# Uruguay
## *Sovereign Debt Report*

*A quarterly report issued by the Debt Management Unit of the Ministry of Economy and Finance* ***January 2019***

## Highlights

- **Overview of financing strategies during 2018, and projected borrowing needs and funding sources for 2019.**
- **Uruguay issued a new dollar-denominated global bond with maturity 2031, becoming the first Latin-American sovereign issuer to tap international debt markets in 2019.**
- **New issuance calendar of Treasury Notes in the domestic market announced for 2019H1.**
- **Moody's published its regular macroeconomic update of Uruguay's Baa2 (stable) credit rating; R&I and DBRS both affirmed their ratings (BBB and BBB-low, respectively), with stable outlook**

## Debt management outcomes during 2018 and funding strategies for 2019

We provide an overview of Central Government`s total financing needs covered and sources used during 2018, and assess projected borrowing needs and funding plans for 2019 (see Table 4 in the Central Government's Debt and Financing Statistics appendix for further details).

### Overview of 2018

Central Government's financing needs last year totaled **USD4.13 billion**. Almost 80% was raised in debt markets in both local and foreign currency (in almost equal proportions), by tapping the short, intermediate and longer-end of the sovereign yield curve. The remainder was mostly funded through multilateral loans (10% of the total) and the use of government reserves (4%).

Slightly more than half of the overall funding (**USD2.18 billion**) was employed to cancel debt and loan obligations coming due in 2018, or to refinance near-term maturities through liability management operations in both domestic and external markets. As a result, total **net** market debt and loan disbursements during 2018 was approximately **USD1.59 billion**.

### *i) Operations in Domestic and International Debt Markets*

In April 2018, Uruguay issued a new 2055 dollar denominated global bond, after a two-year hiatus from the dollar market. Of the **USD1.75 billion** issued, USD1.5bn were new cash and the remainder was used to repurchase shorter global USD bonds. This transaction represented the longest-dated bond issued by the Republic, setting a new benchmark in the long-end of the dollar yield curve.

In the domestic market, the government issued local currency Treasury Notes for a total amount equivalent to **USD1.61 billion,** denominated in both CPI-indexed (UI) units and in the recently created wage-indexed unit

(UP).[1] Of the total amount issued, 57% was placed through regular calendar auctions, while the remainder through a joint issuance and liability management operation coordinated with the Central Bank, carried out in November 2018. Through the latter, the Republic was able to roll over in advance close to 50% of the Treasury Notes coming due in 2019 (around USD496 million).

Liability management operations in both domestic and international markets were used not only to actively extend the debt maturity profile, but also to boost the size of the outstanding securities, enhancing the benchmark status and prospective secondary liquidity of on-the-run references or recently issued bonds.

The weighted average cost of financing of the outstanding stock of obligations continued to improve, albeit slightly. In particular, the real interest rate for local currency CPI-linked obligations (which includes Treasury Notes and Global bonds) reached **3.83%** as of December 2018, the lowest since 2005 (see Table 3 below).

*ii) Multilateral loan financing*

During May and July 2018, the government converted outstanding loans with the World Bank from US Dollars to Uruguayan Pesos through an innovative strategy consisting of lining up a 10-year bond in nominal pesos issued by the World Bank with a 14-year loan conversion for the Republic. This transaction allowed the government to convert around USD30 million of a floating-rate dollar-denominated loan with the World Bank (paying 6M Libor + 46 bps), into fixed-rate Uruguayan Pesos paying an average fixed-rate of 9.5% (below the sovereign yield curve at that time).

In December 2018, the Central Government disbursed two dollar-denominated loans from the IADB (known as Policy-Based Loans with Deferred Drawdown Option, or *PBL-DDO*) for a total amount of **USD250 million**. The average maturity of the loans is 8 years, and pays Libor 3M+99bps annually (**3.78%** per year as per current values). Using the currency conversion clauses embedded in the contractual agreement with the IADB, these loans were converted into Japanese yens, paying a fixed all-in interest rate of **0.72**% per year. At the same time, the Government signed a new PBL-DDO with the IADB for a total amount of USD250 million, maintaining the same financial buffer of multilateral credit lines. The DMU will continue to look for favorable market opportunities to diversify currency risk in its debt portfolio, by converting dollar-denominated debt into local currency or other foreign currencies.

