

Uruguay

Sovereign Debt Report



Quarterly report published by the Debt Management Unit (DMU) of the Ministry of Economy and Finance

February 2022

Summary

- Overview of the government's financing strategies, borrowing costs and composition of outstanding debt by end-2021.
- Funding strategies and annual borrowing plan for 2022.
- During February, 2022, the government issued an equivalent of over USD 1 billion in local currency Treasury Notes, through a series of off-calendar auctions that included exchange offers for government and Central Bank securities.
- Fitch Ratings confirmed Uruguay's rating at BBB- and improved outlook to stable from negative, while DBRS confirmed Uruguay's BBB (low) rating and changed the outlook to positive from stable.

I. Overview of financing strategies, borrowing costs and debt composition in 2021

I.1. Financing and liability management strategies

Total gross indebtedness during 2021 was USD 4.78 billion. Close to 86% (USD 4.12 billion) was obtained in domestic and international bond markets, by tapping short, intermediate and long-term maturities. The remainder (USD 659 million) was sought through multilateral loan disbursements.

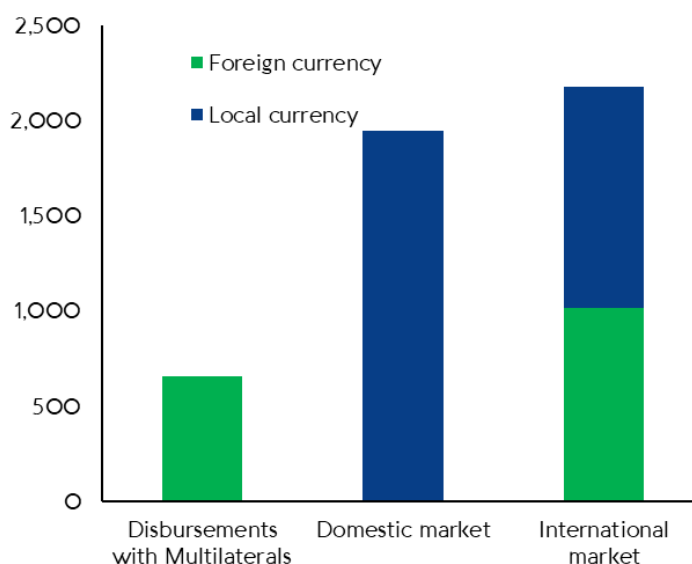
Within total bond financing, 47% was raised in domestic bond markets. More than 75% of total bond issuance (in both domestic and external jurisdictions) was denominated in local currency. Of the total foreign currency bond issuance, approximately 43% was in yens and the rest in dollars.

Of the total funds raised through debt securities and loans, approximately 46% was allocated towards amortizing debt and loan obligations (including medium term maturities refinanced

through liability management operations). The remainder was mostly used to cover the fiscal deficit. All in all, the government's gross financing needs last year totaled USD 4.88 billion (see [Table 5](#) in Annex).¹

Figure 1: Total Funding in Bond Markets and Multilateral Loan Disbursements during 2021

(in USD million)



¹ The difference between gross financing needs (USD 4.88 million) and gross indebtedness (USD 4.78 million) is mostly explained by exchange rate and market price valuation effects, captured in the "Others (net)" category in Table 5.

Below we provide additional details on bond markets transactions and multilateral lending operations throughout last year:

i. *International bond issuance*

On May 13th, 2021, Uruguay issued a new nominal fixed-rate peso (UYU) global bond maturing in 2031 for USD 1.17 billion equivalent, at a 8.25% nominal rate. In addition, it re-opened the dollar-denominated global bond maturing in 2031 for USD 574 million, with a final spread of T+80 bps. Despite the context of uncertainty and volatility at the time, Uruguay obtained large-scale financing in international markets in local currency (see Figure 2). It also extended the maturity of the nominal fixed-rate peso curve, establishing a sovereign benchmark in the 10-year range for financing costs in pesos for the quasi-sovereign and the private sector.

On December 1st, 2021, the government completed a sovereign issuance in the Japanese Samurai bond market for a total of 50 billion yens (approximately USD 442 million equivalent), across three to 15 years maturity tranches. The weighted average annual interest rate obtained was 0.71%. While this was a stand-alone issuance (i.e., without the credit guarantee of the Japan Bank for International Cooperation, JBIC), the government achieved the largest financing amount in yens in a single transaction since it first tapped the Japanese market in 1994.

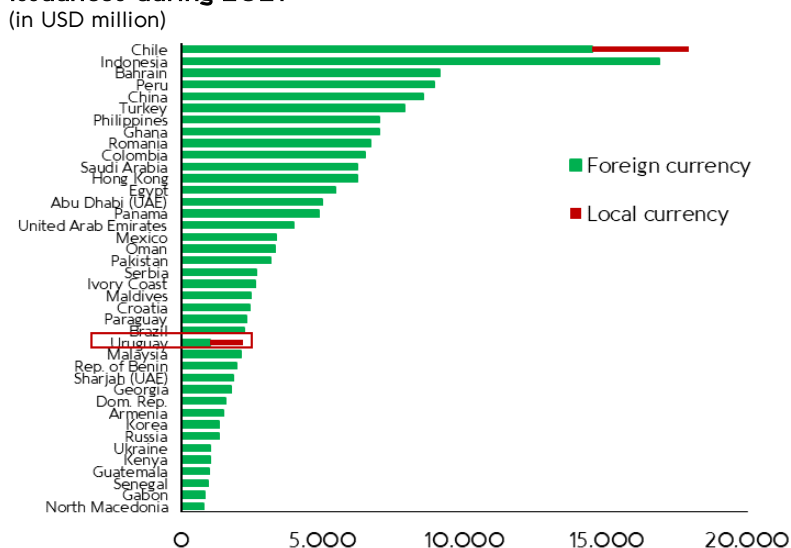
Furthermore, Uruguay became the second country in Latin America, along with Mexico, to issue in the Japanese bond market without JBIC's guarantee in the last 20 years.

