Uruguay
Sovereign Debt Report

A quarterly report issued by the Debt Management Unit (DMU) of the Ministry of Economy and Finance ***January 2020***

Summary

- **Overview of financing strategies during 2019 and annual borrowing plan for 2020.**

- **In January 2020, the Government issued local currency Treasury Notes in the domestic market for an equivalent of USD 1 billion.**

- **Uruguay remains the top-ranked country in JPMorgan's ESG-adjusted sovereign bond benchmark for emerging market countries, reflecting robust performance on Environmental, Social and Governance indicators.**

- **DBRS Morningstar confirmed Uruguay's ratings at BBB (low) with stable trend, while Fitch, S&P and Moody´s published commentaries and reviews following Uruguay's presidential elections.**

- **IMF study analyzes Uruguay`s implementation of a Sovereign Asset and Liability Management (SALM) framework across the consolidated public sector.**

- **Parliament approves Uruguay`s membership to the Asian Infrastructure Investment Bank (AIIB).**

I. Debt management outcomes during 2019 and funding plans for 2020

Below we provide an overview of Central Government's gross financing needs and funding sources tapped during 2019. We also provide projected borrowing needs and borrowing plans for 2020.

Overview of 2019

Government's financing needs last year totaled **USD4.83 billion**. More than 80% was raised in bond markets, in both local and foreign currency, by tapping the short, intermediate and long-end of the sovereign yield curve. The remainder was mostly funded through multilateral loans and the use of government reserves (see Central Government Financing Needs and Funding Sources).

Over a third of the total funding was used towards paying off debt and loan obligations, including debt coming due in 2019, short-to-medium term maturities refinanced through liability management operations, and pre-payment of multilateral loans. As a result, net market bond issuance and loan disbursements during 2019 totaled approximately **USD1.52 billion**.

i) Transactions in domestic and international bond markets

In the domestic market, the government issued local currency Treasury Notes for a total amount equivalent of **USD1.29 billion,** denominated in both CPI-indexed units (UI, for its Spanish acronym) and wage-indexed units

(UP, for its Spanish acronym).[1] Of the total amount issued, 60% was placed through regular calendar auctions, while the remainder was completed through an off-calendar domestic auction and liability management (LM) operation coordinated with the Central Bank (carried out in May las year). Moreover, a switch facility was incorporated in the issuance calendar for 2019H2, allowing investors the option to settle their Treasury Notes purchased by tendering short-term Treasury Notes outstanding. Through these LM actions, the government was able to roll over in advance 15% of the Treasury Notes coming due in 2020 (around USD246 million). As a result, total net domestic local currency bond issuance during 2019 was **USD0.56 billion**.

Uruguay issued last year a new 2031 dollar-denominated global bond in January for **USD1.25 billion**, of which USD850 million was new cash and the remainder was used to finance preferred tenders maturing in 2024 and 2027.[2] Additionally, in September, the government launched a dual-tranche reopening of its global dollar bonds maturing in 2031 and 2055, and a switch and cash tender offer for shorter maturity bonds (2022, 2024 and 2027). Total issuance amounted to **USD1.05 billion,** of which more than half was used to repurchase all tendered bonds. Total net dollar bond issuance in global markets was **USD0.9 billion**.

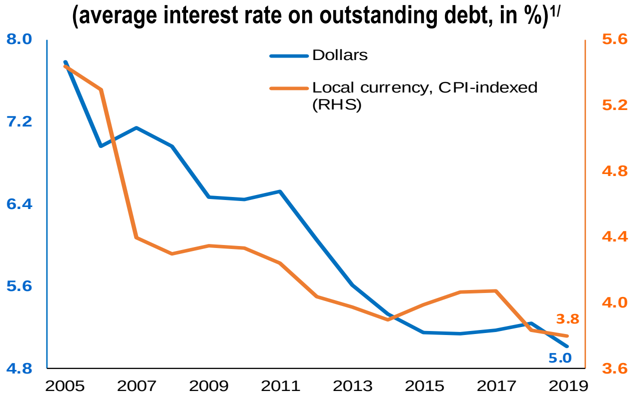
ii) Multilateral loan financing and precautionary credit lines

Last April, Uruguay prepaid dollar loans with the Inter-American Development Bank (IDB), taking advantage of market conditions and the government's liquidity position. These loans had maturities up to 2033 and amounted to USD291 million. They accrued an average annual fixed dollar interest rate of 5.39%, which was higher than the prevailing Libor-indexed interest rates for loans with this multilateral institution. Also during the first half of 2019, the Central Government disbursed multilateral loans for USD315 million, including a USD260 million dollar-denominated loan from the World Bank (a Development Policy Loan with Deferred Drawdown Option). Total net multilateral loan disbursement was **USD0.06 billion**.

In the second half of 2019, a weaker global economic growth outlook and a less restrictive monetary policy by the U.S. Federal Reserve drove five and ten-year swap rates below the 3-month Libor floating rate. In this context, the DMU converted floating-rate loans into fixed rates for an amount of USD101 million. This allowed to lock-in rates that were 22 basis lower (on average) than the value of the indexed floating rate prevailing at that time. Finally, in October Uruguay agreed with Corporación Andina de Fomento (CAF) to renew the rapid-disbursement credit line of USD750 million, reinforcing Uruguay's liquidity buffers and pre-financing policy.

Overall, pro-active debt management has improved the debt maturity profile, reducing rollover risks while keeping borrowing costs subdued. Liability management operations conducted in domestic and international markets have extended the average time to maturity of debt to 14 years— the highest among emerging markets. The share of foreign currency debt in total debt increased 2.3 percentage points during 2019 (partially reflecting exchange rate valuation effects). Importantly, 80% of government debt coming due in 2020 is denominated in local currency, reducing the short-term fiscal exposure to a significant local currency depreciation.

Central Government cost of financing (average interest rate on outstanding debt, in %)[1/]



[1/] Weighted average by currency

[1] The UI is a daily accounting unit that tracks changes to the Consumer Price Index (Bloomberg ticker: *URUDUD* <Index>). The UP is a daily accounting unit that tracks changes to the Nominal Wage Index (Bloomberg ticker: *URUDUP* <Index>). Regarding the latter, in July 2018, the government started supplying the market with financial instruments in local currency with returns tied to nominal wage changes. Its intended purpose is to allow insurance companies in the retirement annuity business, as well as other market participants, to better manage the currency and maturity risks in their balance sheet.