## Year 2019

*For 2019*, estimated total funding needs of the Central Government are around **USD2.95 billion**. This figure excludes the positive impact on the primary balance from the transfer of assets from pension funds and the state-owned insurance company into the public sector pension scheme, following a law passed last year introducing changes to the Uruguayan social security regime.[2]

In terms of funding plans, the Government will seek to continue to balance the currency composition of debt in terms of local and foreign currency, while keeping with its long-standing conservative pre-financing policy.

[1] In July 2018, the government started supplying the market with financial instrument 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. These securities can also provide portfolio diversification opportunities for other institutional investors. In addition, this state-contingent market instrument provides the government with a better hedge against output and other macroeconomic shocks that can affect tax revenues, given the procyclicality of real wages.

[2] 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). According to the Cincuentones Law, the accumulated savings of workers and retirees who choose to fully switch to the defined-benefit sector social security scheme are transferred to the BPS, where they will be held in a trust fund (the "Social Security Trust" or SST). As of end-December, 2018, total funds transferred into the SST (the bulk of which in the form of government securities), represented approximately 1.3% of GDP. In accordance with the 2014 IMF Government Finance Statistics Manual, all transfers into the SST are reflected as revenues in the central government's fiscal accounts, thus improving the headline fiscal balance. This inflow of funds, which are transparently communicated by authorities in the relevant sections of the published fiscal accounts, do not significantly alter sovereign financing needs. Indeed, these additional revenues will be ring-fenced in the SST fund until 2024, after which they will be used by the BPS to pay for the additional pensions over a 20-year period (see the joint Communication released by the Central Bank of Uruguay and Ministry of Economy and Finance).

As of end-January 2019, close to 50% of the targeted amount of borrowing needs has been already covered with a global USD bond issuance of **USD1.25 billion** (see more details below), plus domestic auctions carried out during the first month of 2019 (**USD113 million**). A substantial portion of the remaining financing needs are expected be to met through domestic issuances, both through regular calendar auctions and in the context of potential public-sector asset-liability management operations. The government`s liquidity buffers (in the form of cash balances and multilateral credit lines) provide additional funding flexibility. As of end-December 2018, liquid assets of the Central Government stood at **USD2.13 billion**, while credit lines amounted to **USD2.43 billion**.

## Uruguay issued a new dollar-denominated global bond and concurrently executed an intraday liability-management operation, setting a new benchmark with maturity 2031

On January 23rd, 2019, Uruguay opened up the international bond market for Latin American sovereign borrowers, by issuing a new USD global bond maturing in 2031 (with an average life of 11 years). The primary objective of the transaction was to raise a significant portion of 2019's funding needs. Alongside the new issue, Uruguay announced a tender offer targeting global USD bonds of shorter maturity (2022, 2024, and 2027). The liability management transaction allowed the government to proactively manage its debt maturity profile, while enhancing the size and prospective liquidity of the new benchmark bond.

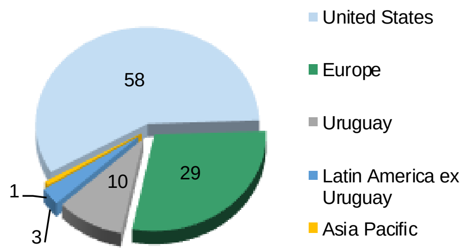
The transaction was announced with initial price thoughts of **T+ "very low 200bps**". On the back of strong book momentum, the guidance was compressed to T+185 +/-5bps. As a result of the high demand to increase/roll-over positions in Uruguay (with total order-book peaking at USD6.2 billion), the Republic issued a **USD1.25 billon** bond with a final spread of **T+175bps**, 5bps below the tight end of the guidance. The bond priced at 99.225 to yield **4.465%,** with an estimated new issue premium of approximately **5bps** over the outstanding 2027-dollar bond.[3]

Of the total amount issued, USD850 million was new cash and the remainder was used to finance preferred tenders. The Republic accepted all tendered bonds maturing in 2024 and pro-rated tendered bonds maturing in 2027.