ii. *Domestic bond issuance*

During 2021, the government raised a total equivalent of USD 1.94 billion in the domestic market, through the issuance of local currency Treasury Notes in CPI-linked (UI), Wage-linked (UP) and nominal fixed-rate pesos (UYU). Total domestic issuance was placed entirely through regular calendar auctions, and the government placed 1.6x times the total base amount announced. This was the highest annual volume obtained in regular calendar auctions since the implementation of the domestic market issuance calendar (i.e., excluding off-calendar joint operations with the Central Bank, as described in Figure 3).

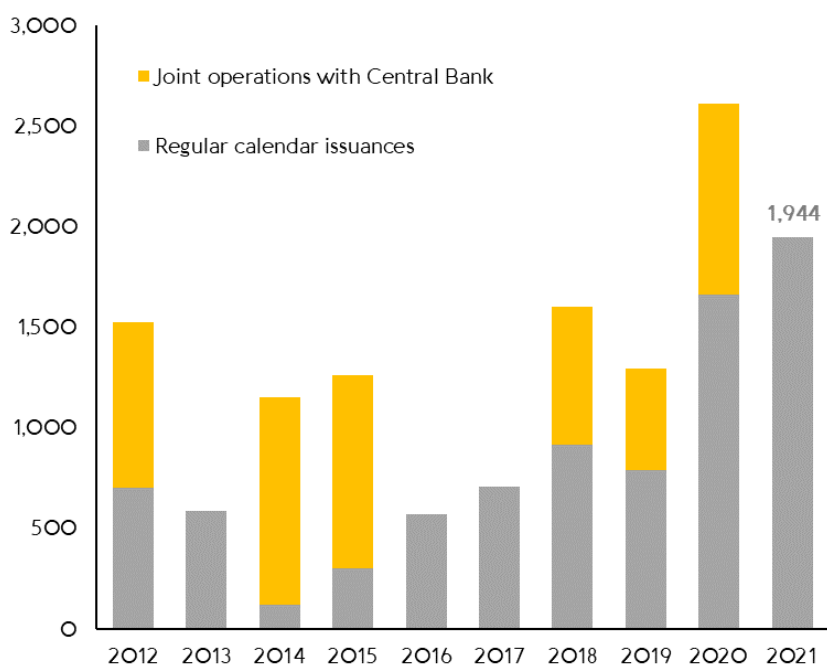
The increasing importance of the pool of domestic savings as a source of government funding will be key in achieving the government's goal to reach 50% of the total debt denominated in local currency by 2024 (as set out in the 2020-2024 Budget Law).

Figure 2: Emerging Markets: Sovereign International Bond Issuances during 2021*



(* For countries with several transactions in multiple currencies during the year, it shows the sum of total amount issued. Excludes European EM countries that have issued in Euros. Source: Bloomberg

Figure 3: Issuance of Treasury Notes in the Domestic Market (in USD million-equivalent, nominal value)



iii. Disbursement of loans from multilateral institutions

During 2021, the government disbursed loans with multilaterals for a total of USD 659 million, of which USD 400 million corresponded to a credit line with the World Bank. The remaining amount were investment loans with Corporación Andina de Fomento, Interamerican Development Bank and the World Bank.

I.2. Debt stock, currency and maturity composition

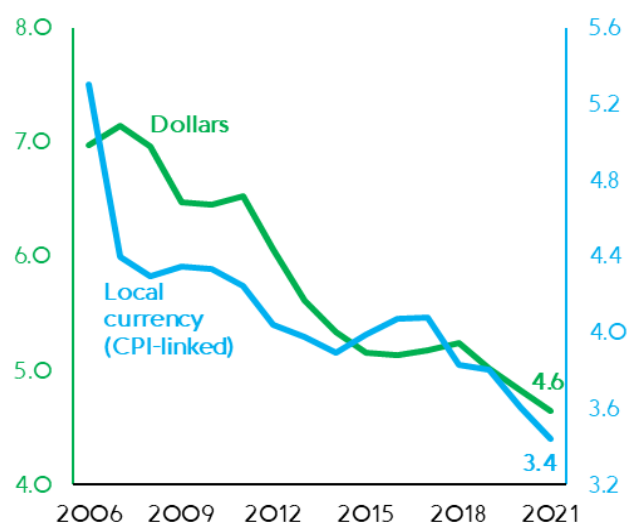
The gross debt stock of the Central Government is projected to have reached 59.6% of nominal GDP by end-2021, down 1.7 percentage points of GDP from end-2020. Estimated net debt decreased by 1.2 percentage points to 55.1% of GDP (see [Debt Indicators](#) in Annex).

Liability management transactions conducted in domestic and international markets has helped sustain a robust debt maturity profile, thus reducing rollover risk. By the end-2021, the average time to maturity of the debt portfolio was 12.9 years. The share of local currency debt in total debt increased to 47.3% (almost 2 percentage points higher than by end-2020), despite exchange rate valuation effects.