[2] Holders were given the opportunity to either "switch" into the new issue (i.e. preferred tenders) or sell them for cash.

In addition, an increasing proportion of local currency debt is denominated in wage-indexed instruments. These state-contingent market instruments provide the government with a better hedge against output and other macroeconomic shocks that can affect tax revenues, given the pro-cyclicality of real wages.

In 2019, the weighted average cost of financing of the outstanding stock of obligations reached its lowest level since the turn of the century. The real interest rate for CPI-linked obligations (which includes Treasury Notes and Global bonds) was 3.8% as of December 2019, while the average interest rate the dollar debt portfolio was 5%.

The share of international bonds outstanding held by non-residents varied across currency of denomination. By end-2019, foreigners held almost all (97%) of global bonds denominated in dollars, and slightly more than 78% of the bonds in nominal fixed-rate pesos (UYU). On the contrary, residents held almost 80% of the total outstanding local currency bonds linked to the CPI (UI) and issued in external markets.

Global Bonds Outstanding by Residency of Investors
(end-2019, in % of total)

	Residents	Non-residents
US dollars	3	97
Local currency linked to CPI (UI)	79	21
Local currency nominal fixed-rate (UYU)	22	78

Source: Debt Management Unit based on Central Bank data

As of end-December 2019, government's cash reserves and precautionary credit lines with multilateral institutions stood at **USD3.4 billion** (around 6.1% of GDP).

Year 2020

For 2020, estimated total funding needs of the Central Government will be around **USD3.97 billion** (see Central Government Financing Needs and Funding Sources).[3] This figure includes approximately **USD1.76 billion** in amortizations of bonds and loans. Total contractual debt coming due is lower than last year, reflecting in part the impact of liability management operations carried out in 2019 ahead of upcoming maturities. Subject to market conditions, total bond market issuance (in domestic and international markets) is estimated at around **USD3.45 billion** for this year. Total net bond issuance is projected at **USD1.7 billion**.

As of end-January 2020, close to 30**%** of the targeted total gross bond issuance has been covered through the program of regular auctions and a large-scale public-sector asset-liability management operation in the domestic market (see section II below).

In terms of funding plans for the rest of the year, the government will continue seeking a balanced currency composition of debt in terms of local and foreign currency. It will look for opportunities in international debt markets to develop the local currency curve, in either nominal or fixed real rates, provided investor demand is met at borrowing rates that remain consistent with sustainable debt dynamics. As part of its strategy to increase the share of public sector debt denominated in local currency, the DMU will continue to look for favorable market opportunities to convert dollar-denominated loans with multilaterals into fixed-rate and CPI-indexed local currency.

The government will also look into ways to increase the resiliency of the foreign currency debt portfolio to global shocks, by reaping potential currency diversification benefits out of the correlated movements in emerging market currencies.

The financing strategy for 2020 also foresees the execution of exchange and/or repurchase transactions of government securities, continuing the long-standing policy of extending maturities and minimizing roll-over risk. Liability management operations are also aimed at boosting the size of the outstanding securities, enhancing the

[3] The figure for total financing needs excludes the transfer of assets from pension funds and the state-owned insurance company into the public sector pension scheme. In December 2017, Congress enacted legislation (the so-called "Cincuentones Law") allowing certain workers and retirees aged fifty or above, to shift from the social security individual capitalization scheme into the public sector social security "pay-as-you-go" regime (administered by the state-owned Banco de Prevision Social or BPS). These additional revenues (which represent 1.2% of GDP in 2019) will be ring-fenced in a trust fund until 2024, and thus do not reduce sovereign borrowing needs.

benchmark status and prospective liquidity of on-the-run references or recently issued bonds— increasing the efficiency of the government's yield curves in secondary markets.

Uruguay sees strategic value in diversifying its sources of funding across currencies and markets (including Asia), as it helps improve its financing terms and ensure ready access to international capital markets. Likewise, Uruguay will strive to continue building a large and diverse investor base with different risk preferences, investment maturity horizons, and trading motives, ensuring a stable demand for government debt securities in a range of market conditions.

The bedrock of this diversification strategy will continue to be a transparent, predictable and proactive approach towards investor relations and data dissemination. The DMU develops a continuous dialogue with retail and institutional investors, banks, multilateral organizations, credit rating agencies, think tanks, commercial providers of ESG data and private analysts. It provides timely and detailed information on debt instruments and statistics, economic indicators, rating agencies' reports and the legal framework governing public debt. In that sense, Uruguay's Investor Relations program ranks among the countries with the best assessment of investor relations and data transparency practices of the Institute of International Finance (access the latest Report on Implementation by the Principles Consultative Group here).

II. In January 2020, the Government issued local currency Treasury Notes in the domestic market for an equivalent of USD 1 billion

On December 20th, 2019, the Central Government announced its regular semi-annual issuance calendar in the domestic market, for the period January-June 2020.[4] The calendar continues to add a switch facility option, where investors can settle Treasury Notes purchased by tendering Treasury Notes due in 2020 (aside from using Uruguayan Pesos and US Dollars). By providing more flexibility to investors, the government aims to accelerate the construction of reference bonds and shore up their liquidity, contributing to the development of the secondary market. Through the calendar auctions in January, the government re-opened Treasury Notes denominated in UI and UP for a total equivalent of approximately **USD53 million**.[5]

On January 17th, 2020, the government launched a series of off-calendar auctions of local currency Treasury Notes. The offering comprised four successive daily auctions spanning from January 21st to 24th, 2020. The first two auctions were CPI-linked Notes at short and medium-term maturities, while the remaining two auctions were nominal wage-linked securities at medium and medium-to-long term maturities. The transaction also included an exchange offer for short-term securities issued by the Central Bank and the Central Government.

Both resident and non-resident investors could participate in these auctions. In particular, non-residents could participate through any local broker and/or financial institution authorized to bid directly-- provided the investor had an open account at one of these institutions. In addition, Treasury Notes could also be accessed through Global Depositary Notes (Euroclear, Clearstream and DTC-eligible), just as in regular auctions. Neither residents nor non-residents are subject to income tax when investing in Uruguayan government securities, and there are no foreign exchange restrictions. See the Press Release for more details on the instruments issued, bidding and pricing mechanisms and settlement and clearing process. A full list of Uruguay's Treasury Notes outstanding can be accessed using the Bloomberg ticker UNT <Govt>.