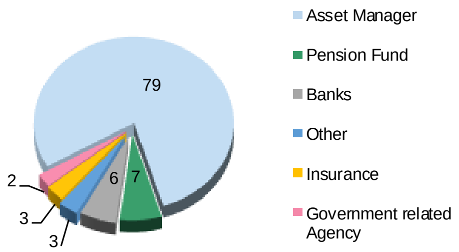
The order-book generated traction from a broad array of over 240 accounts, with the presence of the largest real money accounts dedicated to High Grade and Emerging Markets credit. In hindsight, the Republic was able to capitalize on being the first mover among Latin American issuers at the beginning of the year, attracting pent-up investor demand.

**Allocation breakdown (in %)**

**By Geography**




**By Investor Type**




## New domestic market issuance calendar for 2019H1

On December 20th, 2018, the Central Government announced its issuance calendar in the domestic market for the period January-June 2019. Consistent with the financing strategy presented in the most recent Annual Budget Review, the new calendar continues to provide transparency and predictability to the market, promoting efficient price discovery. In this regard, the government intends to continue consolidating benchmark bonds by re-opening CPI-linked (UI) Treasury Notes and Nominal Wage-linked Treasury Notes (UP) for a total equivalent of approximately USD380 million.[4]

[3] The new issue premium was estimated off the secondary market price of the outstanding 2027 global dollar bond immediately before the transaction (G-spread of **150bps**, using bid price of 101.75). It then considered a cost of curve extension to 2029 of **15bps** (equal to 3bps for the risk-free rate plus approximately 12bps for Uruguay's credit extension), and finally, a concession of **5bps** for an amortizer bond (maturing in 2031 with an average life of 11 years).

[4] Government is legally authorized to issue up to an additional 100% of the original tendered amount on each auction (CPI-linked and nominal wage-linked securities).

The schedule is as follows[5]:

| Auction Date | Instrument | Currency | ISIN | Maturity | Issuance type | Amount auctioned (in millions) | | Amount issued (in millions) | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Original Currency | USD equiv. | Original Currency | USD equiv. |
| 01-15-2019 | Series 24 | UI | UYNA00024UI4 | 12-29-2021 | Reopening | 325 | 40 | 650 | 80 |
| 01-22-2019 | Series 1 | UP | UYNA00001UP7 | 07-25-2025(*) | Reopening | 650 | 20.6 | 655 | 21 |
| 01-29-2019 | Series 25 | UI | UYNA00025UI1 | 07-24-2030 | Reopening | 100 | 12.3 | 97.3 | 12 |
| 02-12-2019 | Series 13 | UI | UYNA00013UI7 | 05-25-2025(*) | Reopening | 225 | | | |
| 02-26-2019 | Series 2 | UP | UYNA00002UP15 | 08-29-2033(*) | Reopening | 750 | | | |
| 03-12-2019 | Series 24 | UI | UYNA00024UI4 | 12-29-2021 | Reopening | 325 | | | |
| 03-19-2019 | Series 1 | UP | UYNA00001UP7 | 07-25-2025 | Reopening | 650 | | | |
| 03-26-2019 | Series 25 | UI | UYNA00025UI1 | 07-24-2030 | Reopening | 100 | | | |
| 04-09-2019 | Series 13 | UI | UYNA00013UI7 | 05-25-2025 | Reopening | 225 | | | |
| 04-23-2019 | Series 2 | UP | UYNA00002UP15 | 08-29-2033 | Reopening | 750 | | | |
| 05-14-2019 | Series 24 | UI | UYNA00024UI4 | 12-29-2021 | Reopening | 325 | | | |
| 05-21-2019 | Series 1 | UP | UYNA00001UP7 | 07-25-2025 | Reopening | 650 | | | |
| 05-28-2019 | Series 25 | UI | UYNA00025UI1 | 07-24-2030 | Reopening | 100 | | | |
| 06-11-2019 | Series 13 | UI | UYNA00013UI7 | 05-25-2025 | Reopening | 225 | | | |
| 06-25-2019 | Series 2 | UP | UYNA00002UP15 | 08-29-2033 | Reopening | 750 | | | |