I.3. Borrowing costs

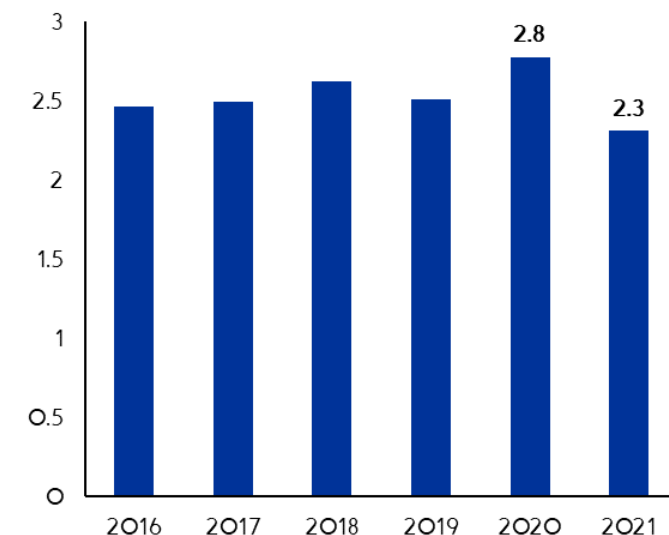
Given that nominal and real rates paid on new debt issued during 2021 were significantly lower than coupons on fixed-rate and indexed amortized debt, the weighted average cost of outstanding obligations continued to fall during 2021 (Figure 4). The average annual real interest rate on CPI-linked instruments (which includes Treasury Notes and Global bonds) was 3.4% as of December 2021, while the average interest rate for the dollar debt portfolio was 4.6%. As a result, interest net payments costs decreased from 2.8% of GDP in 2020 to a projected 2.3% in 2021 (Figure 5).

Figure 4: Central Government Cost of Debt
(average interest rate on outstanding debt, in %)^{1/}



1/ Weighted average for each currency.

Figure 5: Interest Payments of Central Government
(in % of GDP)



(*) Includes interest paid on debt holdings of the Social Security Trust Fund (SSTF) and nets out market price valuation gains on above-par bond issuances as reported in fiscal statistics.

I.4. Net indebtedness

In 2021, the Central Government's net indebtedness was USD 2.56 billion (approximately 4.3% of GDP), below the augmented legal cap (see [Table 4](#) in Annex). The net borrowing limit for 2021 was originally USD 2.3 billion, and was increased by 30% to USD 2.99 billion, after the safeguard legal clause was triggered due to the Covid-19 pandemic.

II. Funding plans and debt management strategies for 2022

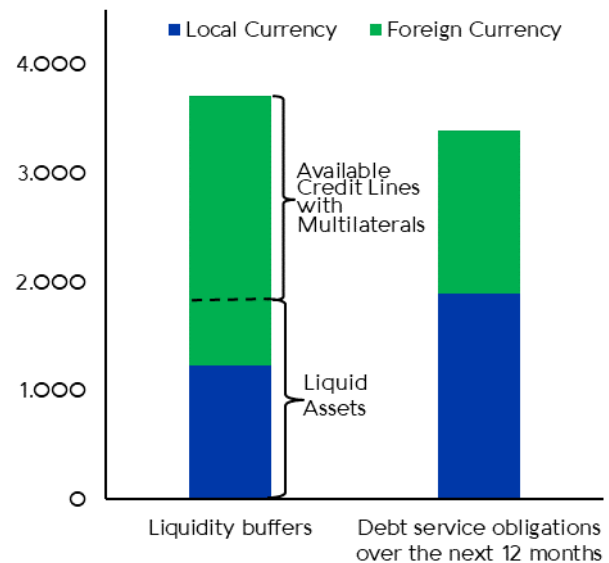
For 2022, the projected gross funding needs of the Central Government amounts to USD 4.1 billion (see [Table 5](#) in Annex). This figure includes approximately USD 1.87 billion in contractual amortizations of bonds and loans.

The annual borrowing plan projects total bond market issuance (in domestic and international markets) of around USD 3.71 billion for 2022. Total net indebtedness for this year is projected at approximately USD 1.85 billion, below the limit set by law for this year (USD 2.1 billion).

As of end-January 2022, government's cash reserves were USD 1.83 billion and precautionary credit lines with multilateral institutions (with Corporación Andina de Fomento, Fondo Latinoamericano de Reservas and the Inter-American Development Bank) stood at USD 1.9 billion. Taken together, this liquidity buffer more than covers debt-servicing needs over the period February 2022 – January 2023.

Figure 6: Liquidity Buffers and Short-Term Debt Service Obligations

(in USD million, as of end-January 2022)



The cornerstones of the debt management strategy for 2022 are the following:

- i. Continue to deepen local currency funding in the domestic bond markets. The government recently published its regular semi-annual issuance calendar which continues to offer Nominal fixed-rate, CPI-linked and Wage-linked Treasury Notes, targeting a base amount equivalent of around USD 525 million for the first semester.²

In addition, 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.

- ii. Carry out 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 benchmark status and prospective liquidity of on-the-run references or newly issued bonds.
- iii. Integrate sustainable finance within the debt management strategy, so as to harness Uruguay's strength and progress in environmental, social and governance (ESG) factors and climate change policies. In particular, connecting the objectives of sovereign debt funding with the imperative of tackling climate could further strengthen the commitment of the country to its sustainability agenda.

III. Fitch Ratings confirmed rating at BBB- and improved outlook to stable from negative; DBRS confirmed Uruguay's BBB (low) rating and changed trend to positive from stable

On December 15th, 2021, Fitch Ratings affirmed Uruguay's investment grade status at BBB- and improved the outlook to stable from negative. According to the agency's rating action commentary, the revision of the outlook reflects the fiscal improvement and resilience during the pandemic. Uruguay's strong governance and a robust external liquidity position support the country's credit strength. However, Fitch also highlights the constraints faced by Uruguay, such as high public debt and its large share of foreign currency, as well as high inflation. Access the credit analysis report published on December 29th [here](#).

