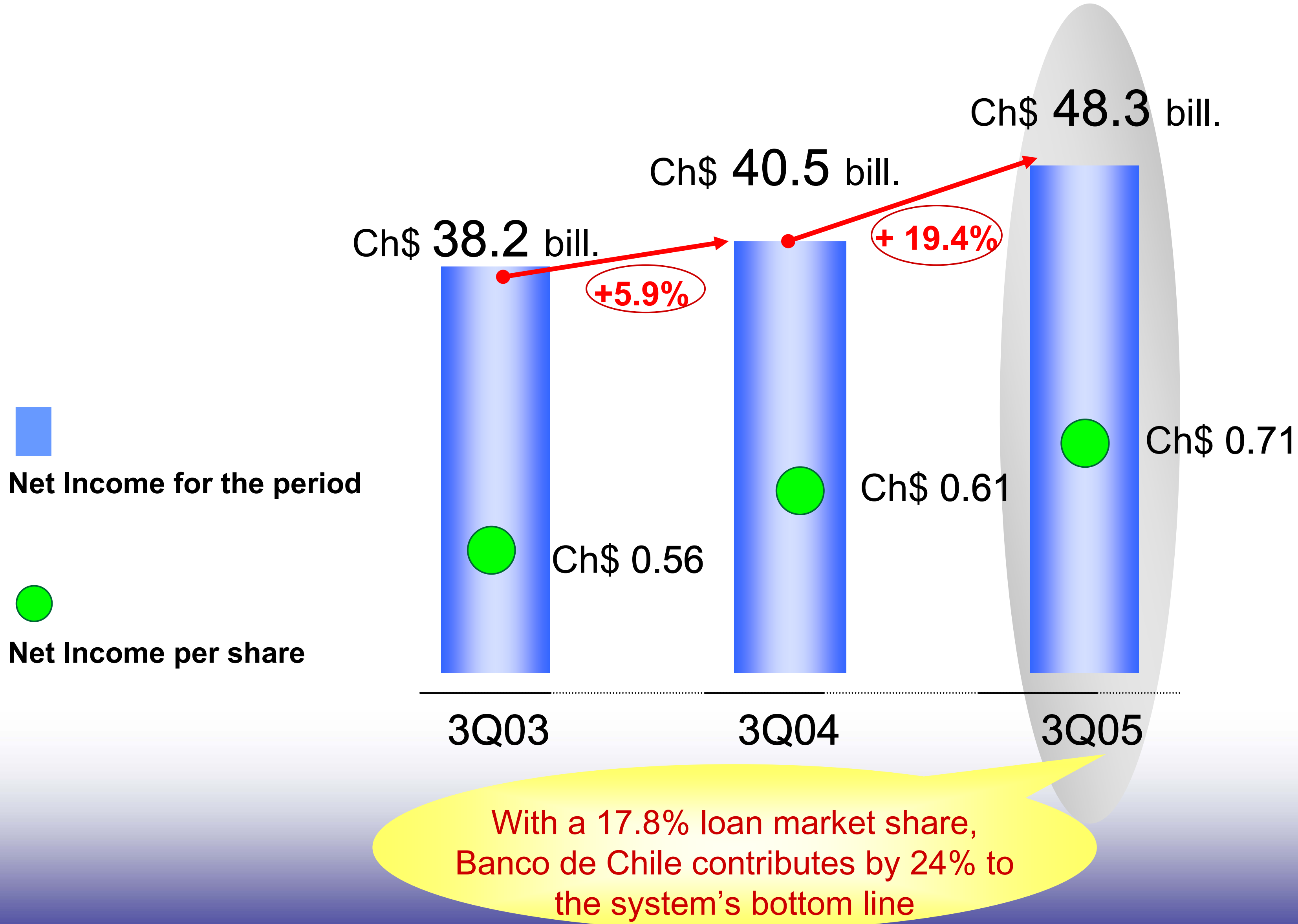
Enhanced minority stake

- *Total minority holding of 40.81% (direct + indirect), equivalent to app. US$1.8 billion.*
- *Total Capital ratio up at 12% supporting future loan growth of nearly 20%.*