(*) Amortizable over the last three years

Treasury Notes can be settled in Uruguayan Pesos or US Dollars. For more information, please access the Press Release here or visit the DMU's website. Details on the auctions are announced one week prior to the auction date.

## Holders of Treasury Notes amortizing in 2019 will have the option to receive payment of interest and principal at maturity, in either Pesos or US Dollars

The Government has granted the option to receive the final payment of interest and principal of Treasury Notes coming due during 2019 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 of the Republic).

## Moody's released its regular update on Uruguay, with Baa2 rating and stable outlook; R&I and DBRS affirmed their ratings on Uruguay at BBB and BBB(low), respectively, both of them with stable outlook

On January 16th, Moody's released its annual credit analysis (Credit Opinion) that assess Uruguay's credit profile in terms of economic strength, institutional strength, fiscal strength and susceptibility to event risk. According to Moody's, Uruguay's Baa2 rating with stable outlook reflects a strong commitment to stabilize debt metrics allowed by a strong institutional framework. In the credit rating`s view, the country´s creditworthiness is also supported by a moderate central government debt burden and a favorable debt maturity profile, achieved through strong liability management practices. Moody's expects that government measures to reduce the fiscal deficit alongside improving credit conditions will contribute to the stabilization of the debt metrics, not without facing challenges due to the rigidity of public expenditure structure. Access Moody's Credit Opinion here.

[5] As of January 31st, 2019, the amounts outstanding for the CPI-linked Treasury Notes being auctioned are: 5.159.460.000 UI (around USD638 mn) for Series 13, 6.591.450.000 UI (around USD815 mn) for Series 24 and 1.462.470.000 UI (around USD181 mn) for Series 25. The outstanding of nominal wage-linked Series 1 is 9.303.270.000 UP (around USD296 mn) and for Series 2 is 6.345.660.000 UP (around USD202 mn).

On January 25th, R&I affirmed Uruguay's foreign currency issuer rating on BBB. According to R&I, although Uruguay's growth is slower than before, the expected current account deficit is not to be considered as a destabilizing factor, and a prudent debt management policy has contributed to stable economic and fiscal management. According to the rating agency, a challenge Uruguay will need to face is the inflation pressure due to currency depreciation. Access the R&I Press Release here.

On January 29th, DBRS confirmed Uruguay's long-term foreign and local currency issuer ratings at BBB (low), with stable trend. According to DBRS, the rating confirmation balances Uruguay's solid political and economic fundamentals with ongoing fiscal challenges. DBRS stated that Uruguay's ratings are underpinned by its high-quality public institutions, low levels of corruption as well as macroeconomic policy predictability, all of which foster favorable conditions for economic growth. Furthermore, exchange rate flexibility and large foreign exchange buffers bolster the economy's defenses against potential shocks. According to DBRS, the key challenge that Uruguay faces is the fiscal deficit, which warrants the ongoing efforts to control spending growth in order to reduce public debt ratios. Access to DBRS's Press Release here.

## Meeting of the Public Debt Coordination Committee

The Public Debt Coordination (PDCC) held its quarterly meeting on December 26th, 2018. The PDCC assessed the joint issuance and liability management transaction in the domestic market, and the Government's financing strategy for 2019. The Committee also discussed recent changes in the legal and regulatory framework that will facilitate state-owned enterprises´ use of financial derivative instruments to hedge balance sheet risks. Access the latest Press Release here.