The government placed a total equivalent of **USD952 million** in Treasury Notes with demand exceeding 3.2 times the auctioned amount. This global-sized transaction secured considerable funding in local currency, at a weighted average interest rates of 3.16% for CPI-linked Notes and 2.56% for nominal-wage linked Notes. Investors bought the securities by mostly tendering their holdings of short-term Central Bank securities, which the government delivered to the Central Bank in exchange for cash. The cash obtained increased Government's liquid assets by around **USD750 million** equivalent. Together with the exchanged Treasury Notes due on 2020, has allowed to pre-finance approximately 66% of Treasury Notes amortizing in 2020.

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[4] Table 5A in the Central Government's Debt and Financing Statistics appendix provides further details on the new calendar. For more information, please access the Press Release here or visit the DMU's website.

[5] Table 5B in the Central Government's Debt and Financing Statistics appendix provides details on the outcome of the July – December 2019 calendar.

This transaction, coordinated with the Central Bank, extended the average maturity of the consolidated public sector debt and smoothened its amortization profile. Likewise, the transaction also helped to continue developing the domestic debt market, especially in securities linked to nominal wages. For an assessment of the transaction, access the latest Press Release (in Spanish) of the Public Debt Coordination Committee.

Finally, holders of Treasury Notes amortizing in 2020 will have the option to receive payment of interest and principal at maturity, in either Pesos or US Dollars. Bondholders who have a preference to receive their final payment in US Dollars shall proceed as indicated in the Communication released by the Central Bank of Uruguay (which acts as financial agent for the Republic).

III. Uruguay remains the highest-weighted country in the JESG-EMBI Index among emerging markets

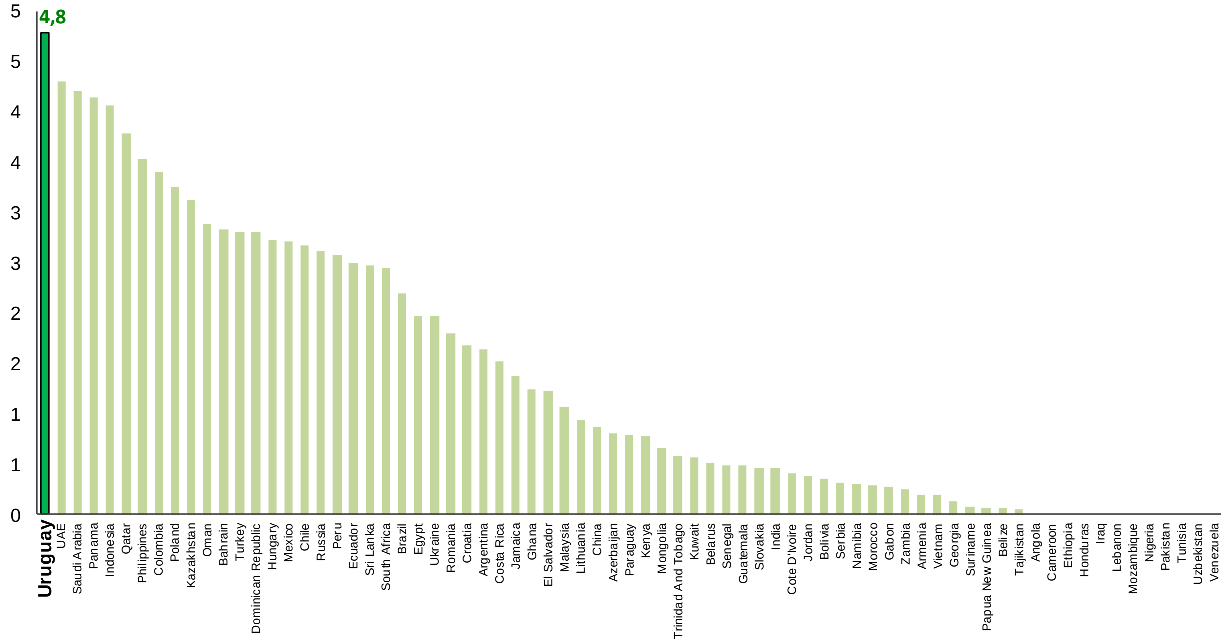
Sustainable and impact investment are becoming key drivers of global capital allocation decisions. Investors are increasingly embedding Environmental, Social and Governance (ESG) factors into their sovereign creditworthiness assessments, reshaping their fixed-income investment strategies.[6] Likewise, multilateral institutions are more frequently incorporating responsible investment and sustainability standards to their loan disbursement programs.

Uruguay is a top performer on ESG fundamentals among emerging markets. Over the last five years, Uruguay's energy matrix has shifted towards renewable resources: during 2019, 98% of electricity generation was based on renewal sources of energy, on the back of a dramatic increase in wind-power. In turn, less reliance on fossil fuels has limited the exposure of fiscal finances to climate-related risks (such as droughts). Uruguay is also a bastion of stability in an otherwise volatile region, with solid institutional foundations and social cohesion. All these factors are reflected in J.P. Morgan's ESG-adjusted benchmark index: by January 2020, Uruguay continued to have the largest country-weighting (4.8%) in the JESG EMBI. This is approximately 98% higher than its weight in the baseline EMBI (2.4%).[7] The country's leading ESG practices and sustainability commitments are described in more detail in the latest Uruguay ESG Report prepared by the DMU.

[6] Environmental factors can include, for example, greenhouse gas emissions, fossil fuel utilization, access to safe water and renewable energy development. Social factors may include poverty rates, gender equality, wealth distribution, social cohesion and life expectancy. Governance factors cover indicators such as political stability, rule of law, regulatory quality, fiscal and debt transparency and judiciary independence.

[7] Please note JP Morgan's disclaimer: "Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without JPMorgan's prior written approval. Copyright 2020, J.P. Morgan Chase & Co. All rights reserved".

Country weights in ESG-Adjusted EMBI benchmark
(in %, as of January 30th, 2020)



Source: J.P. Morgan Chase & Co.