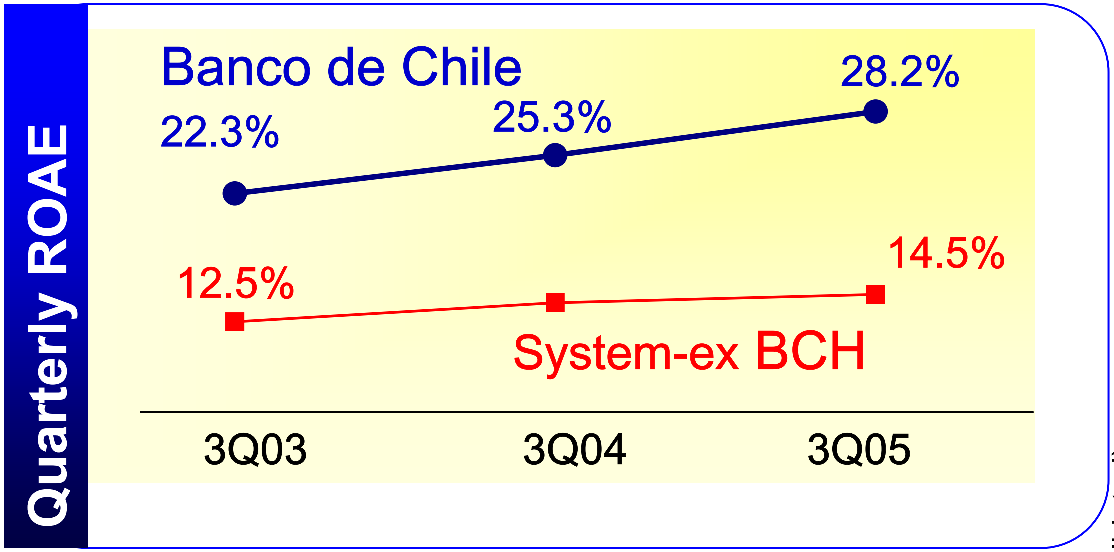


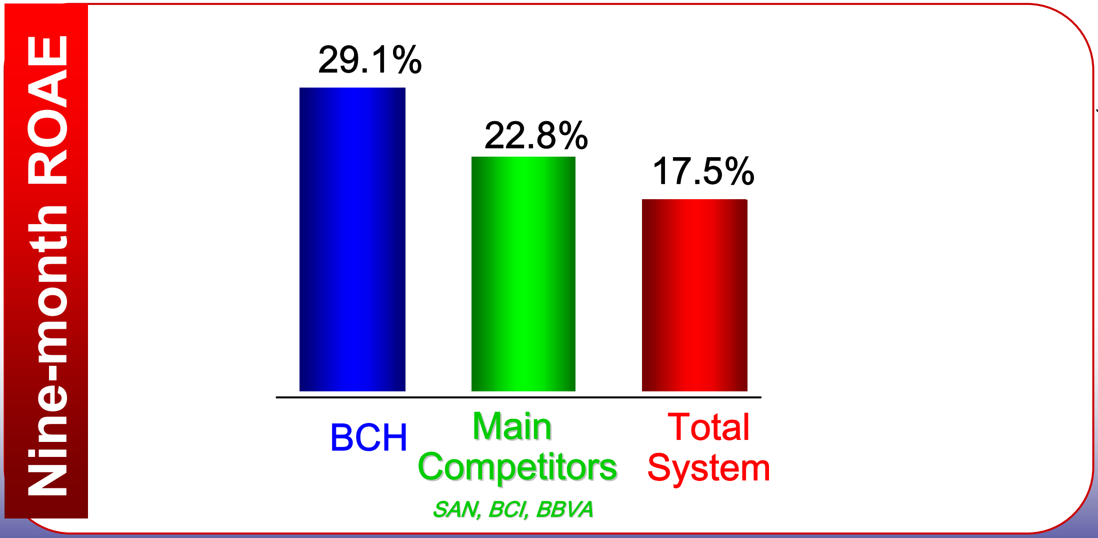
Percentages calculated over the total amount of Banco de Chile shares: 68,080 million.

