

Ministry of Finance Obtains Certification to Issue New Green Bonds

Following the successful inaugural sovereign green bonds in 2019, the Ministry of Finance is pleased to inform that it has obtained the international certification that allow for new green bonds issuances during 2020. This reaffirms the government's commitment on climate action, environment protection, and its link with the financial sector.

According to the best international practices, during these last months, the Ministry of Finance selected a new project portfolio fully aligned with the [Green Bond Framework of Chile](#) published in 2019. This new portfolio contains projects related to the Clean Transport sector. Specifically, this portfolio will fund Metro projects as well as National Railway Company (EFE, by its abbreviation in Spanish) such as Alameda-Melipilla railway.

The new portfolio was favourably evaluated by *Vigeo Eiris*, that indicated that “nothing has come to (their) attention that cause to believe that, in all material respects, the Republic of Chile's 2020 Green Bonds are not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements (version 2.1)”. CBI also certified that these projects were selected under their standards.

After achieving the certification, the Ministry of Finance is ready to issue new sovereign green bonds during 2020, subject to legal authorizations.

For more information regarding Chile's Green bonds, including the complete *Vigeo Eiris'* report, the certificate of CBI and frequently asked questions, please visit: <https://www.hacienda.cl/oficina-de-la-deuda-publica/bonos-verdes.html>

2020 Issuance Plan

The Ministry of Finance plans to issue Treasury Bonds during 2020 for a maximum amount of US\$8,700 million, according to the 2020 Budget Law. Of the total, the Ministry plans to issue US\$5,400 million in local currency and US\$3,300 million in foreign currency which will be entirely green.

First Green Bond Issuances in 2019

Chile has a firm commitment to climate action, environmental protection and sustainable growth, reflected in its 2019 sovereign green issuances, when Chile became the first country in the Americas to issue green bonds.

Green Bonds are a tool to channel investments towards green assets, contributing to further financial development and promoting national financial innovation that supports the country's sustainable development path, low in carbon emissions, with strong climate resilience.

During June 2019, as mentioned, the Ministry of Finance performed its first green bonds issuances in US dollars and Euros by US\$1,418 million and €861 million (US\$947 million, approximately), respectively, obtaining:

- The lowest yield obtained in history in both currencies for the respective maturities (3.53% for USD and 0.83% for Euros) and low spreads.
- Record demand (12.8 times the offered amount in the case of USD tranche and 4.7 times higher for Euro tranche) and a significant increase in the investor base of those with “green mandates”.

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Ministry of Finance of Chile
Investor Relations Office



- These transactions stood out for being the first green bonds of the Americas and the first Sovereign Green Bond in euros issued by a non-European country. In addition, the US dollar bond is the longest debuting green bond.