

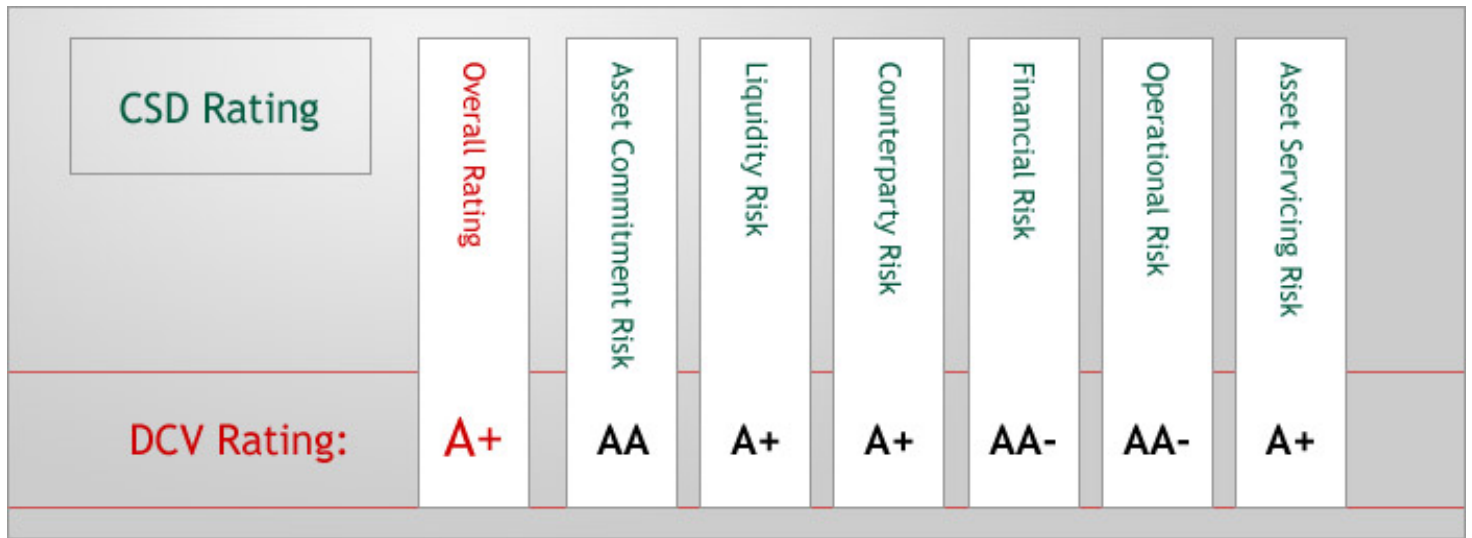


Thomas Murray Affirms the Central Securities Depository Rating for Chile's Depósito Central de Valores (DCV) at A+ with Stable Outlook

Thursday 4th August, 2011

PRESS ANNOUNCEMENT

LONDON - Thomas Murray, the specialist custody rating, risk management and research firm has maintained the CSD rating for the Depósito Central de Valores (DCV) of Chile at A+, which translates as 'low Overall Risk'. The rating is made up of the following components:



The overall rating of 'A+' reflects a weighted average of the six risk components and relates to a low risk exposure profile with 'Stable' outlook. The outlook indicates there is unlikely to be any change in the Overall Risk in the near future.

Although the overall rating has remained unchanged, DCV has made significant progress during the past year in taking steps to mitigate risk and as a result, Counterparty Risk and Operational Risk have been upgraded to A+ and AA-, respectively.

Counterparty Risk has been mitigated by the introduction of CCLV, the central counterparty (CCP) for on-exchange transactions. CCLV uses a risk containment model based on collateral and guarantees as well as simultaneous DVP in central bank funds. In addition, the concept of finality was introduced in Law 20,345 applicable to on-exchange transactions only. For off-exchange and OTC settlements, DVP is not simultaneous and there are no guarantees in the event of default.

DCV also made significant progress in minimising Operational Risk since the previous rating in 2008. DCV manages Operational Risk through an extensive audit programme in respect of its operational controls. It has a well-established internal audit division and controls are also audited by several external organisations including Deloitte which is appointed by the Surveillance Committee, a committee which is established under law as an independent group with responsibility for providing oversight of DCV's operations on behalf of its participants. A type II SAS-70 report has also been undertaken by Ernst and Young which provides an independent assessment of the effectiveness of DCV's controls. In terms of its disaster recovery and business continuity arrangements, DCV operates two alternative parallel IT sites where the capability exists to automatically transfer processing from one centre to another without disruption to its service. There is also a third data centre in the USA. Staff have been split between the two main business locations to enhance its business continuity plan.

DCV, through its subsidiary DCV Registros, takes an active role in asset servicing providing corporate action information and event processing on the issuer's behalf and accepting liability for errors and omissions where it has been at fault. However, there is a significant degree of manual intervention in the asset servicing area due to the requirement to send information by physical letter to investors as well as receiving instructions in physical form. DCV Registros acts as paying agent for about 70% of equity issuers in Chile.

DCV is a for-profit organisation and has been highly profitable over the past five years. Although the level of capital it holds is not high, its substantial insurance coverage helps to provide adequate protection against any potential claims. However, by law, DCV must accept a significant level of accountability and should have a higher level of financial reserves to address this.

Simon Thomas, CEO and Chief Ratings Officer of Thomas Murray said: "Thomas Murray is delighted to have been commissioned by DCV to renew its CSD public rating assessment. It is clear from the significant improvements DCV is making, especially in the Counterparty and Operational Risk areas, that they are committed to providing a high quality service and prudent risk management to both the local and international investment community".

Fernando Yañez, General Manager of DCV, said "DCV recognises the value in adopting Thomas Murray's rating methodology which has provided our business with a comprehensive benchmark assessment of our operating processes. It has been very helpful in identifying those areas on which to focus our development efforts to minimise our risk".

The CSD rating assesses the risk exposures for investors associated with the processes the CSD has in place to facilitate the safekeeping and the clearing and settlement of securities, where applicable. It assesses six key risks. The methodology considers the capabilities of the depository and the quality and effectiveness of its operational infrastructure. It also assesses the depository's willingness and ability to protect its participants or clients from losses. As part of the rating, the scope and quality of the depository's services is assessed. The ratings are on a consistent global scale, using the familiar AAA to C ratings scale. Once the rating is assigned there is an ongoing surveillance process to monitor the depository.

Separately, Thomas Murray maintains proprietary assessments of over 130 CSDs globally as part of the Thomas Murray Depository Risk Assessment services. These reports are available via Thomas Murray at www.thomasmurray.com.



[Click here to view the Public CSD Rating for Chile's Depósito Central de Valores.](#)

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About Thomas Murray

Thomas Murray is a specialist custody rating, risk management and research firm specialising in the global securities services industry. Thomas Murray was established in 1994. The Company tracks and analyses over 250 custodians globally and monitors the risk of over 100 capital market infrastructures. The Company has a strong position as a provider of public and private ratings and risk assessments on global custodians, domestic custodian banks and capital market infrastructures.

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About the Depósito Central de Valores (DCV)

The Depósito Central de Valores SA (DCV) is a private company established in March 1993, although it only began operations in 1995. DCV is the only depository in Chile and provides clearing, settlement and safekeeping of a wide range of instruments. The main instruments are equities, bank bonds, certificates of deposit, mortgage bonds, government debt, corporate debt, debentures and treasury bills.

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