On November 24th, 2021, DBRS Morningstar confirmed Uruguay's BBB (low) rating and changed the trend to positive from stable. According to DBRS, the change in trend reflects the improvement in the country's fiscal stance as a consequence of consolidation efforts and institutional improvements to the budgetary

² [Table 6A](#) in the Central Government's Debt and Financing Statistics annex provides further details on the new calendar. For more information, please access the Press Release [here](#) or visit the DMU's [webpage](#).

framework. The rating balances Uruguay's strong political and economic fundamentals with its medium-term fiscal pressures. Access the press release [here](#).

In addition, on January 27th, 2022, Fitch Ratings published a commentary on Uruguay detailing the reasons behind the outlook stabilization. After three years of the negative outlook, Fitch considered Uruguay has made fiscal improvements and there is a firming economic recovery. Access the commentary titled "*What Investors Want to Know: Uruguay's Outlook Stabilization*," [here](#).

On February 17th, 2022, Moody's released a regular update of its credit opinion on the Republic's rating (which does not involve a credit rating action). According to Moody's, the high institutional strength supports the credit rating. The agency highlights the importance of fiscal consolidation plans in order to support the country's credit profile. Access Moody's Credit Opinion [here](#).

IV. Government issued local currency Treasury Notes in the domestic market for an equivalent of over USD 1 billion through off-calendar auctions

On January 27th, 2022, the government launched a series of off-calendar auctions of local currency Treasury Notes, coordinated with the Central Bank. The offering comprised four successive daily auctions spanning from February 1st to 4th. 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-to-long term maturities. The transaction also included an exchange offer for short-term securities issued by the Central Bank and the Central Government.

The government placed a total equivalent of USD 1,019 million in Treasury Notes with demand more than double the auctioned amount. This global-sized transaction attained a weighted average interest rate of 1.48% for CPI-linked Notes and 1.75% for Nominal Wage-linked Notes. Investors bought the securities by mostly tendering their holdings of short-term Central Bank securities, which the government sold to the Central Bank in exchange for cash at market prices. Given that Treasury Notes were re-tapped at above par prices, total cash proceeds from the transaction were approximately USD 1,063 million equivalent.

This transaction allowed to pre-finance Treasury Notes amortizing in 2022 and support the de-dollarization policy of the public debt. It also extended the average maturity of the consolidated public sector debt and smoothed its amortization profile. Likewise, the transaction also helped to continue developing the domestic debt market. For an assessment of the transaction, access the joint Ministry of Finance-Central Bank [press release](#) with detailed results (in Spanish).

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 has 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>.

Finally, holders of Treasury Notes amortizing in 2022 will have the option to receive payment of interest and principal at maturity, in either Pesos or U.S. dollars. Bondholders who have a preference to receive their final payment in U.S. dollars shall proceed as indicated in the [Communication](#), in Spanish, released by the Central Bank of Uruguay (which acts as financial agent for the Republic).

V. Finance Minister Ms. Azucena Arbeleche distinguished as Finance Minister of the Year in the Americas

On January 4th, 2022, the magazine *The Banker* recognized Ms. Azucena Arbeleche, Uruguay's Ministry of Economy and Finance, as the Financer Minister of the Year in the Americas. The distinction praised the minister's commitment to sustainability in Uruguay and in the global stage. The magazine noted that Uruguay's handling of the pandemic and the country's strong ESG policies have contributed to the outperformance of its dollar-denominated bonds (access the press release [here](#), subscription required).

ANNEX: CENTRAL GOVERNMENT'S DEBT, ASSETS AND FINANCING STATISTICS

The DMU of the Ministry of Economy and Finance compiles Central Government's statistics to monitor debt portfolio indicators and support 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 the SiGa Trust Funds, and exclude non-market Central Government securities issued to capitalize the Central Bank in previous years.³

Government's financial assets includes liquid assets, in both local and foreign currency, held by the National Treasury at the Central Bank and the state-owned *Banco de la República* (BROU), including the credit balances of governmental agencies considered in the National Budget. It also includes other financial claims of the Central Government on public sector entities (as a result of loan disbursements contracted by the Republic on behalf of these entities), as well as assets under management in the three SiGa Trust Funds, underpinning loan guarantees to small and medium-sized firms. Other financial assets exclude assets under management of the Social Security Trust Fund.

Table 1. Debt, Assets and Multilateral Credit Lines
(in USD million, end-period)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 (*) |
|--|--------|--------|--------|--------|--------|----------|
| Gross Debt | 26,098 | 28,664 | 29,383 | 29,838 | 32,879 | 35,498 |
| Financial Assets | 3,733 | 3,324 | 3,097 | 2,136 | 2,712 | 2,684 |
| <i>Liquid Assets</i> | 2,515 | 2,230 | 2,132 | 1,213 | 1,582 | 1,611 |
| <i>Other Assets</i> | 1,218 | 1,094 | 965 | 923 | 1,130 | 1,073 |
| Net Debt | 22,366 | 25,341 | 26,285 | 27,702 | 30,167 | 32,814 |
| Multilateral Credit Lines ⁽¹⁾ | 2,418 | 2,418 | 2,434 | 2,191 | 1,415 | 1,865 |