Sustained increase in bottom line



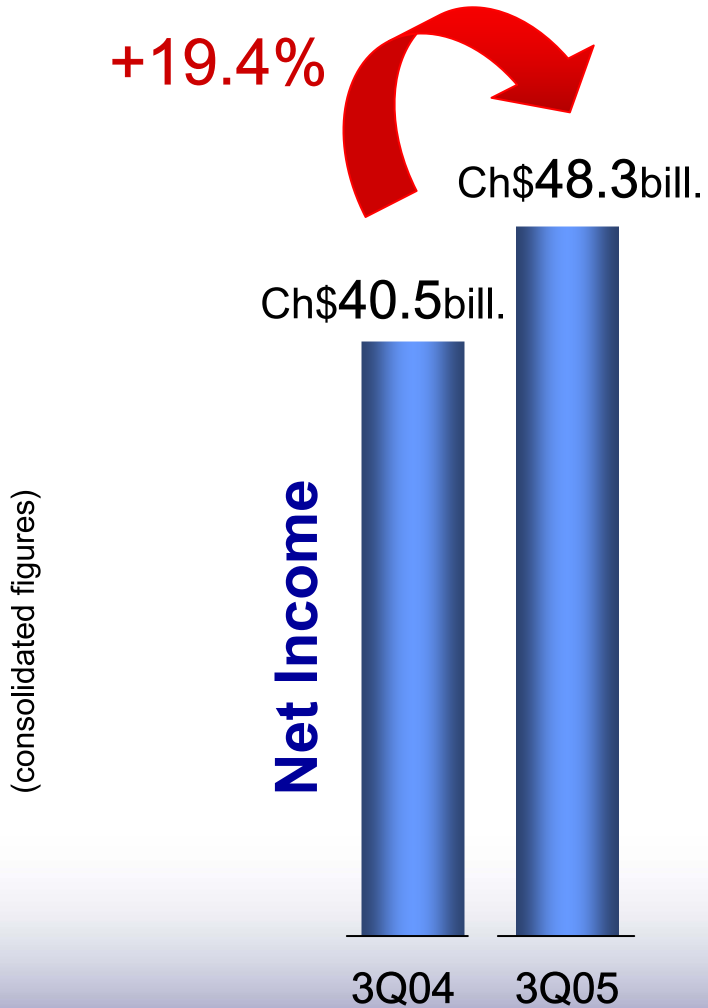
ROAE: industry-leading profitability





(non consolidated)
(based on average monthly balances)

Main effects on 3Q05 net income



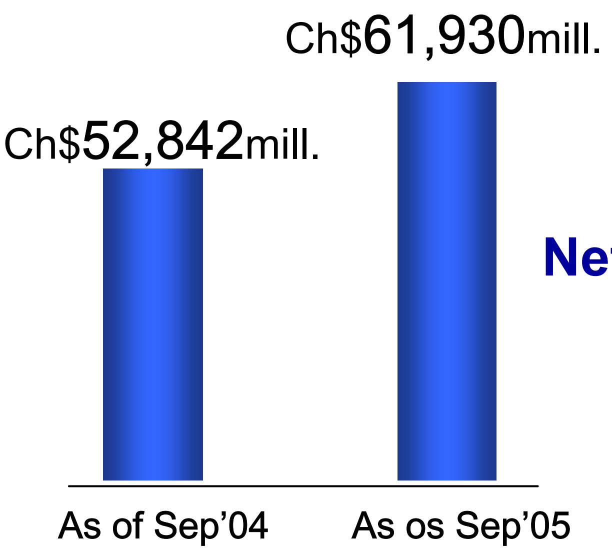
3Q05 vs. 3Q04

Main Positives	Bill. Ch$
•Lower provisions for	7.5
•Higher financial income for	4.9
•Lower net non-operating losses for	3.7
•Higher gains on finan. invest. for	3.5
•Higher fees for	0.5

Main Counter Effects	Bill. Ch$
•Higher operating expenses for	7.7
•Lower recoveries for	4.8

Substantial expansion of core fees

(Non consolidated figures)