## CENTRAL GOVERNMENT'S DEBT AND FINANCING STATISTICS

Central Government's statistics presented below are compiled by the Debt Management Unit (DMU) of the Ministry of Economy and Finance, with the purpose of monitoring debt portfolio indicators and supporting design of debt management strategies. Debt figures include all loans and public securities contracted/issued by the Central Government in domestic and foreign currency, in both local and international markets, with private, multilateral, and public-sector entities.[6] Total assets include deposits of the National Treasury at the Central Bank and *Banco de la República* accounts.[7]

### Table 1. Central Government Debt and Asset Position

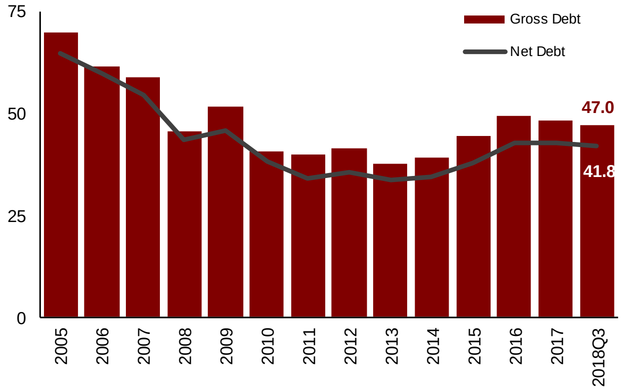
(in USD million, end-period)

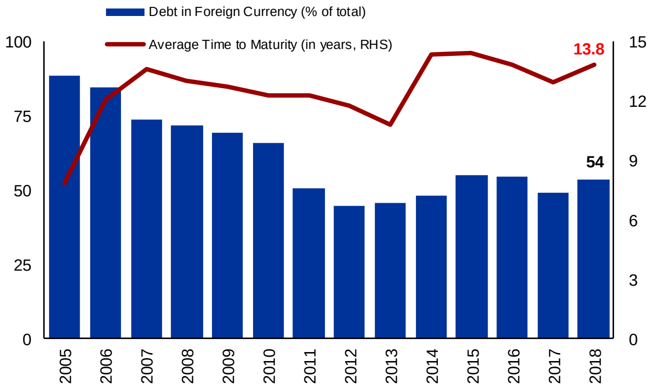
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017(*) | 2018Q3(*) | 2018Q4(*) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Debt** | 12,121 | 12,046 | 13,767 | 13,839 | 16,376 | 16,375 | 19,199 | 21,191 | 21,520 | 22,346 | 23,581 | 26,098 | 28,664 | 28,281 | 29,383 |
| **Total Assets** | 858 | 335 | 985 | 580 | 1,891 | 1,046 | 2,886 | 2,935 | 2,285 | 2,635 | 3,446 | 3,481 | 3,324 | 3,164 | 3,097 |
| *Liquid Assets* | 858 | 335 | 985 | 580 | 1,509 | 663 | 2,477 | 2,395 | 1,802 | 2,104 | 3,001 | 2,515 | 2,230 | 2,164 | 2,132 |
| **Net Debt** | 11,263 | 11,711 | 12,782 | 13,260 | 14,485 | 15,329 | 16,313 | 18,256 | 19,235 | 19,711 | 20,135 | 22,618 | 25,341 | 25,117 | 26,285 |
| **Multilateral Credit Lines** | 0 | 0 | 0 | 400 | 120 | 120 | 1,130 | 1,390 | 1,940 | 1,940 | 2,167 | 2,418 | 2,418 | 2,425 | 2,425 |

(*) Preliminary

### Figure 1. Central Government Debt Indicators

(in % of GDP)

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Notes: Debt to GDP ratios are reported through 2018Q3, as official GDP figures for 2018Q4 will be released by the Central Bank in March 2019.
Figures reported cover the period through December 2018, and thus do not reflect the results of the global bond issuance in January 2019.

