Research Update:

Banco Itau Chile Outlook Revised To Positive On Lower Colombia Exposure, Stronger Balance Sheet; 'BBB+' Rating Affirmed

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Overview

- Banco Itau Chile's exposure to Colombia has consistently decreased in the past five years, and we anticipate it will decrease to below 15%.
- Asset quality metrics have continued to improve thanks to conservative underwriting practices and robust business models supported by the expertise of its parent company.
- Capitalization was strengthened by internal capital generation and the issuance of additional tier 1 (AT1) securities, resulting in a risk-adjusted capital (RAC) ratio that is now comfortably above the minimum levels of an adequate assessment.
- We have recently revised the banking industry country risk assessment for Chile and our outlook on the sovereign to stable from negative, alleviating pressures on the bank's stand-alone credit profile (SACP).
- As a result, we are revising our outlook on Banco Itau Chile to positive from stable. We also affirmed our 'BBB+/A-2' issuer credit ratings on the bank.
- The positive outlook reflects our expectations that the bank will reduce its exposure to Colombia to below 15%, continue strengthening its asset quality metrics, and maintain its RAC ratio well above 8%.

Rating Action

On May 14, 2025, S&P Global Ratings revised its outlook on Banco Itau Chile to positive from stable and affirmed its 'BBB+/A-2' issuer credit ratings.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.