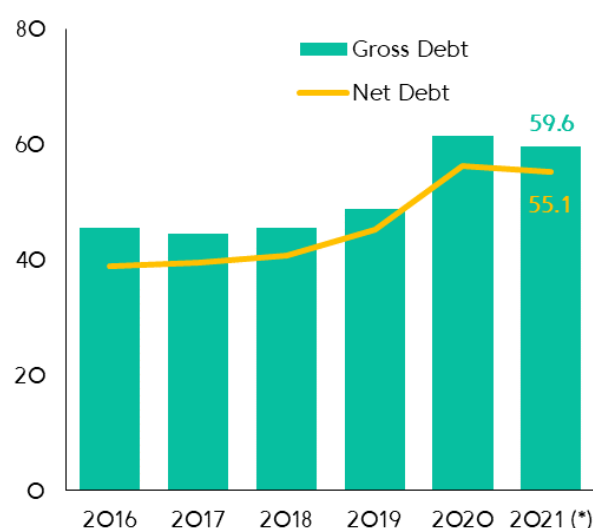
(*) Preliminary.

(1) These include available credit lines with Corporación Andina de Fomento (CAF), Fondo Latinoamericano de Reservas (FLAR), and the Interamerican Development Bank (IDB).

Figure 1. Debt Indicators

1a. Gross and Net Debt

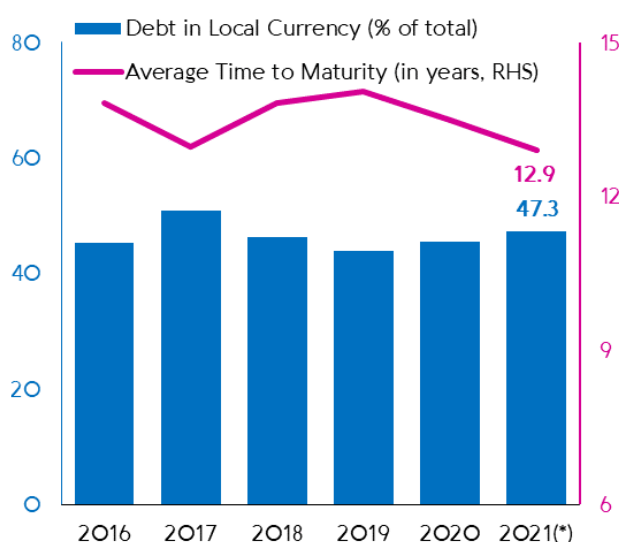
(in % of GDP, as of end-period)⁴



(*) Preliminary.

1b. Currency and Maturity Composition of Debt

(as of end-period)



³ The first capitalization bond was issued in 2008 and further issuances were made in 2010, 2011, 2012 and 2013. All debt is now consolidated into a single 30-year inflation-linked bond with an annual real rate of 3.25%. 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/dpsnm.pdf

⁴ Figures for the Debt-to-GDP ratios are presented starting in 2016, given that the new GDP figures released by the Central Bank under the re-based national accounts statistics are only available from that year onwards. For 2021, annual nominal GDP figures are MoF projections; official GDP figures for 2021 will be released in March 2022. Debt-to-GDP ratios figures are calculated by taking the ratio between total debt measured in dollars at the end of each period (using the end-of-period nominal exchange rate to express local currency and other foreign-denominated debt into dollars) and nominal GDP measured in dollars (using the period average nominal exchange rate to convert the local currency GDP numbers into dollars).

Table 2. Structure of Debt
(in % of total, end-period)

| | 2005 | 2010 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021(*) |
|---|------|------|------|------|------|------|------|------|---------|
| By Currency ⁽¹⁾ | | | | | | | | | |
| Foreign Currency (FX) | 88.5 | 65.9 | 54.8 | 54.7 | 49.2 | 53.8 | 56.1 | 54.5 | 52.7 |
| Dollars | 67.8 | 59.1 | 51.7 | 52.0 | 47.6 | 51.4 | 53.9 | 49.1 | 47.8 |
| Yens | 1.9 | 3.3 | 2.5 | 2.3 | 1.2 | 2.1 | 2.1 | 3.7 | 3.3 |
| Swiss francs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.7 | 1.5 |
| Other | 18.9 | 3.4 | 0.7 | 0.3 | 0.3 | 0.3 | 0.1 | 0.1 | 0.1 |
| Local Currency | 11.5 | 34.1 | 45.2 | 45.3 | 50.8 | 46.2 | 43.9 | 45.5 | 47.3 |
| Nominal Fixed-Rate | 0.0 | 0.0 | 6.0 | 5.0 | 12.8 | 10.1 | 8.6 | 5.6 | 7.3 |
| CPI-Indexed (UI) | 11.5 | 34.1 | 35.3 | 36.4 | 34.0 | 30.7 | 28.1 | 31.3 | 30.0 |
| Wage-Indexed | 0.0 | 0.0 | 3.9 | 3.9 | 4.0 | 5.3 | 7.3 | 8.6 | 10.1 |
| By Residual Maturity | | | | | | | | | |
| Short-Term (less than one year) | 16.0 | 5.5 | 2.6 | 5.1 | 5.5 | 3.9 | 5.6 | 4.7 | 5.3 |
| Medium and Long Term | 84.0 | 94.5 | 97.4 | 94.9 | 94.5 | 96.1 | 94.4 | 95.3 | 94.7 |
| By Rate | | | | | | | | | |
| Fixed ⁽²⁾ | 78.4 | 87.9 | 94.3 | 93.7 | 94.4 | 94.4 | 94.3 | 95.8 | 94.6 |
| Floating | 21.6 | 12.1 | 5.7 | 6.3 | 5.6 | 5.6 | 5.7 | 4.2 | 5.4 |
| By Instrument | | | | | | | | | |
| Bonds | 60.4 | 81.0 | 91.5 | 91.2 | 91.2 | 90.6 | 90.8 | 88.0 | 87.9 |
| Loans | 39.6 | 19.0 | 8.5 | 8.8 | 8.8 | 9.4 | 9.2 | 12.0 | 12.1 |
| By Residency of Creditors ⁽³⁾ | | | | | | | | | |
| Residents | 27.3 | 34.9 | 35.1 | 43.1 | 44.9 | 43.3 | 41.2 | 40.0 | 43.3 |
| Non-Residents | 72.7 | 65.1 | 64.9 | 56.9 | 55.1 | 56.7 | 58.8 | 60.0 | 56.7 |
| Bond Holders | 36.3 | 46.1 | 56.4 | 48.1 | 46.2 | 47.3 | 49.6 | 48.3 | 45.1 |
| Loans from Financial Institutions | 36.4 | 19.0 | 8.5 | 8.8 | 8.8 | 9.4 | 9.2 | 11.8 | 11.6 |
| By Contractual Jurisdiction | | | | | | | | | |
| Domestic | 21.9 | 17.6 | 25.9 | 25.9 | 24.1 | 22.9 | 21.6 | 22.0 | 23.4 |
| International | 78.1 | 82.4 | 74.1 | 74.1 | 75.9 | 77.1 | 78.4 | 78.0 | 76.6 |