Source: Debt Management Unit

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[6] Total debt figures include Central Government securities held by the public Social Security Trust Fund (see footnote 2 for a detailed explanation).

[7] The Central Bank of Uruguay compiles debt statistics for the consolidated Public Sector. This broader institutional coverage includes debt of the Central Government, the Central Bank, Public Enterprises, Local Governments and other public sector entities. As noted in Annex II of the 2015 IMF Article IV Report, Uruguay is a particular case among emerging market economies as it is one of the very few countries to report official debt statistics for the whole public sector, including Central Bank`s liabilities.
The DMU of the Ministry of Economy and Finance contributes to the Standardized Public Debt Database of the Inter-American Development Bank LAC Debt Group. The information in the database, provided by the public debt offices of LAC countries, is intended to compile up-to-date standardized statistics with homogeneous definitions of public debt to conduct cross-country comparisons.

## Table 2. Structure of Central Government Debt

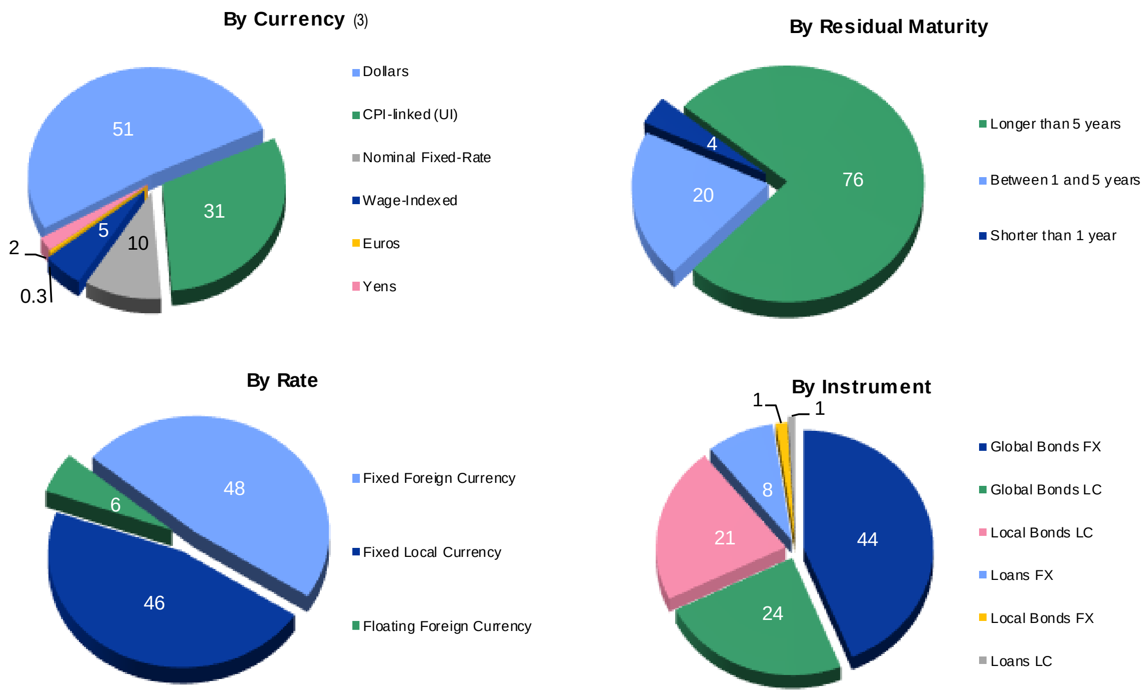
(in % of total, end-period)

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

(*) Preliminary.
(1) Includes local currency securities issued at fixed real rate.
(2) Information reflects latest data available (2018Q3).

## Figure 2. Breakdown of Central Government Debt

(As of end-December 2018, in %)




(3) Foreign currency composition is defined on a contractual basis and does not reflect adjustments for FX cross-currency swap operations.

