

Report of Independent Accountants

(A free translation of the original Report issued in Spanish)



To the Shareholders of Banco de Chile and Subsidiaries:

1. We have audited the accompanying consolidated balance sheet of Banco de Chile and Subsidiaries ("The Bank") as of December 31, 2002 and the proforma consolidated balance sheet of Banco de Chile – Banco de A. Edwards as of December 31, 2001, and the related consolidated statements of income and cash flows for the year ended as of December 31, 2002 and proforma consolidated statements of income and cash flows for the year ended as of December 31, 2001. 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. As explained in Note 7, at Extraordinary Shareholders' Meeting held on December 6, 2001, it was agreed to merge by incorporation Banco de A. Edwards with and into Banco de Chile. On December 21, 2001, the Superintendency of Banks and Financial Institutions also approved the merger of Banco de Chile and Banco de A. Edwards, and to the dissolution of Banco de A. Edwards. The merger of the banks, made effective on January 1, 2002, included the transfer of all assets and liabilities of the former Banco de A. Edwards to Banco de Chile. Additionally, becoming effective on January 1, 2002, were merged by incorporation the subsidiaries of Banco de A. Edwards, Banedwards S.A. Corredores de Bolsa, Banedwards Factoring S.A., Banedwards S.A. Asesoría Financiera and Banedwards Corredora de Seguros Limitada with and into the subsidiaries of Banco de Chile, Banchile Corredores de Bolsa S.A., Banchile Factoring S.A., Banchile Asesoría Financiera S.A. and Banchile Corredores de Seguros Limitada, respectively. The proforma consolidated financial statements as of December 31, 2001, are presented only for comparative purposes, given retroactive effect to the merger by incorporation with Banco de A. Edwards and Subsidiaries.
4. 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, 2002 and the proforma financial position of Banco de Chile – Banco de A. Edwards as of December 31, 2001, and the results of its operations and cash flows for the year ended as of December 31, 2002, and the proforma results of its operations and proforma cash flows for the year ended as of December 31, 2001, in conformity with generally accepted accounting principles in Chile and regulations established by the Chilean Superintendency of Banks and Financial Institutions.
5. As explained in Note 2 to the consolidated financial statements, the Bank changed the accounting treatment for the financial investments on mortgage finance bonds issued by the Bank, in conformity to the rules established in the Circular Letter N° 3,196 of the Superintendency of Banks and Financial Institutions.
6. As indicated in Note 6 (b) to the consolidated financial statements, during the year 2002 the Bank released voluntary allowances for a net amount of Ch\$ 17,222.6 million.

Juan Francisco Martínez A.

ERNST & YOUNG LTDA.

Santiago, Chile
January 22, 2003