

# LQ Inversiones Financieras S.A.

November 14, 2025

This report does not constitute a rating action.

## Ratings Score Snapshot

<b>GCP: a</b> →			<b>Support: 0</b> →		<b>Additional factors: -1</b>					
Anchor	bbb+		ALAC support	0	<table border="1"> <tr> <th colspan="2">Holding company ICR</th> </tr> <tr> <td colspan="2" style="text-align: center; vertical-align: middle;"><b>A-/Stable/A-2</b></td> </tr> </table>		Holding company ICR		<b>A-/Stable/A-2</b>	
Holding company ICR										
<b>A-/Stable/A-2</b>										
Business position	Strong	+1	GRE support	0						
Capital and earnings	Adequate	0	Group support	0						
Risk position	Adequate	0	Sovereign support	0						
Funding	Adequate	0								
Liquidity	Adequate									
CRA adjustment		+1								

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

### Primary Contact

**Ricardo Grisi**  
Mexico City  
52-55-5081-4494  
ricardo.grisi  
@spglobal.com

### Secondary Contact

**Ileri Botello**  
Mexico City  
52-5510375276  
ileri.botello  
@spglobal.com

## Credit Highlights

### Overview

#### Key strengths

Solid earnings and cash flow, underpinned by Banco de Chile's good earnings capacity.

Low double leverage.

#### Key risks

High reliance on dividend flows for debt repayment.

Weak investor sentiment due to ongoing reforms.

**S&P Global Ratings expects LQ Inversiones Financieras S.A. (LQIF) to maintain its status as a nonoperating holding company for the next 24 months.** LQIF is the holding and controlling company of Banco de Chile (A/Stable/A-1), its sole operating subsidiary. LQIF holds 51.15% of its shares directly and indirectly. As a result, LQIF's group credit profile (GCP) mainly reflects Banco de Chile's credit quality.

However, our issuer credit rating on LQIF is one notch below the 'a' GCP because of the holding company's dependence on the bank's upstream dividends to service its debt. Our analysis continues to incorporate [Citibank N.A.](#)'s (A+/Stable/A-1) and Quinenco S.A.'s (not rated) ownership of LQIF.

Finally, the GCP doesn't include potential extraordinary government support because we expect such support would flow to the bank but wouldn't be extended to LQIF.

**We think LQIF will maintain comfortable debt service coverage from Banco de Chile's**

**dividends.** LQIF has two outstanding domestic market issuances: series C for Unidades de Fomento (UF; a Chilean unit of account indexed to inflation) 3 million maturing in 2039 and series D for UF2.6 million maturing in 2033. Series D notes started to amortize in 2022, while the series C notes amortize until 2030. As of September 2025, gross current debt totaled around US\$240 million. The company's double leverage is low at about 80%, where we expect it to remain for the next 24 months.

Nonetheless, given Banco de Chile's healthy profit generation and our expectations that the bank will maintain a 50%-80% dividend payout, we expect LQIF's debt service payment and expenses coverage to dividends to remain between 10x and 12x for 2026-2027.

**LQIF's 'a' GCP reflects Banco de Chile's credit quality.** LQIF's GCP benefits from Banco de Chile's nationwide presence and strong brand recognition, resulting in revenue stability and less vulnerability to low economic growth. We expect Banco de Chile's nonperforming assets (1.6% as of September 2025, consisting of 90-day-past-due customer loans and foreclosed assets) to remain stronger than the industry average (2.4%) because of its conservative underwriting standards and well-diversified risk exposure by economic sector and borrower. We also consider Banco de Chile's ample access to deposits, diversified funding structure, and healthy liquidity.

**Banco de Chile has healthy profit generation capacity, with a focus on efficiency, and stronger profitability than other banks in Chile.** As of September 2025, the bank posted a return on average adjusted assets (ROAA) of 2.3% and a return on average common equity (ROAE) of 21.9%, above the Chilean banking system of 1.4% and 15.9%, respectively. For the next 24 months, we expect ROAA at 1.8%-2.0% and ROAE at 18%-20%.

Finally, we anticipate LQIF's consolidated risk-adjusted capital (RAC) ratio will remain around 9.8% for the next 24 months, largely reflecting Banco de Chile's balance sheet growth and profitability. However, we expect LQIF to distribute any excess liquidity from Banco de Chile's dividend payout.

## Outlook

The stable outlook on LQIF mirrors that on its sole operating subsidiary, Banco de Chile. We expect that, in the next 24 months, Banco de Chile will maintain sound asset quality metrics, better-than-average performance, stronger capitalization than other domestic banks, and its dominant business position in the highly competitive Chilean banking system. We also expect that the bank will continue to upstream dividends to LQIF to service its financial obligations.

### Downside scenario

We could downgrade LQIF in the next 24 months if Banco de Chile's asset quality metrics deteriorate.

### Upside scenario

The possibility of a positive rating action is limited at this point since it would require an upgrade of the sovereign and stronger intrinsic credit quality at the bank.

## Environmental, Social, And Governance

Environmental, social, and governance factors have no material influence on our credit rating analysis of LQIF.

