

Announcement: Moody's assigns Aa3 to Banco del Estado de Chile's US dollar senior notes

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New York, May 07, 2013 -- Moody's Investors Service has assigned a Aa3 long-term foreign currency senior unsecured debt rating to Banco del Estado de Chile's (Banco Estado) US\$ 200 million issuance of senior notes due 2017 under its US\$ 2 billion MTN program. The notes constitute a further issuance of, and will form a single series with, the bank's 2.000% Senior Notes Due 2017 issued on 9 November 2012 in the amount of \$500 million. Upon completion of the reopening, the total aggregate principal amount of the series will be \$ 700 million. The notes are governed by the laws of the State of New York. The outlook on the rating is stable.

The following rating was assigned to Banco Estado's US\$ 200 million senior notes:

Aa3 long-term foreign currency senior unsecured debt

RATINGS RATIONALE

The Aa3 foreign currency senior debt rating is based on Banco Estado's Aa3 global foreign currency deposit rating and is unconstrained by Moody's Aa1 Chilean country ceiling for bonds and notes. The Aa3 debt rating incorporates the bank's standalone baseline credit assessment of a3, which receives four notches of uplift reflecting Moody's assumption of full support from the Chilean government in case of need, given its 100% ownership by the government as well as Banco Estado's important deposit and loan franchise in Chile.

The bank's standalone credit assessment reflects its fundamental strengths, including broad client and geographic coverage that ensures access to a stable, low cost core deposit base, its robust liquidity, and stable asset quality. Its focus on low-to-middle income individuals exposes the bank to below average asset quality particularly in its large mortgage portfolio, which is balanced by a high quality corporate loan book and limited exposure to unsecured consumer credit. Nevertheless, the bank's leaner pre-tax profitability and capitalization metrics relative to similarly rated peers in Chile and the region are key risk factors for Banco Estado though they in part reflect its social mission and implicit government support.

The last rating action on Banco del Estado de Chile was on November 5, 2012, when Moody's assigned a Aa3 foreign currency senior unsecured debt rating to a US\$ 500 million issuance under the bank's US\$ 2 billion MTN program.

The principal methodology used in this rating was Moody's Consolidated Global Bank Rating Methodology published in June 2012. Please see the Credit Policy page on www.moody.com for a copy of this methodology.

Banco del Estado de Chile is headquartered in Santiago, Chile, and reported consolidated assets of approximately US\$ 48.5 billion and shareholders' equity of US\$ 2.2 billion as of December 31, 2012. Banco Estado is the country's third largest bank and its sole government-owned full service commercial bank.

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