

Banco del Estado de Chile's New Senior Unsecured Notes Due 2026 Rated 'AA-'

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MEXICO CITY (S&P Global Ratings) June 10, 2016—S&P Global Ratings assigned its 'AA-' debt rating to Banco del Estado de Chile's (Banco Estado; AA-/Stable/A-1+) senior unsecured notes due 2026 for ¥10 billion with a maturity period of 10 years. The bank issued the notes under its \$3 billion medium-term program. The rating on the notes is the same as the long-term 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.

The ratings on Banco Estado reflect its strong business position, moderate capital and earnings, adequate risk position, above-average funding, and strong liquidity. The ratings also reflect our view that there is extremely high likelihood that the Chilean government would provide extraordinary and timely support to the bank in the event of a financial distress (please see "Full Analysis: Banco del Estado de Chile," March 28, 2016). This opinion 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 government support to the bank, if necessary.

RELATED CRITERIA AND RESEARCH

- Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Revised Market Risk Charges For Banks In Our Risk-Adjusted Capital Framework, June 22, 2012
- Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Bank Capital Methodology and Assumptions, Dec. 6, 2010
- Methodology For Mapping Short- And Long-Term Issuer Credit Ratings For Banks, May 4, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Commercial Paper I: Banks, March 23, 2004

RATINGS LIST

Banco del Estado de Chile

Issuer credit rating

AA#/Stable/A#1+

Rating Assigned

Banco del Estado de Chile

Sr. Unsec. Notes due 2026

AA-

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 www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on the S&P Global Ratings public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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