### Key Statistics

#### LQ Inversiones Financieras S.A. key figures

Mil. CLP	2025*	2024	2023	2022	2021
Adjusted assets	53,159,454	51,940,748	55,655,910	55,149,374	51,630,268
Customer loans (gross)	39,374,490	38,875,119	37,600,703	36,694,804	34,256,182
Adjusted common equity	5,257,694	5,481,508	5,129,144	4,716,424	4,047,862
Operating revenues	1,613,091	3,202,579	3,156,549	3,251,450	2,352,741
Noninterest expenses	642,796	1,304,580	1,300,991	1,171,735	1,031,296
Core earnings	624,486	1,187,840	1,220,419	1,368,841	771,331

\*2025 data is for the six months to end-June. CLP--Chilean peso.

#### LQ Inversiones Financieras S.A. business position

(%)	2025*	2024	2023	2022	2021
Return on average common equity	34.8	33.2	36.3	45.0	28.7

\*2025 data is for the six months to end-June. N.A.--Not available.

#### LQ Inversiones Financieras S.A. capital and earnings

(%)	2025*	2024	2023	2022	2021
S&P Global Ratings' RAC ratio before diversification	N.A.	10.2	10.0	9.6	9.2
S&P Global Ratings' RAC ratio after diversification	N.A.	8.6	8.5	8.2	7.7
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Fee income/operating revenues	24.1	22.9	22.5	20.8	24.8
Market-sensitive income/operating revenues	8.0	8.6	14.8	9.3	7.3
Cost to income ratio	39.9	40.7	41.2	36.0	43.8
Provision operating income/average assets	3.6	3.5	3.3	3.8	2.7
Core earnings/average managed assets	2.3	2.2	2.2	2.5	1.6

\*2025 data is for the six months to end-June. N.A.--Not available.

#### LQ Inversiones Financieras S.A. risk position

(%)	2025*	2024	2023	2022	2021
Growth in customer loans	2.6	3.4	2.5	7.1	10.7
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N.A.	18.2	17.7	17.2	19.6
Total managed assets/adjusted common equity (x)	10.3	9.7	11.0	11.9	13.0
New loan loss provisions/average customer loans	1.0	1.0	1.0	1.2	1.2
Net charge-offs/average customer loans	0.9	1.0	1.0	0.6	0.5

## LQ Inversiones Financieras S.A.

### LQ Inversiones Financieras S.A. risk position

Gross nonperforming assets/customer loans + other real estate owned	1.5	1.5	1.5	1.1	0.9
Loan loss reserves/gross nonperforming assets	135.6	132.3	137.8	192.3	237.9

\*2025 data is for the six months to end-June. N.A.--Not available.

### LQ Inversiones Financieras S.A. funding and liquidity

(%)	2025*	2024	2023	2022	2021
Core deposits/funding base	68.2	69.2	63.17	61.8	64.5
Customer loans (net)/customer deposits	131.7	134.0	128.4	130.4	121.2
Long-term funding ratio	90.8	91.4	86.5	94.2	93.5
Stable funding ratio	101.3	99.7	106.1	117.4	118.6
Short-term wholesale funding/funding base	10.4	9.7	15.0	6.4	7.1
Broad liquid assets/short-term wholesale funding (x)	2.2	2.3	2.1	5.5	3.8
Broad liquid assets/total assets	18.3	17.3	25.4	27.7	22.1
Broad liquid assets/customer deposits	33.9	32.2	50.2	56.5	41.9
Net broad liquid assets/short-term customer deposits	39.3	36.2	57.0	95.0	46.0
Short-term wholesale funding/total wholesale funding	32.5	31.6	40.7	16.7	20.0

\*2025 data is for the six months to end-June.

### Rating Component Scores

Issuer Credit Rating	A-/Stable/A-2
SACP	a
Anchor	bbb+
Business position	Strong (1)
Capital and earnings	Adequate (0)
Risk position	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	1
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	-1

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Related Criteria

- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023

## LQ Inversiones Financieras S.A.

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), March 2, 2022
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

## Related Research

[In the future, be sure to include full article titles.]

- [Chile 'A/A-1' Foreign Currency Ratings Affirmed; Outlook Remains Stable](#), Oct. 23, 2025
- [Banco de Chile](#), Aug. 12, 2025
- [Banking Industry Country Risk Assessment: Chile](#), Nov. 7, 2024

### Ratings Detail (as of November 11, 2025)\*

#### **LQ Inversiones Financieras S.A.**

Issuer Credit Rating	A-/Stable/A-2
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#### **Issuer Credit Ratings History**

28-Oct-2024	A-/Stable/A-2
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03-Apr-2020	A-/Negative/A-2
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22-Aug-2018	A-/Stable/A-2
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#### **Sovereign Rating**

##### **Chile**

<i>Foreign Currency</i>	A/Stable/A-1
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<i>Local Currency</i>	A+/Stable/A-1
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#### **Related Entities**

##### **Banco de Chile**

Issuer Credit Rating	A/Stable/A-1
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Commercial Paper	
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<i>Foreign Currency</i>	A-1
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Senior Unsecured	A
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\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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