Net Fee Income from core banking

YoY growth as of Sep'05

BCH +17.2%

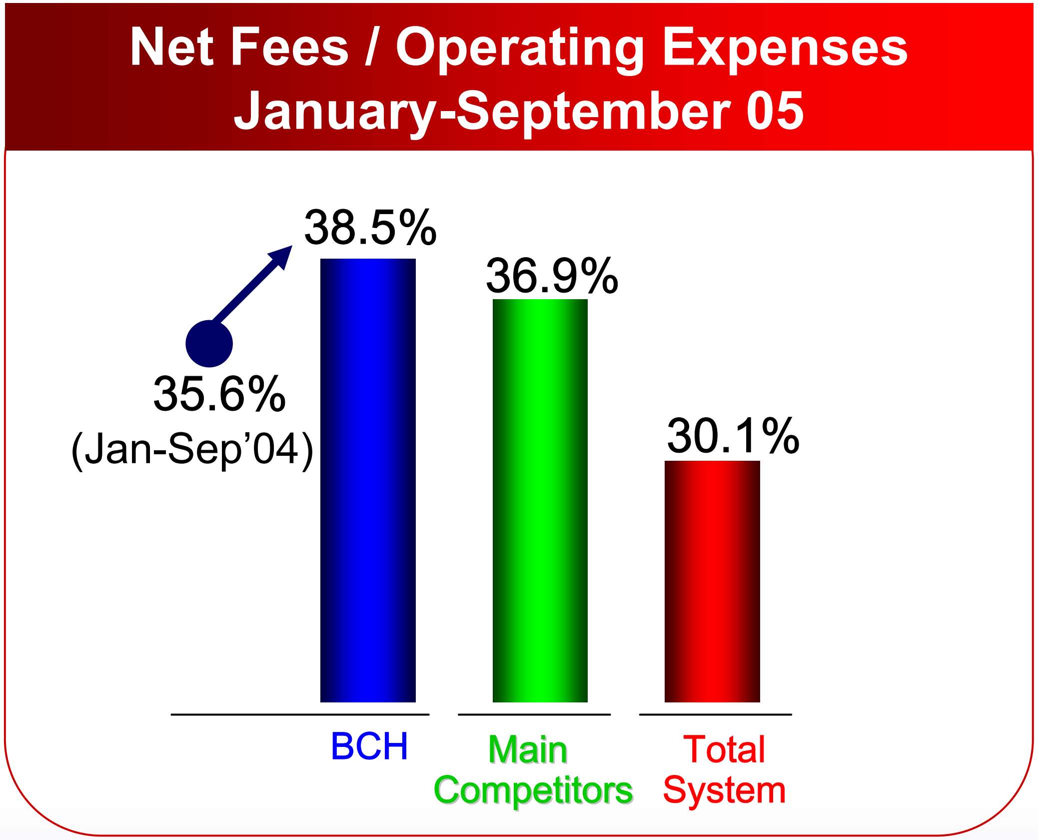
System +10.7%

Main Competitors + 7.3%

Main increases in earned fees:

