

 Early Warning System

MIGA-14787

Banco del Estado de Chile



## Quick Facts

<b>Countries</b>	Chile
<b>Financial Institutions</b>	Multilateral Investment Guarantee Agency (MIGA)
<b>Bank Risk Rating</b>	B
<b>Borrower</b>	Banco Estado de Chile
<b>Sectors</b>	Finance
<b>Investment Type(s)</b>	Guarantee
<b>Investment Amount (USD)</b>	\$ 780.00 million



## Project Description

As stated by the MIGA, this summary covers an application made by Banco del Estado de Chile (BancoEstado) for proposed non-shareholder loans totaling up to US\$500 million, with a tenor of 15 years (the Loans). The Loans are to be provided by lender(s) yet-to-be-identified.

MIGA is considering issuing guarantees for an amount of up to US\$780 million covering the Loans against the risk of Non-Honoring of Sovereign Financial Obligations by a State-Owned Enterprise (NHFO-SOE).

MIGA's NHFO-SOE instruments will be used to support various priority lending programs that are central to BancoEstado's social mission, including, climate finance initiatives, micro and small enterprises, subsidized mortgages and women financial inclusion and empowerment (the Project).

In application of its public-policy mandate, BancoEstado has historically played a crucial role in promoting financial inclusion in Chile. The bank increases access to banking services for individuals and micro, small and medium enterprises (MSMEs), promotes women's economic empowerment to reduce gender gaps, and facilitates housing access for lower-income populations. Additionally, aligning with the Government of Chile's (GoC) sustainability and decarbonization goals, BancoEstado has strengthened its commitment to green and sustainable development. This includes promoting climate-focused financial products, reducing emissions with priority sector clients, developing a decarbonization plan for its portfolio, and enhancing specialized risk units to evaluate environmental, social, and climate risks.

The Project is expected to support increased lending for micro and small enterprises in Chile, which are an important pillar of the country's economy for development and employability, as well as subsidized mortgages for lower-income households, contributing to inclusive homeownership. The Project will particularly contribute to increased lending to women across these focus areas as Chile lags peers in terms of financial inclusion of women, despite being a high-income country. In addition, it will support increased climate finance lending for mitigation and adaptation activities, contributing to the government of Chile's sustainability and decarbonization goals. It will also provide demonstration effects associated with the adoption of inclusive business models and climate mitigation and adaptation measures.

The Project is consistent with the WBG Country Partnership Framework (CPF) for Chile over the FY24-FY27 period, as it supports the two High-Level Outcomes (HLOs) of (i) Improved quality and inclusiveness of social and financial services, and (ii) Improved environmental sustainability and climate change resilience, by targeting increased lending for lower-income households, women, micro and small enterprises, and financing for climate mitigation and adaptation activities.



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## Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Banco Del Estado de Chile](#) (Financial Intermediary)



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### Private Actors Description

As stated by the MIGA, BancoEstado is the only state-owned bank in Chile and was established with the public-policy mandate to foster the development of Chile's economic activities through banking and financial services. It is dedicated to serving lower-income segments facing greater barriers to accessing private sector services, and to geographical financial inclusion, as the only financial institution with a physical presence in one third of the provinces (comunas) of Chile. As of September 30, 2024, the entity was the largest financial institution in Chile by client number and geographic coverage, and the third largest by loans.



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## Contact Information

### ACCESS TO INFORMATION

You can submit a request for information disclosure at: [https://www.miga.org/contact/access\\_to\\_information](https://www.miga.org/contact/access_to_information)

You can also request general information about MIGA and for information on guarantees by emailing:

[migainquiry@worldbank.org](mailto:migainquiry@worldbank.org)

### ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>