

Report of the Independent Auditors

A free translation from the original in Spanish



To the Shareholders of
Banco de Chile:

We have audited the accompanying balance sheets of Banco de Chile as of December 31, 2001 and 2000, and the related statements of income and the statements of 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.

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 provides a reasonable basis for our opinion.

The above financial statements, have been prepared to reflect the individual financial position of Banco de Chile, based on the criteria described in Note Nº 1 (a), prior to consolidation, line by line, of the financial statements of those subsidiaries where the bank has over 50% equity share, as detailed in Note Nº 5; consequently, for its proper interpretation, these individual financial statements have to be read and analyzed in conjunction with the consolidated financial statements of Banco de Chile and subsidiaries, which are required by generally accepted accounting principles in Chile.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco de Chile as of December 31, 2001 and 2000, and the results of its operations and cash flows for the years then ended, in conformity with the accounting principles described in Note 1 (a) and regulations established by the Chilean Superintendency of Banks and Financial Institutions.

As explained in Note 3 to the financial statements, at the Extraordinary Shareholders' Meeting held on December 6, 2001, it was agreed to merge by incorporation Banco de A. Edwards into Banco de Chile. Likewise, on December 21, 2001, the Superintendency of Banks and Financial Institutions approved the merger agreed by 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, the successor for all legal effects. As a result of this merger process, the Bank has recognized in current result of operations, expenses related to the dismissal of certain personnel and other merger related expenses, and voluntary allowances for loan losses as mentioned in Note 3(f) and 3(c), respectively.

Fernando Zavala C.

ARTHUR ANDERSEN - LANGTON CLARKE

Santiago, Chile
January 18, 2002