- ATMs & Debit Cards
- Collections & Payments
- Credit Cards

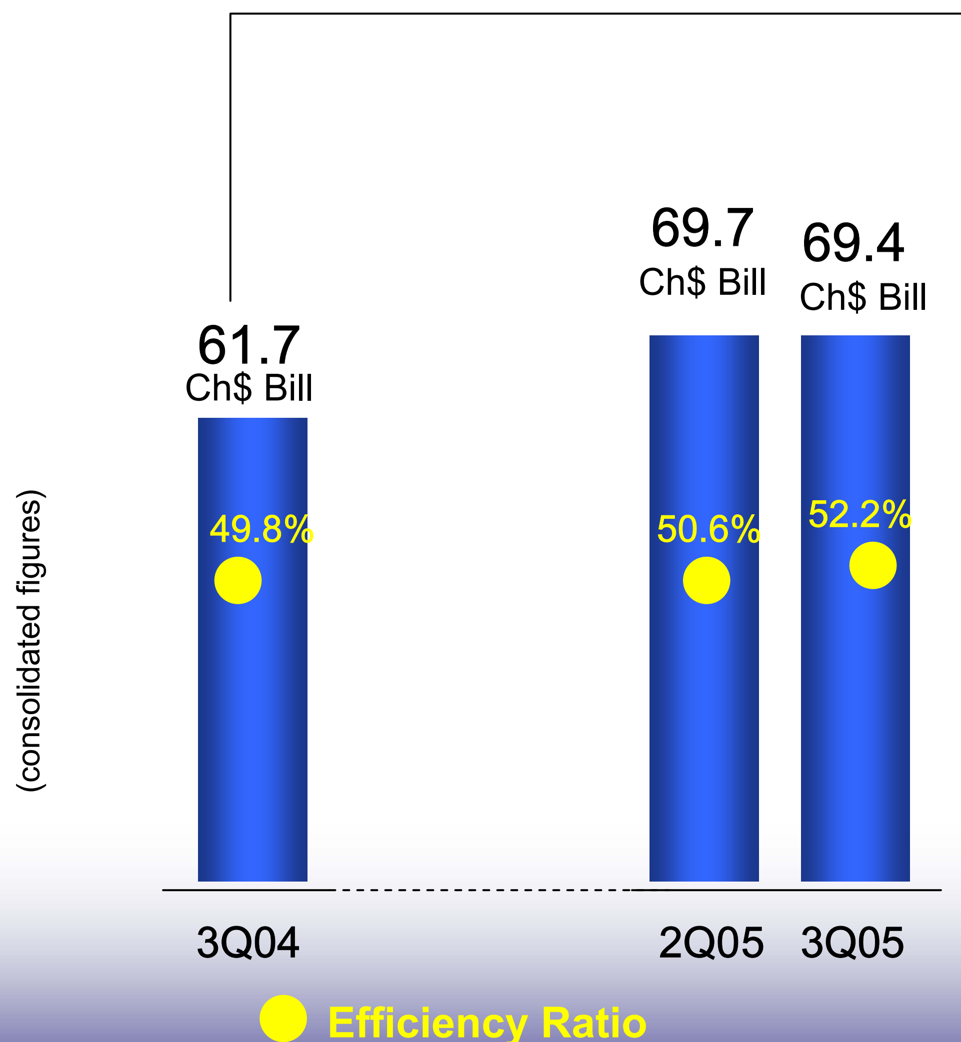
Increased coverage of expenses through core fees



(Non consolidated figures)

Banco de Chile

Operational expenses on track



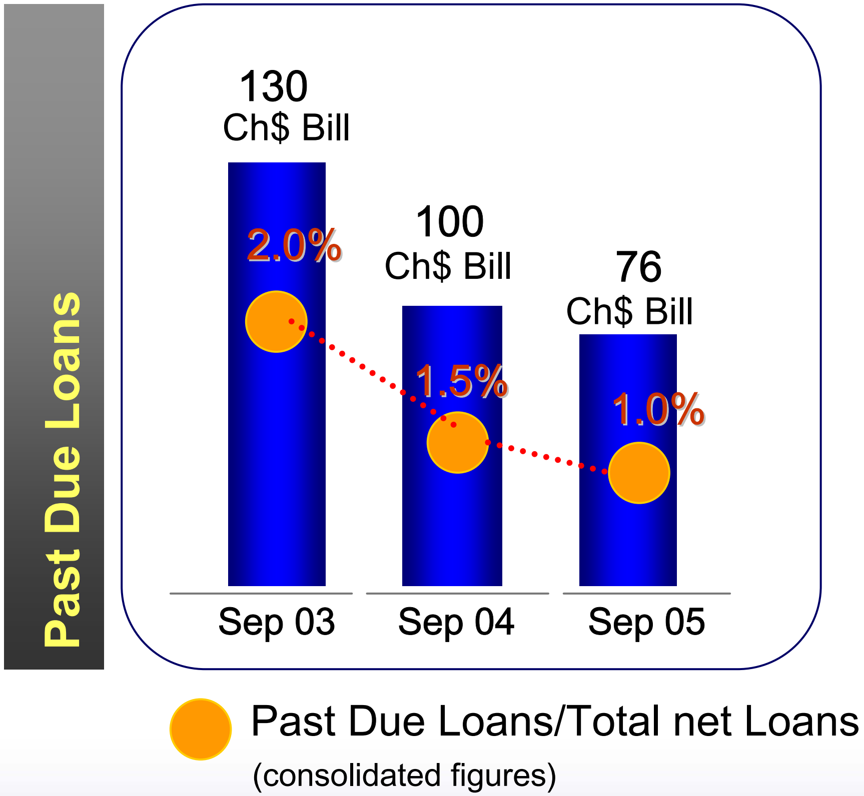
+ Ch$ **7.7** bill.