In a recent article in *Funds Society Magazine* entitled "La Fuerza de los Criterios ESG: Uruguay a la Vanguardia de los Mercados Emergentes", DMU staff stressed the importance of continuing to engage with investors to better understand the framework used to embed ESG factors in their investment decision-making process. It also allows investors to ask questions about ESG data and scores, which is generally a due diligence norm in their framework.

IV. DBRS Morningstar confirmed Uruguay's ratings at BBB (low) with stable trend; Fitch, S&P and Moody's published commentaries and reviews following Uruguay's presidential elections

On January 30th, 2020, DBRS Morningstar confirmed Uruguay's Long-Term Foreign and Local Currency – Issuer Ratings at BBB (low) with stable outlook. According to the credit rating agency, Uruguay's rating balances strong political and economic fundamentals, offset by its ongoing fiscal pressures. In their view, the political environment is characterized by high-quality public institutions, low levels of corruption, and predictable macroeconomic policymaking, all of which constitute an important source of credit strength. Ample foreign exchange reserves, conservative public debt management, and sound regulation of the banking system also bolster the economy's defenses to external shocks. On the other hand, the key challenge facing Uruguay's credit profile is the fiscal deficit. In their rating action, they note that the underlying source of pressure is rising current spending: higher education and healthcare costs combined with greater social security expenses. In the absence of budgetary tightening, DBRS Morningstar expects public debt ratios will gradually increase over the medium term. In their report, they highlight that the evolution of the ratings – up or down – will depend on the next government's ability to put public finances on a more sustainable trajectory. Access DBRS Morningstar's Press Release.

On January 22nd, 2020, Moody's released its periodic review of issuers (which does not involve a credit rating action). Among other factors, Moody's highlights that Uruguay's Baa2 credit profile is supported by the country's economic strength and strong institutional quality (which reinforces policy predictability) and high fiscal reserve assets. This is counterbalanced by moderate growth potential and lingering vulnerabilities from an elevated proportion of foreign-currency. Access Moody's review here.

Fitch and S&P published non-rating action commentaries following Uruguay's presidential elections held on November 24th, 2019. Both agencies highlighted the fiscal deficit, sluggish growth and increasing debt burden as challenges to be faced by the new administration. Both rating agencies underscored Uruguay's institutional stability and strong external buffers as factors contributing to its credit quality. Access Fitch's and S&P's commentaries.

V. IMF study analyzes the experience of Uruguay in implementing a Sovereign Asset and Liability Management (SALM) framework

A December 2019 IMF publication provides an overview of the experience of Uruguay in measuring and managing financial risk exposures within the consolidated public sector (Sovereign Asset and Liability Management in Emerging Market Countries: The Case of Uruguay). The paper includes a comprehensive analysis of the structure of the entire public sector's asset and liability position and net financial worth, identifying foreign currency and interest rate risk exposures across both sides of the sovereign balance sheet. It then describes the coordination mechanisms established between public sector institutions (DMU, Treasury, Central Bank, and main State-Owned Enterprises SOEs), to bring sovereign assets and liabilities within the scope of portfolio decision-making. The study also describes concrete examples on the SALM framework implementation, through transactions and financial innovations designed to offset risks and attain hedging gains, while reducing borrowing costs within the entire public sector.

Overall, the paper highlights the practical challenges and trade-offs faced by Uruguayan authorities in adopting a comprehensive approach to sovereign risk management, and provides recommendations for further improvements of the framework. It also distills policy-relevant lessons that could apply to other emerging markets in achieving a more cost-effective management of the public sector debt and resilience of public finances.

VI. Parliament approves membership to the Asian Infrastructure Investment Bank (AIIB)

On December 17th, 2019, Uruguay's Congress passed legislation approving the incorporation to the AIIB, after being accepted as "prospective" member. The AIIB, headquartered in Beijing, is a multilateral development bank and its mission is to improve social and economic outcomes in Asia and other regions. Operations started in January 2016 and the bank has grown to 102 approved members worldwide.

The AIIB has identified three emerging thematic priorities: (i) sustainable infrastructure (green projects to help countries reach both environmental and development goals); (ii) cross-border connectivity (infrastructure from roads and railways to ports, energy pipelines and telecommunication links in and between countries); and (iii) private capital mobilization (devising innovative solutions that catalyze private capital, in partnership with other multilaterals, governments and the private sector).

CENTRAL GOVERNMENT'S DEBT AND FINANCING STATISTICS

Central Government's statistics presented below are compiled by the DMU of the Ministry of Economy and Finance, with the purpose of monitoring debt portfolio indicators and supporting the design and execution of debt management strategies. Debt figures include all loans and financial market securities contracted/issued by the Central Government in domestic and foreign currency, in both local and international markets, and held or disbursed by private, multilateral, and/or other domestic or foreign public sector entities. Debt figures include Central Government securities held by the public Social Security Trust Fund, and exclude non-market Central Government securities issued to capitalize the Central Bank in the past.[8]