(*) Preliminary.

(1) Foreign currency composition is defined on a contractual basis. It reflects currency conversions of multilateral debt, but does not reflect adjustments for FX cross-currency swap operations.

(2) Includes local currency securities issued at a fixed real rate, both CPI-indexed and wage-indexed.

(3) Information reflects the latest data available as of 2O21Q3.

Table 3. Cost of Debt and Risk Indicators
(in %, except where noted; end-period)

| | 2005 | 2010 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021(*) |
|---|------|------|-------|-------|-------|-------|-------|------|---------|
| Average Interest Rate on Outstanding Debt ⁽¹⁾ | | | | | | | | | |
| Dollars | 7.8 | 6.5 | 5.1 | 5.1 | 5.2 | 5.2 | 5.0 | 4.8 | 4.6 |
| Euros | 6.9 | 6.9 | 5.9 | 5.3 | 5.3 | 5.3 | 0.3 | 0.2 | 0.1 |
| Yens | 2.5 | 2.3 | 1.9 | 1.9 | 1.6 | 1.3 | 1.3 | 0.9 | 0.7 |
| Swiss francs | . | . | . | . | . | . | . | 0.3 | 0.4 |
| Nominal Pesos | . | . | 12.8 | 13.5 | 10.9 | 10.6 | 10.6 | 9.6 | 8.8 |
| CPI-Indexed (UI) | 5.4 | 4.3 | 4.0 | 4.1 | 4.1 | 3.8 | 3.8 | 3.6 | 3.4 |
| Wage-Indexed | . | . | 2.3 | 2.3 | 2.3 | 2.2 | 2.3 | 2.3 | 2.2 |
| Exchange Rate Risk | | | | | | | | | |
| Share of Total Debt denominated in FX | 88.5 | 65.9 | 54.8 | 54.7 | 49.2 | 53.8 | 56.1 | 54.5 | 52.7 |
| Share of Short Term FX Debt in Total Debt | . | 3.4 | 0.8 | 1.7 | 0.9 | 2.2 | 1.1 | 2.3 | 1.9 |
| Interest Rate Risk | | | | | | | | | |
| Duration (in years) | 8.0 | 10.4 | 12.4 | 12.1 | 11.6 | 12.3 | 12.5 | 12.1 | 11.7 |
| Share of Floating Rate | 21.6 | 12.1 | 5.7 | 6.3 | 5.6 | 5.6 | 5.7 | 4.2 | 5.4 |
| Share of Total Debt that Resets in One Year | 33.7 | 15.1 | 8.1 | 11.2 | 10.7 | 9.2 | 11.1 | 8.5 | 10.0 |
| Roll-Over and Liquidity Risk | | | | | | | | | |
| Average Time to Maturity (in years) | 7.9 | 12.3 | 14.4 | 13.8 | 13.0 | 13.8 | 14.0 | 13.5 | 12.9 |
| Share of Short-Term Debt | 16.0 | 5.5 | 2.6 | 5.1 | 5.5 | 3.9 | 5.6 | 4.7 | 5.3 |
| (Liquid Assets + Credit Lines) / Short Term Debt Service ⁽²⁾ | 33.1 | 39.0 | 289.2 | 188.2 | 154.0 | 172.8 | 108.0 | 95.7 | 105.2 |

(*) Preliminary.

(1) Weighted average by currency.

(2) Debt service includes amortization plus interest payments.