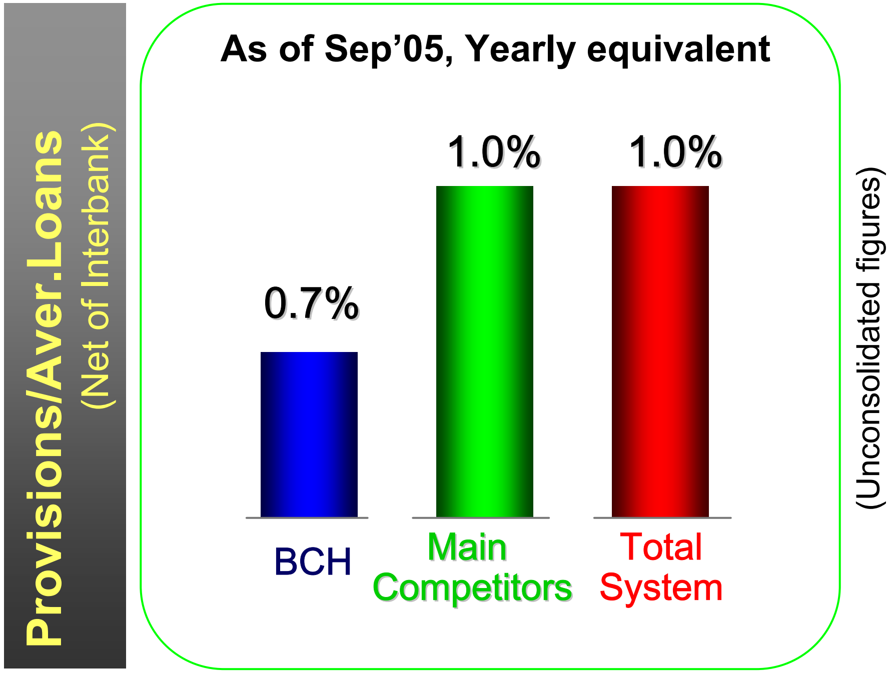
•58% for legal counsel & advisory NY branch