Table 1. Central Government Debt and Asset Position

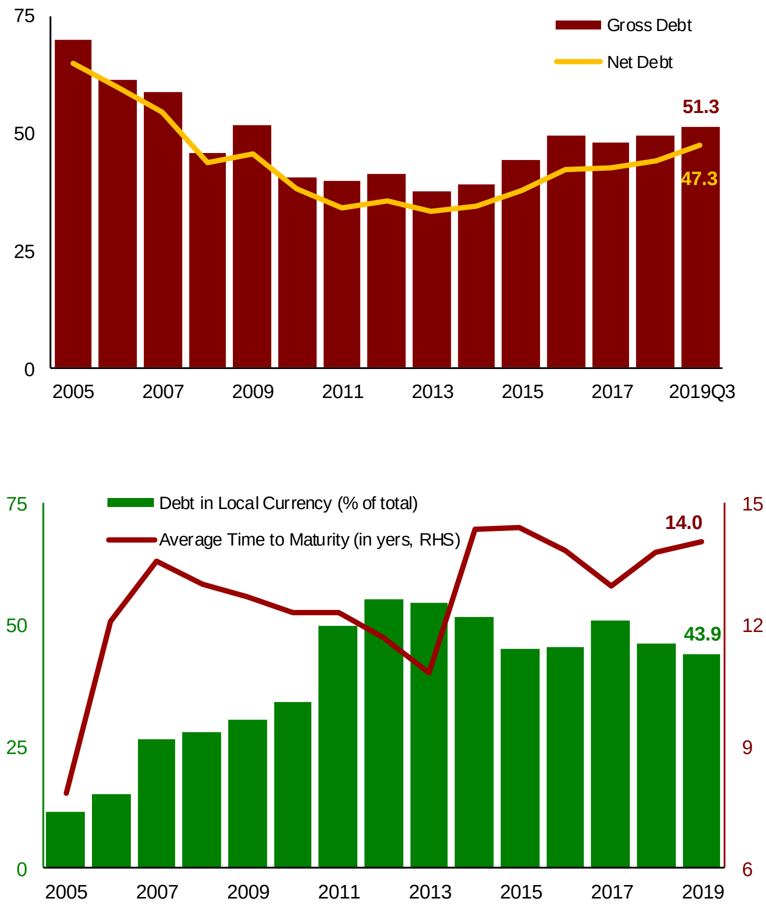
(in USD million, year-end)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019(*)
Gross Debt	12,121	12,046	13,767	13,839	16,376	16,375	19,199	21,191	21,520	22,346	23,581	26,098	28,664	29,383	29,838
Total Assets (1)	858	335	985	580	1,891	1,046	2,886	2,935	2,285	2,635	3,446	3,733	3,324	3,097	2,115
Liquid Assets (2)	858	335	985	580	1,509	663	2,477	2,395	1,802	2,104	3,001	2,515	2,230	2,132	1,213
Net Debt	11,263	11,711	12,782	13,260	14,485	15,329	16,313	18,256	19,235	19,711	20,135	22,366	25,341	26,285	27,723
Multilateral Credit Lines	0	0	0	400	120	120	1,130	1,390	1,940	1,940	2,167	2,418	2,418	2,434	2,191

(*) Preliminary.
(1) Total assets include deposits of the National Treasury at the Central Bank and Banco de la República accounts.
(2) Liquid assets do not include the results of the domestic auction of local currency Treasury Notes and exchange offer for Government and Central Bank securities settled in January 2020.

Figure 1. Central Government Debt Indicators

(in % of GDP, end-period)



Note: Debt to GDP ratios reported through 2019Q3. Official GDP figures for 2019Q4 will be released by the Central Bank in March 2020.
Figures reported cover the period through December 2019, and thus do not reflect the results of the domestic auction of local currency Treasury Notes and exchange offer for Government and Central Bank securities settled in January 2020.

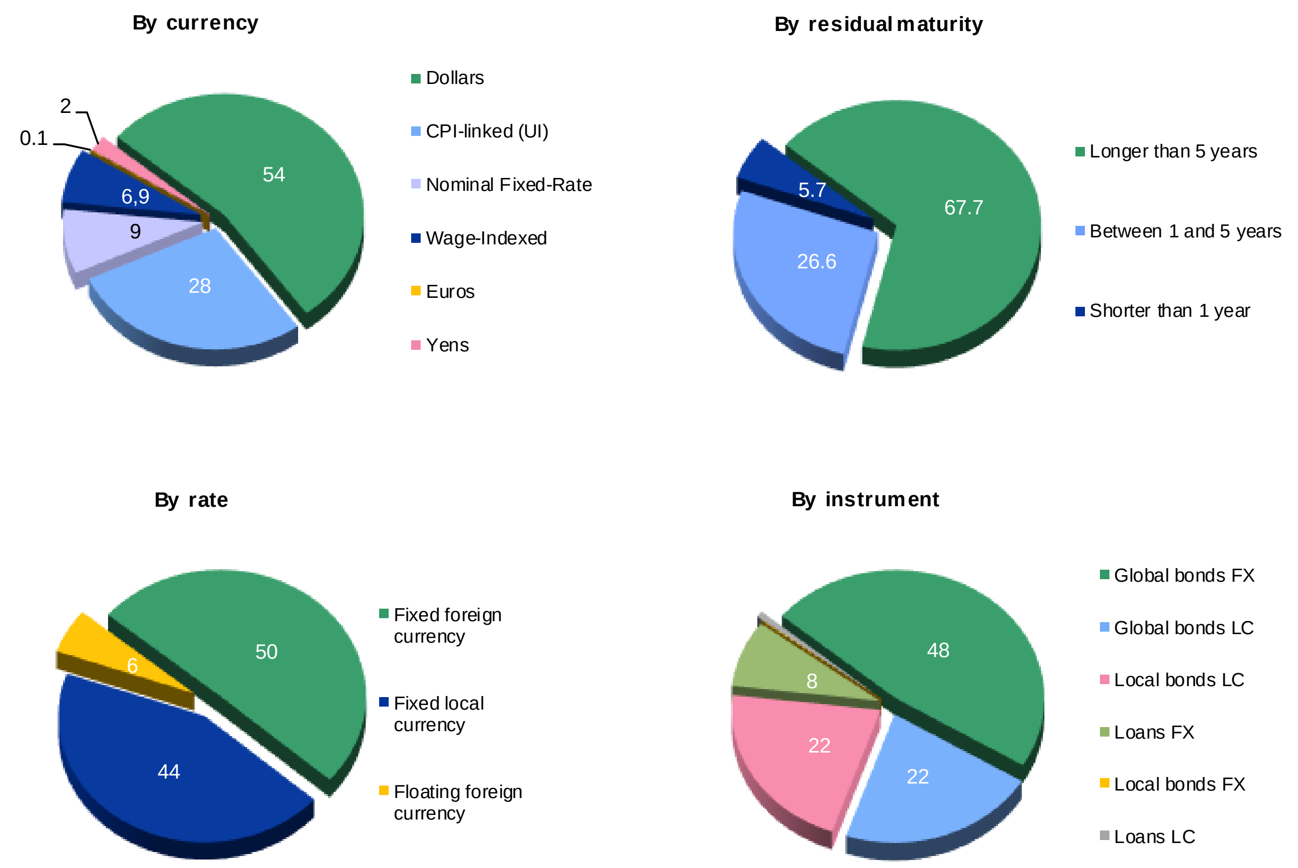
[8] The first capitalization bond was issued in 2008 and further issuances were made in 2010, 2011, 2012 and 2013. At end 2018, all debt was consolidated into a single 30-year inflation-linked bond. This debt is not market-based. Data on outstanding stock of government bonds issued to capitalize the Central Bank, can be found at: www.bcu.gub.uy/Estadisticas-e-Indicadores/EndeudamientoPublicoSPNM/dpspnm.pdf