Figure 2. Amortization Profile by Currency
(in USD million, as of end-December, 2021)

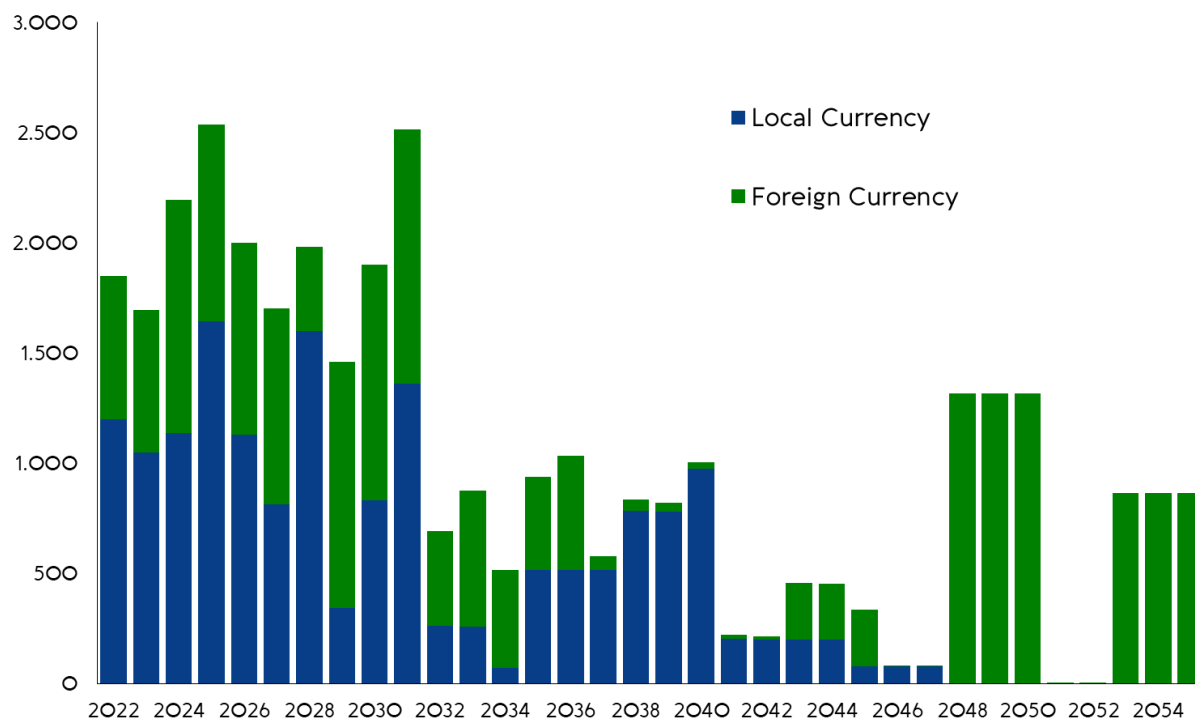


Figure 3. Short-Term Debt Service Profile
(in USD million, as of end-December, 2021)

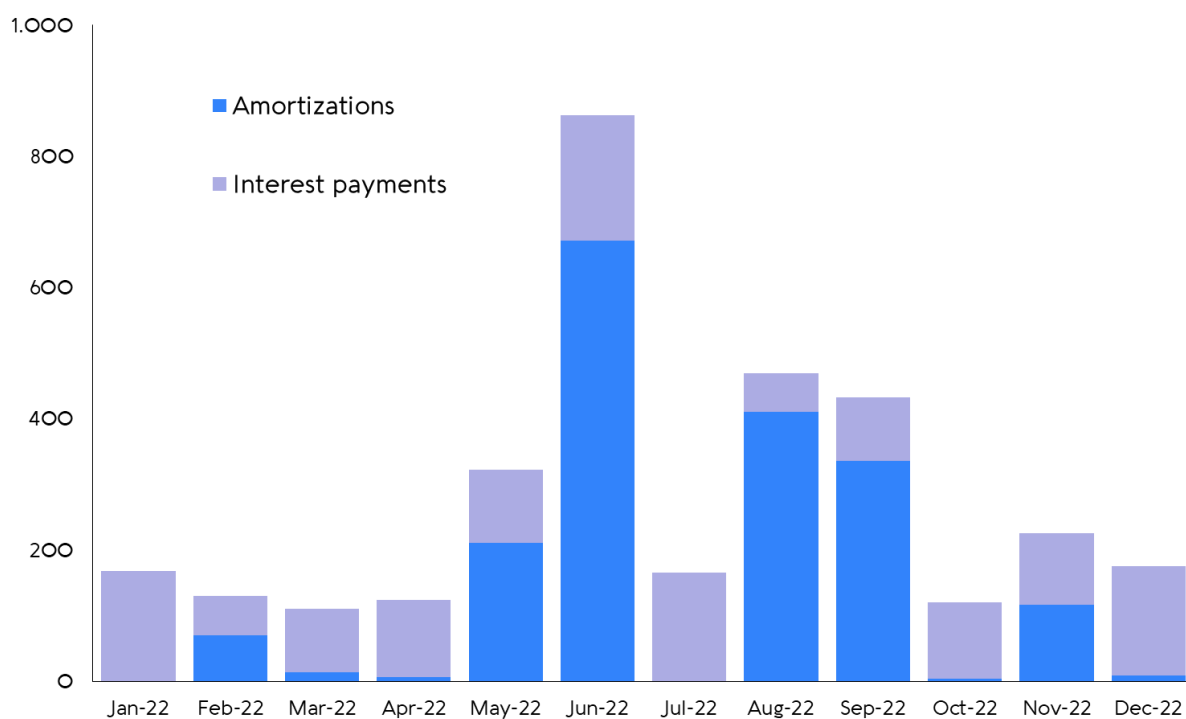


Table 4. Central Government's Cumulated Net Indebtedness in 2021
(in USD million)^{1/}

| | |
|---|--------------|
| (1) Gross Indebtedness | 4,782 |
| Disbursements from Multilaterals and Financial Institutions | 659 |
| Total Issuance of Market Debt | 4,123 |
| <i>Local Market</i> | 1,943 |
| <i>International Market</i> | 2,180 |
| (2) Amortizations of Bonds and Loans | 2,208 |
| Market Debt | 2,056 |
| <i>Contractual obligations</i> | 1,378 |
| <i>Early redemptions</i> | 678 |
| Loans | 151 |
| (3) Change in Financial Assets | 11 |
| Net Indebtedness = (1) - (2) - (3) | 2,563 |

^{1/} Preliminary. The sum of the components may differ from the totals due to rounding.

