

June 29, 2018



## Ministry of Finance announces an extraordinary capital transfer to Codelco of US\$ 1,000 million

*The capital transfer will be finalized by February 2019, which is the deadline established by Law 20,790.*

Today, the Minister of Finance, Felipe Larraín - together with the Minister of Mining, Baldo Prokurica, and the President of Codelco, Juan Benavides – announced the government’s decision to provide Codelco with capital a transfer of USD 1 billion, making use of Law 20,790.

“Codelco is a world leader in copper production and we want it to remain that way. This is a way to show support to Codelco’s ambitious investment program, which will allow it to remain a leading company. We are interested in Codelco to continue developing”, said the Minister of Finance.

The minister added that it is important for Codelco to move forward with its investment plans, since if this does not happen, the state’s mining capacity will suffer mining and production exhaustion in the short run.

Regarding deadlines, the minister said that the transfer will take place by February 2019, which is the deadline established by Law 20,790.

The Minister of Mining addressed the government’s efforts and indicated that the USD 1 billion contribution is essential in maintaining Codelco’s production over time.

“This investment reflects the State’s support for Codelco to keep producing under similar conditions (...) And it is a powerful investment that can carry out the company’s structural projects and challenges,” said Minister Prokurica.

The president of Codelco highlighted the contribution of the State and described it as “a very important sign of the Government to sustain Codelco’s development and activity of Codelco in the coming years”.

### **Government works on financing alternatives for the Sótero del Río Hospital**

After informing about the capitalization process, Minister Larraín was consulted about other topics. In relation to the financing project of the Hospital Sótero del Río, the minister was empathic in stating that “we are working with the Ministry of Health to see financing alternatives” for this project.

June 29, 2018

The minister recalled that the construction of this initiative was the result of a concession that was awarded during Sebastián Piñera's previous term. The award decree entered the Comptroller's office on March 10, 2014, but it was withdrawn on June 4, 2014 by the previous Government.

### **S&P report on Chile.**

In regards to the last S&P report on Chile, which maintained an "A +" note for Chile's foreign currency debt with a stable outlook, Minister Larraín highlighted several aspects contained in the rating report.

"We are satisfied. Additionally, S&P points out that, if the measures that are being promoted, higher levels of growth and the fiscal measures that we have implemented, are maintained, the rating classification can be revised upwards", the minister said.

The minister reiterated the Government's commitment to recover the sovereign rating classification, but warned that it is not a short-term issue. "We received the S&P report with satisfaction, but without a doubt we must continue working. It does not take much to lose a risk classification; unfortunately, this happened to Chile in 2017. The difficult thing is to recover it once you lose it. It's like trust. What we have to do is show seriousness, fiscal responsibility, and that is what is being taken into consideration. The new fiscal institutions are also well considered in the S&P report", he said.