Table 2. Structure of Central Government Debt
(in % of total, year-end)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (*)
By Currency [(1)]															
Foreign Curreny (FX)	*88*	*85*	*74*	*72*	*69*	*66*	*51*	*45*	*46*	*48*	*55*	*55*	*49*	*54*	*56*
Dollars	68	77	65	64	63	59	44	40	42	45	52	52	48	51	54
Other	21	8	9	8	7	7	6	5	4	3	3	3	2	2	2
Local Currency (LC)	*12*	*15*	*26*	*28*	*31*	*34*	*50*	*55*	*54*	*52*	*45*	*45*	*51*	*46*	*44*
Nominal Fixed-Rate	0	0	0	0	0	0	7	9	8	5	6	5	13	10	9
CPI-Indexed (UI)	12	15	26	28	31	34	43	46	47	42	35	36	34	31	28
Wage-Indexed	0	0	0	0	0	0	0	0	0	5	4	4	4	5	7
By Residual Maturity															
Short-Term (less than one year)	16	5	3	2	4	6	3	3	3	4	3	5	5	4	6
Medium and Long Term	84	95	97	98	96	94	97	97	97	96	97	95	95	96	94
By Rate [(2)]															
Fixed	78	82	83	81	91	88	94	95	95	94	94	94	94	94	94
Floating	22	18	17	19	9	12	6	5	5	6	6	6	6	6	6
By Instrument															
Bonds	60	82	83	81	79	81	85	87	90	91	91	91	91	91	91
Loans	40	18	17	19	21	19	15	13	10	9	9	9	9	9	9
By Residency of Holders [(3)]															
Resident	43	36	34	38	44	43	48	46	39	37	38	47	49	46	46
Non-Resident	57	64	66	62	56	57	52	54	61	63	62	53	51	54	54
By Jurisdiction Issued															
Domestic Market	22	23	21	16	16	18	25	30	29	29	26	26	24	23	22
International Market	78	77	79	84	84	82	75	70	71	71	74	74	76	77	78

(*) Preliminary.
(1) Foreign currency composition reflects adjustments for FX cross-currency swap operations.
(2) Includes local currency securities issued at fixed real rate, both CPI-indexed and wage-indexed.
(3) Information reflects latest data available as of 2019Q3.

Figure 2. Breakdown of Central Government Debt as of end-2019
(in % of total)



Note: Figures reported cover the period through December 2019, and thus do not reflect the results of the domestic auction of local currency Treasury Notes and exchange offer for Government and Central Bank securities settled in January 2020.

Table 3. Central Government Debt Indicators

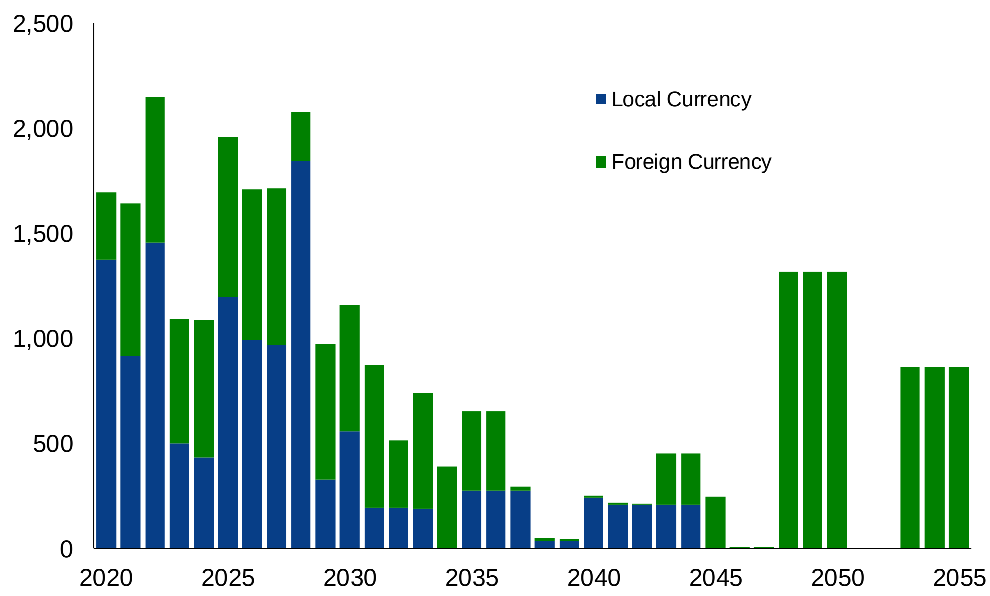
(in %, except where noted; year-end)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (*)
Roll-Over and Liquidity Risk															
Average Time to Maturity (in years)	7.9	12.1	13.6	13.0	12.7	12.3	12.3	11.7	10.8	14.4	14.4	13.8	13.0	13.8	14.0
Share of Debt Due in One Year	16.0	4.8	2.9	2.3	3.6	5.5	2.6	2.8	3.3	4.1	2.6	5.1	5.5	3.9	5.6
Liquid Assets /Amortization Due in One Year	0.3	0.4	0.7	1.6	1.4	0.7	4.0	3.7	2.7	1.9	4.8	1.9	1.4	1.9	0.7
Interest Rate Risk															
Duration (in years)	8.0	8.9	10.5	9.9	10.3	10.4	10.2	9.7	8.8	11.3	10.6	10.3	11.6	12.3	12.5
Share of Debt that Refixes in One Year	33.7	21.9	18.1	20.0	10.6	15.1	6.6	6.6	8.3	10.9	8.1	11.2	10.7	9.2	11.1
Average Interest Rate on Outstanding Debt [1]															
Dollars	7.8	7.0	7.1	7.0	6.5	6.5	6.5	6.1	5.6	5.3	5.1	5.1	5.2	5.2	5.0
Euros	6.9	6.9	6.9	6.9	6.9	6.9	6.9	5.8	5.9	5.9	5.9	5.3	5.3	5.3	0.3
Yens	2.5	2.5	2.3	2.3	2.3	2.3	1.9	1.9	1.9	1.9	1.9	1.9	1.6	1.3	1.3
Nominal Pesos							10.6	9.7	9.4	9.6	12.8	13.5	10.9	10.6	10.6
CPI-Indexed (UI)	5.4	5.3	4.4	4.3	4.3	4.3	4.2	4.0	4.0	3.9	4.0	4.1	4.1	3.8	3.8
Wage-Indexed										2.3	2.3	2.3	2.3	2.2	2.3

(*) Preliminary.
(1) Weighted average by currency.