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Note: Figures reported cover the period through December 2018, and thus do not reflect the results of the global bond issuance in January 2019.
Source: Debt Management Unit

## Table 3. Central Government Debt Indicators

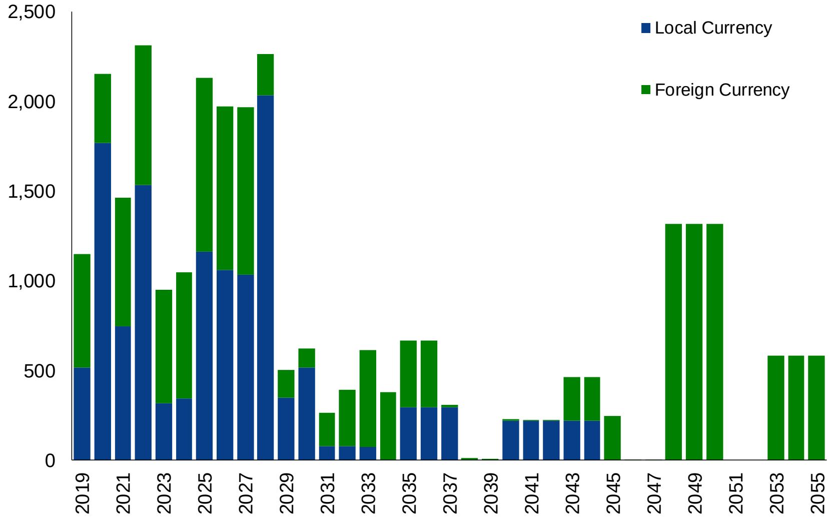
(in %, except where noted; end-period)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017(*) | 2018(*) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *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 |
| **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 |
| **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 |
| *Interest Rate Risk* | | | | | | | | | | | | | | |
| **Duration (in years)** | 8.0 | 8.9 | 10.5 | 9.9 | 10.3 | 10.4 | 10.2 | 9.8 | 8.8 | 11.3 | 10.6 | 10.3 | 10.4 | 12.3 |
| **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 |
| **Average Interest Rate** (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 |
| 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 |
| 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 |
| Nominal Pesos | | | | | | | 10.6 | 9.7 | 9.4 | 9.6 | 12.8 | 13.5 | 10.9 | 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 |
| Wage-Indexed | | | | | | | | | | 2.3 | 2.3 | 2.3 | 2.3 | 2.2 |

(*) Preliminary.
(1) Weighted average.

## Figure 3. Central Government Redemption Profile, by Currency

(All values as of end-December 2018, in USD million)

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Note: Figures reported cover the period through December 2018, and thus do not reflect the results of the global bond issuance in January 2019
Source: Debt Management Unit

## Table 4. Central Government Financing Needs and Funding Sources

(in USD million)

| | 2018(*) | 2019(*) |
|---|---|---|
| **Financing Needs** | **4,128** | **2,947** |
| Interests Payments | 1,661 | 1,626 |
| Amortizations (a) | 2,177 | 1,536 |
| Primary Deficit (excl. transfers to Soc. Security Trust Fund) (b) | 290 | -215 |
| **Funding Sources** | **4,128** | **2,947** |
| Multilaterals Disbursements | 414 | 350 |
| Bond Issuance | 3,351 | 2,950 |
| Net Others | 170 | 168 |
| Use of Assets (c) | 193 | -521 |

(*) Preliminary
(a) Includes repurchases and early bond redemptions for USD 736 million in 2018 and for USD 386 million in 2019.
(b) For 2019, estimates according to latest Annual Budget Review (June 2018). Negative value indicates a primary surplus of the Central Government. See footnote 2 for details on the public Social Security Trust Fund.
(c) Positive value indicates a reduction in Central Government reserves.

Source: Ministry of Economy and Finance.