•27% for additional personnel expenses

•5% for branch network expansion

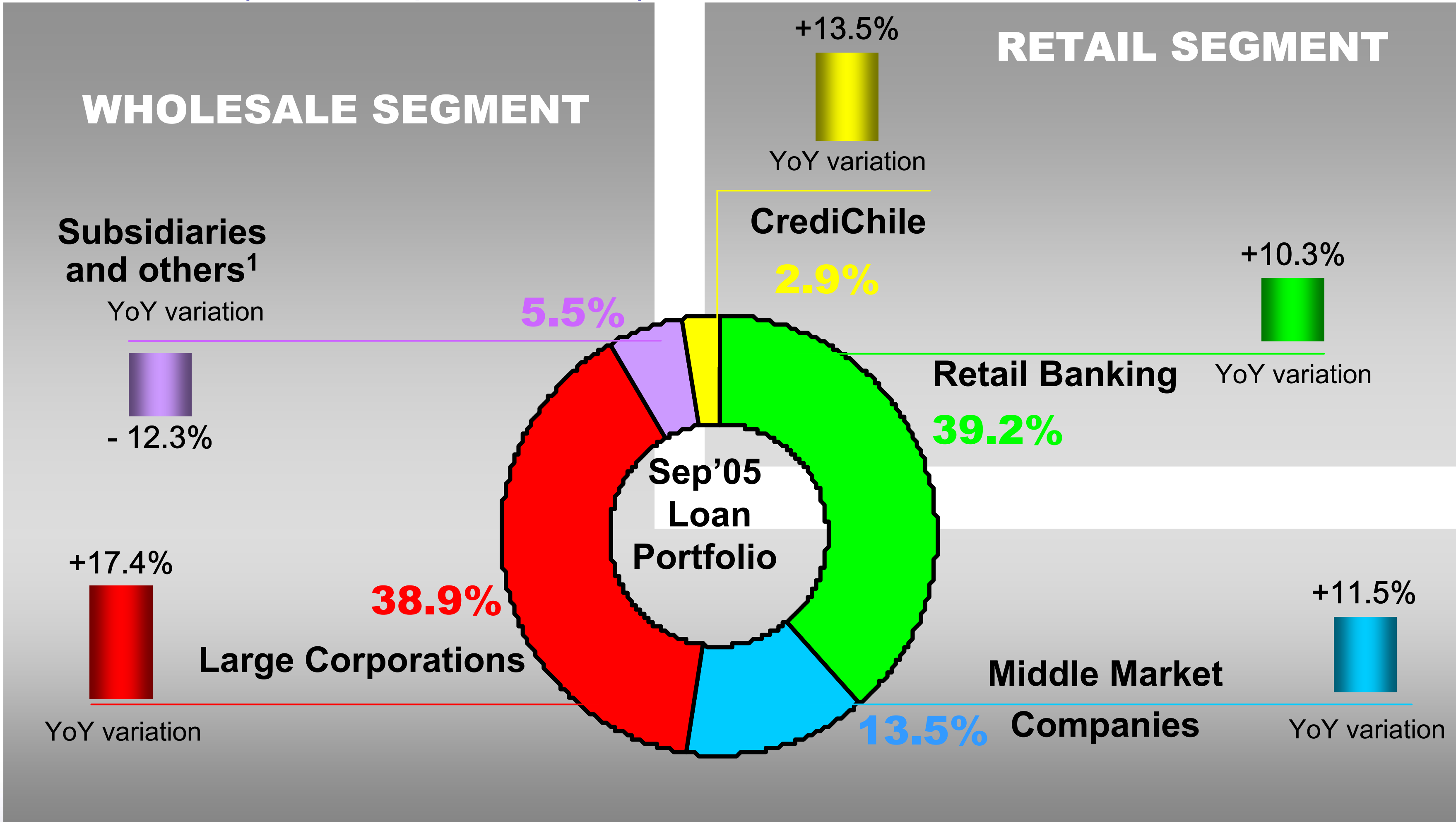
Credit quality: the benefits of a conservative approach





Focused loan strategy:12-month performance

(as of September 05)



1: includes Foreign Branches and Treasury

(Consolidated figures)

Main business drivers

	Market Share Sep'05 [1]	Variations Sep'05/Sep'04 BCH	Variations Sep'05/Sep'04 System
Total net loans	17.8%	+16.0%	+15.7%
Commercial loans	18.6%	+21.4%	+18.5%
Consumer loans	15.7%	+17.3%	+23.4%
Housing loans	14.6%	+21.0%	+21.6%
Lease contracts	21.4%	+27.8%	+27.1%

(1) Non- Consolidated figures.

Funds under management	*+ 22.7%*
Brokerage (traded shares)	*+ 45.3%*
Insurance brokerage	*+ 26.5%*
Factoring loans	*+ 65.6%*

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 limite 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 the were made. Our independent public accountants have not examined or compiled the forward-lookir statements and, accordingly, do not provide any assurance with respect to such statements. Thes cautionary statements should be considered in connection with any written or oral forward-lookir statements that we may issue in the future. We do not undertake any obligation to release public any revisions to such forward-looking statements after completion of this offering to reflect late events or circumstances or to reflect the occurrence of unanticipated events.

CONTACTS

•Arturo Tagle, CFO

•Jacqueline Barrio, Director of IR

•ir@bancochile.cl

www.bancochile.cl