Figure 3. Central Government Redemption Profile, by Currency

(in USD million, as of end-December 2019)



Note: Figures reported cover the period through December 2019, and thus do not reflect the results of the domestic auction of local currency Treasury Notes and exchange offer for Government and Central Bank securities settled in January 2020.

Table 4. Central Government's Financing Needs and Funding Sources

(in USD million)

	2019	2020 (*)
Financing Needs	**4,833**	**3,973**
Interest Payments	1,451	1,639
Amortizations of Bonds and Loans (a)	2,523	1,751
Primary Deficit (b)	859	583
Funding Sources	**4,833**	**3,973**
Multilateral Loans	457	350
Gross Bond Issuance (c)	3,595	3,450
Net Others	282	142
Use of Assets	498	31
Memo Item: *Net Bond Issuance*	1,467	1,699

(*) Projections.
(a) For 2020, the figure includes obligations coming due on a contractual basis and bonds repurchased in the January 2020 domestic auctions and maturing in 2021.
(b) Excludes transfers to the Social Security Trust Fund. Projection for 2020 will be subject to economic policies of the incoming administration.
(c) Includes bonds issued domestically and in international markets.

Source: Ministry of Economy and Finance.

Table 5. Bi-Annual Domestic Issuance Calendars

5A. Ongoing Issuance Calendar for January – June 2020

Treasury Note	Maturity Date 1/	Coupon (%)	Currency 2/	Auction Date	Amount auctioned (in millions)		Amount issued (in millions)		Auction Rate (%)
					Original Currency	USD equiv.	Original Currency	USD equiv.	
Series 26	05-13-2023	2.45	UI	01-14-2020	325.0	38.0	338.2	39.5	2.81
Series 25	07-24-2030	2.90	UI	01-28-2020	100.0	11.7	113.9	13.3	3.78
Series 13	05-25-2025	4.00	UI	02-11-2020	225.0				
Series 1	07-25-2025	1.50	UP	02-18-2020	350.0				
Series 3	05-13-2040	2.20	UP	02-26-2020	650.0				
Series 26	05-13-2023	2.45	UI	03-17-2020	325.0				
Series 2	08-29-2033	1.80	UP	03-24-2020	750.0				
Series 25	07-24-2030	2.90	UI	03-31-2020	100.0				
Series 13	05-25-2025	4.00	UI	04-14-2020	225.0				
Series 1	07-25-2025	1.50	UP	04-21-2020	350.0				
Series 3	05-13-2040	2.20	UP	04-28-2020	650.0				
Series 26	05-13-2023	2.45	UI	05-12-2020	325.0				
Series 2	08-29-2033	1.80	UP	05-19-2020	750.0				
Series 25	07-24-2030	2.90	UI	05-26-2020	100.0				
Series 13	05-25-2025	4.00	UI	06-09-2020	225.0				
Series 1	07-25-2025	1.50	UP	06-16-2020	350.0				
Series 3	05-13-2040	2.20	UP	06-23-2020	650.0				

5B. Outcomes for the July - December 2019 Issuance Calendar

Treasury Note	Maturity Date 1/	Coupon (%)	Currency 2/	Auction Date	Amount auctioned (in millions)		Amount issued (in millions)		Auction Rate (%)
					Original Currency	USD equiv.	Original Currency	USD equiv.	
Series 26	05-13-2023	2.45	UI	07-16-2019	325.0	39.0	338.0	40.5	2.30
Series 2	08-29-2033	1.80	UP	07-23-2019	750.0	24.3	1,000.0	32.3	2.40
Series 25	07-24-2030	2.90	UI	07-30-2019	100.0	12.3	129.0	15.8	3.20
Series 13	05-25-2025	4.00	UI	08-13-2019	250.0	29.3	322.0	37.8	2.74
Series 1	07-25-2025	1.50	UP	08-20-2019	650.0	19.5	735.0	22.1	2.33
Series 3	05-13-2040	2.20	UP	08-27-2019	375.0	11.2	425.0	12.7	2.41
Series 26	05-13-2023	2.45	UI	09-10-2019	325.0	38.0	117.0	13.7	2.25
Series 2	08-29-2033	1.80	UP	09-17-2019	750.0	22.7	1,124.0	34.0	2.40
Series 25	07-24-2030	2.90	UI	09-24-2019	100.0	11.6	102.0	11.8	3.56
Series 13	05-25-2025	4.00	UI	10-15-2019	250.0	28.8	115.0	13.3	2.96
Series 1	07-25-2025	1.50	UP	10-22-2019	650.0	19.5	995.0	29.9	2.33
Series 3	05-13-2040	2.20	UP	10-29-2019	375.0	11.2	550.0	16.5	2.44
Series 26	05-13-2023	2.45	UI	11-14-2019	325.0	37.4	71.0	8.2	2.71
Series 2	08-29-2033	1.80	UP	11-19-2019	750.0	22.4	1,500.0	44.8	2.43
Series 25	07-24-2030	2.90	UI	11-26-2019	100.0	11.4	200.0	22.9	3.75
Series 13	05-25-2025	4.00	UI	12-03-2019	250.0	28.8	69.0	8.0	3.49
Series 1	07-25-2025	1.50	UP	12-10-2019	650.0	19.3	1,300.0	38.6	2.38
Series 3	05-13-2040	2.20	UP	12-17-2019	375.0	11.2	750.0	22.4	2.45

1/ All Treasury Notes, except for Series 25, have principal repaid in the last three years to maturity, in annual and equal installments.
2/ UI: Unidad Indexada (CPI-indexed)
UP: Unidad Previsional (Wage-indexed)