# Table 5. Sovereign Bonds Issued in 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 | 2.5 | 2.8 | 1,805 | 551 | Yes | 05-18-2019 | EF173885 Corp |
| URUGUAY '24 | 08-14-2013 | 08-14-2024 | 4.500 | 4.1 | 4.5 | 2,000 | 1,134 | Yes | 02-14-2019 | EJ783737 Corp |
| URUGUAY '25 | 09-28-2009 | 09-28-2025 | 6.875 | 4.7 | 5.6 | 500 | 175 | Yes | 03-28-2019 | EH983569 Corp |
| URUGUAY '27 | 07-15-1997 | 07-15-2027 | 7.875 | 6.6 | 8.4 | 510 | 22 | No | 07-15-2019 | TT334611 Corp |
| URUGUAY '27 | 10-27-2015 | 10-27-2027 | 4.375 | 6.6 | 7.7 | 2,100 | 1,873 | Yes | 04-27-2019 | QJ2218924 Corp |
| URUGUAY '31 | 01-23-2019 | 01-23-2031 | 4.375 | 8.8 | 11.0 | 1,250 | 1,250 | Yes | 07-23-2019 | AW7271116 Corp |
| URUGUAY '33 | 05-29-2003 | 01-15-2033 | 7.875 | 9.5 | 13.9 | 1,056 | 841 | No | 07-15-2019 | EC939210 Corp |
| URUGUAY '36 | 03-21-2006 | 03-21-2036 | 7.625 | 10.3 | 16.1 | 1,421 | 1,057 | Yes | 03-21-2019 | EF330974 Corp |
| URUGUAY '45 | 11-20-2012 | 11-20-2045 | 4.125 | 15.6 | 25.8 | 854 | 731 | Yes | 05-20-2019 | EJ442676 Corp |
| URUGUAY '50 | 06-18-2014 | 06-18-2050 | 5.100 | 15.9 | 30.4 | 3,947 | 3,947 | Yes | 06-18-2019 | EK3264687 Corp |
| URUGUAY '55 | 04-20-2018 | 04-20-2055 | 4.975 | 16.7 | 35.2 | 1,750 | 1,750 | Yes | 04-20-2019 | AS2148789 Corp |
| **Euros** | | | | | | | | | | |
| URUGUAY '19 | 05-29-2003 | 06-28-2019 | 7.000 | 0.4 | 0.4 | 135 | 66 | No | 06-28-2019 | EC9391540 Corp |
| **Yens** | | | | | | | | | | |
| URUGUAY '21 | 06-03-2011 | 06-03-2021 | 1.640 | 2.3 | 2.3 | 367 | 367 | No | 06-03-2019 | 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 | 2.9 | 3.4 | 1,086 | 1,086 | No | 06-20-2019 | AN9574152 Corp |
| URUGUAY '28 | 09-15-2017 | 03-15-2028 | 8.500 | 6.1 | 9.1 | 973 | 973 | No | 03-15-2019 | AP0760557 Corp |
| **Linked to CPI (UI)** | | | | | | | | | | |
| URUGUAY '27 | 04-03-2007 | 04-05-2027 | 4.250 | 6.2 | 7.1 | 915 | 915 | Yes | 04-05-2019 | EG3199437 Corp |
| URUGUAY '28 | 12-15-2011 | 12-15-2028 | 4.375 | 7.4 | 8.7 | 2,128 | 2,128 | Yes | 06-15-2019 | EI8993764 Corp |
| URUGUAY '30 | 07-10-2008 | 07-10-2030 | 4.000 | 8.6 | 10.3 | 999 | 999 | Yes | 07-10-2019 | EH4525315 Corp |
| URUGUAY '37 | 06-26-2007 | 06-26-2037 | 3.700 | 13.0 | 17.2 | 876 | 876 | Yes | 06-26-2019 | EG5893227 Corp |

1/ Dollar-equivalent as of January 31st, 2019.
2/ Amortizer bonds have principal repaid in the last three years to maturity, in annual and equal installments.

Source: Debt Management Unit and Bloomberg

## DEBT MANAGEMENT UNIT


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