PRESS RELEASE*

THE CENTRAL BANK OF CHILE OFFERS EXCHANGE OPTION FOR DOLLAR-DENOMINATED DEBT CERTIFICATES

1. Since early this year, the Central Bank has been implementing a process of renewal of its debt certificates denominated in dollars and payable in pesos, known as PRD and BCD. This policy has permitted the Central Bank to hold its net foreign currency position against the market unchanged, and apply a neutral foreign exchange policy, consistently with the floating exchange rate regime in effect.

2. With the purpose of reducing the financial cost of the current net foreign currency position, adjustments will be made to this policy, effective as of the next reserve requirement period, whereby PRD and BCD holders will be offered the possibility of exchanging them by equivalent certificates, but payable in US dollars. Therefore, the Central Bank will cease to renew its dollar-indexed debt certificates at maturity, considering that the new instruments shall be serviced and amortized directly in that currency. This amendment will permit to maintain the net foreign currency position unchanged, but with a reduced financial cost to be incurred by the Central Bank. This is consistent with the present floating exchange system.

3. The exchange option shall be offered gradually for those dollar-denominated debt certificates maturing between December 1 of 2003 and December 1 of 2004. The procedure of the exchange process shall be communicated in due time through the usual channels.

4. The Central Bank of Chile reiterates its commitment with the floating exchange policy, which shall be strengthened by the aforesaid amendment.

* This is an unofficial translation. In case of any discrepancy or difference of interpretation, the Spanish original prevails.