Table 6. Outstanding Market Debt

International markets

In FOREIGN CURRENCY

Security	Issue Date	Maturity Date	Coupon (%)	Duration (years)	Avg. Life (years)	Amount Issued (USD mm) 1/	Outstanding Amount (USD mm) 1/	Amortizer 2/	Next Coupon Date	Bloomberg Identifier
US Dollars										
URUGUAY '22	11-18-2005	11-18-2022	8,000	1,7	1,8	1.805	466	Yes	05-18-2020	EF173885 Corp
URUGUAY '24	08-14-2013	08-14-2024	4,500	3,2	3,5	2.000	1.010	Yes	02-14-2020	EJ783737 Corp
URUGUAY '25	09-28-2009	09-28-2025	6,875	4,1	4,6	500	175	Yes	03-28-2020	EH983569 Corp
URUGUAY '27	07-15-1997	07-15-2027	7,875	6,0	7,4	510	22	No	07-15-2020	TT334611 Corp
URUGUAY '27	10-27-2015	10-27-2027	4,375	5,9	6,7	2.100	1.527	Yes	04-27-2020	QJ2218924 Corp
URUGUAY '31	01-23-2019	01-23-2031	4,375	8,3	10,0	1.467	1.467	Yes	07-23-2020	AW7271116 Corp
URUGUAY '33	05-29-2003	01-15-2033	7,875	9,3	12,9	1.056	841	No	07-15-2020	EC939210 Corp
URUGUAY '36	03-21-2006	03-21-2036	7,625	10,2	15,1	1.421	1.057	Yes	03-21-2020	EF330974 Corp
URUGUAY '45	11-20-2012	11-20-2045	4,125	16,2	24,8	854	731	Yes	05-20-2020	EJ442676 Corp
URUGUAY '50	06-18-2014	06-18-2050	5,100	16,9	29,4	3.947	3.947	Yes	06-18-2020	EK3264687 Corp
URUGUAY '55	04-20-2018	04-20-2055	4,975	18,2	34,2	2.588	2.588	Yes	04-20-2020	AS2148789 Corp
Yens										
URUGUAY '21	06-03-2011	06-03-2021	1,640	1,3	1,3	369	369	No	06-03-2020	EI6818500 Corp

In LOCAL CURRENCY

Security	Issue Date	Maturity Date	Coupon (%)	Duration (years)	Avg. Life (years)	Amount Issued (USD mm) 1/	Outstanding Amount (USD mm) 1/	Amortizer 2/	Next Coupon Date	Bloomberg Identifier
Nominal Fixed-Rate (UYU)										
URUGUAY '22	06-20-2017	06-20-2022	9,875	2,2	2,4	940	940	No	06-20-2020	AN9574152 Corp
URUGUAY '28	09-15-2017	03-15-2028	8,500	5,7	8,1	842	842	No	03-15-2020	AP0760557 Corp
Linked to CPI (UI)										
URUGUAY '27	04-03-2007	04-05-2027	4,250	5,4	6,1	861	861	Yes	04-05-2020	EG3199437 Corp
URUGUAY '28	12-15-2011	12-15-2028	4,375	6,7	7,8	2.003	2.003	Yes	06-15-2020	EI8993764 Corp
URUGUAY '30	07-10-2008	07-10-2030	4,000	7,9	9,3	940	940	Yes	07-10-2020	EH4525315 Corp
URUGUAY '37	06-26-2007	06-26-2037	3,700	12,4	16,2	824	824	Yes	06-26-2020	EG5893227 Corp

Domestic market

In LOCAL CURRENCY

Security	Issue Date	Maturity Date	Coupon (%)	Duration (years)	Avg. Life (years)	Amount Issued (USD mm) 1/	Outstanding Amount (USD mm) 1/	Amortizer 2/	Next Coupon Date	Bloomberg Identifier
Pesos uruguayos (UYU)										
Treasury Notes 8	07-29-2015	07-29-2020	13,900	0,5	0,5	413	413	No	29-07-2020	UV3423893 Corp
Unidades Indexadas (UI)										
Treasury Notes 12	07-03-2008	07-03-2020	4,250	0,1	0,1	15	15	Yes	07-03-2020	EH3207832 Corp
Treasury Notes 13	25-05-2010	25-05-2025	4,000	4,0	4,3	1.003	1.003	Yes	25-05-2020	EI3977911 Corp
Treasury Notes 14	10-06-2010	10-06-2020	4,000	0,4	0,4	449	449	No	10-06-2020	EI3977515 Corp
Treasury Notes 19	27-09-2012	27-09-2022	2,500	2,6	2,7	410	410	No	27-03-2020	EJ3951237 Corp
Treasury Notes 20	30-04-2014	30-04-2020	3,500	0,3	0,3	327	327	No	30-04-2020	EK2896828 Corp
Treasury Notes 21	26-11-2014	26-11-2025	4,000	5,2	5,8	445	445	No	26-05-2020	EK9574097 Corp
Treasury Notes 24	29-06-2016	29-12-2021	5,250	1,8	1,9	742	742	No	29-06-2020	QZ8096005 Corp
Treasury Notes 25	24-01-2018	24-07-2030	2,900	9,0	10,5	245	245	No	24-07-2020	AR4175741 Corp
Treasury Notes 26	13-05-2019	13-05-2023	2,450	3,2	3,3	611	611	Yes	13-05-2020	ZS6930243 Corp
Unidades Previsionales (UP)										
Treasury Notes 1	25-07-2018	25-07-2025	1,500	4,3	4,5	472	472	Yes	25-07-2020	AT7277862 Corp
Treasury Notes 2	29-08-2018	29-08-2033	1,800	11,8	12,6	550	550	Yes	28-02-2020	AU7040093 Corp
Treasury Notes 3	13-05-2019	13-05-2040	2,200	15,5	20,3	263	263	Yes	13-05-2020	ZS6932199 Corp
Treasury Notes 4	27-01-2020	27-01-2037	2,450	13,3	16,0	195	195	Yes	27-07-2020	ZP7855163 Corp

1/ Dollar-equivalent as of January 31st, 2020.
2/ Amortizer bonds have principal repaid in the last three years to maturity, in annual and equal installments.

Source: Debt Management Unit and Bloomberg.

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