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Banco del Estado de Chile's Senior Unsecured Notes Due 2020 Rated 'AA-'

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MEXICO CITY (Standard & Poor's) Jan. 16, 2015--Standard & Poor's Ratings Services assigned its 'AA-' debt rating to Banco del Estado de Chile's (Banco Estado; foreign currency: AA-/Stable/A-1+; local currency: AA/Stable/A-1+) senior unsecured medium-term notes due 2020 for the equivalent amount in Japanese yen of \$270 million. The bank issued the notes under its \$2 billion medium-term notes program with a five-year maturity period.

The rating on the notes is the same as the long-term foreign currency issuer credit rating on Banco Estado, and reflects our view that the notes will rank pari passu with the bank's other senior unsecured debt. We expect the notes to be the bank's unsecured, unsubordinated, and unconditional obligations. Banco Estado will use the proceeds for general banking purposes.

The ratings on Banco Estado reflect its "strong" business position, "moderate" capital and earnings, "adequate" risk position, "above average" funding, and "strong" liquidity (all as defined in our criteria), and our view that there is "extremely high" likelihood that Chile would provide extraordinary and timely support to the bank in the event of a financial distress.

Our assessment of "extremely high" likelihood that Chile would provide extraordinary and timely support to the bank is based on our assessment of Banco Estado's "very important" role, in accordance with our criteria for government-related entities, as a vehicle in promoting the low-income population segment's use of banking products and access to home ownership and the bank's "integral" link with the Chilean state, which fully owns the bank.

Banco Estado and the Chilean government are integrally linked in terms of management, strategic and financial monitoring, coordination of debt issuance, as well as in fulfilling a public policy role. Because of these factors, we consider that there is the "extremely high" likelihood of support from Chile.

RELATED CRITERIA

- Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010

RATINGS LIST

Banco del Estado de Chile

Issuer credit rating

Foreign currency

AA-/Stable/A-1+

Local currency

AA/Stable/A-1+

Rating Assigned

Banco del Estado de Chile

Senior unsecured notes due 2020

AA-

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