Table 5. Central Government's Financing Needs and Funding Sources
(annual, in USD million)

| | 2021 (*) | 2022 (*) |
|--|--------------|--------------|
| FINANCING NEEDS | 4,879 | 4,135 |
| Primary Deficit ^{1/} | 1,146 | 366 |
| Interest Payments ^{2/} | 1,514 | 1,550 |
| Amortizations of Bonds and Loans ^{3/} | 2,208 | 1,868 |
| Change in Financial Assets | 11 | 351 |
| FUNDING SOURCES | 4,879 | 4,135 |
| Disbursements from Multilaterals and Fin. Instit. | 659 | 350 |
| Total Issuance of Market Debt ^{4/} | 4,123 | 3,714 |
| Others (net) ^{5/} | 98 | 71 |
| Memo Item : Government Net Indebtedness (GNI) | 2,563 | 1,846 |

Notes:

(*) Preliminary. The sum of the components may differ from the totals due to rounding.

1/ Excludes extraordinary transfers to the public Social Security Trust Fund (SSTF).

2/ Includes interest payments to the SSTF on its holdings of Central Government debt, but does not net out market price valuation gains on above-par bond issuances.

3/ For 2022, includes the obligations coming due on a contractual basis and bonds repurchased and early redeemed through January 31st, 2022.

4/ Includes bonds issued domestically and in international markets.

5/ Includes exchange rate and market price valuation effects.

Source: Ministry of Economy and Finance.

Table 6A. Current Domestic Issuance Calendar of Treasury Notes (January – June 2022)

Find below the results of the regular calendar auctions held through February 15th, 2022 and the remaining schedule for 2022H1 (highlighted in grey):

| Auction Date | Security | Maturity ^{1/} | Coupon (%) ^{2/} | Currency ^{3/} | Amount auctioned (in millions) | | Amount issued (in millions) | | Auction Rate (%) |
|--------------|-----------|------------------------|--------------------------|------------------------|-----------------------------------|------------|--------------------------------|------------|---------------------|
| | | | | | Original Currency | USD equiv. | Original Currency | USD equiv. | |
| 01-18-2022 | Series 30 | 01-19-2027 | 1.125 | UI | 475.0 | 54.9 | 950.0 | 109.8 | 0.85 |
| 01-25-2022 | Series 4 | 01-27-2037 | 2.450 | UP | 1,400.0 | 40.6 | 2,800.0 | 81.1 | 1.79 |
| 02-08-2022 | Series 9 | 08-18-2025 | 7.500 | UYU | 700.0 | 16.2 | 1,400.0 | 32.4 | 8.46 |
| 02-15-2022 | Series 29 | 08-24-2034 | 2.500 | UI | 300.0 | 36.2 | 549.5 | 66.2 | 2.40 |
| 02-22-2022 | Series 5 | 09-01-2047 | 2.000 | UP | 1,000.0 | | | | |
| 03-15-2022 | Series 30 | 01-19-2027 | 1.125 | UI | 475.0 | | | | |
| 03-22-2022 | Series 4 | 01-27-2037 | 2.450 | UP | 1,400.0 | | | | |
| 04-05-2022 | Series 9 | 08-18-2025 | 7.500 | UYU | 700.0 | | | | |
| 04-19-2022 | Series 29 | 08-24-2034 | 2.500 | UI | 300.0 | | | | |
| 04-26-2022 | Series 5 | 09-01-2047 | 2.000 | UP | 1,000.0 | | | | |
| 05-17-2022 | Series 30 | 01-19-2027 | 1.125 | UI | 475.0 | | | | |
| 05-24-2022 | Series 4 | 01-27-2037 | 2.450 | UP | 1,400.0 | | | | |
| 06-14-2022 | Series 9 | 08-18-2025 | 7.500 | UYU | 700.0 | | | | |
| 06-21-2022 | Series 29 | 08-24-2034 | 2.500 | UI | 300.0 | | | | |
| 06-28-2022 | Series 5 | 09-01-2047 | 2.000 | UP | 1,000.0 | | | | |

Table 6B. Domestic Issuance Calendar of Treasury Notes (July – December 2021)

Find below the results of the auctions for 2021H2:

| Auction Date | Security | Maturity ^{1/} | Coupon (%) | Currency ^{2/} | Amount auctioned (in millions) | | Amount issued (in millions) | | Auction Rate (%) |
|--------------|-----------|------------------------|------------|------------------------|-----------------------------------|------------|--------------------------------|------------|---------------------|
| | | | | | Original Currency | USD equiv. | Original Currency | USD equiv. | |
| 07-20-2021 | Series 28 | 01-20-2026 | 1.575 | UI | 500.0 | 56.9 | 506.5 | 57.7 | 0.75 |
| 07-27-2021 | Series 4 | 01-27-2037 | 2.45 | UP | 1,150.0 | 33.1 | 2,300.0 | 66.2 | 1.78 |
| 08-17-2021 | Series 9 | 08-18-2025 | 7.50 | UYU | 1,350.0 | 31.3 | 2,700.0 | 62.6 | 7.42 |
| 08-23-2021 | Series 29 | 08-24-2034 | 2.50 | UI | 300.0 | 35.2 | 420.4 | 49.3 | 2.50 |
| 08-31-2021 | Series 5 | 09-01-2047 | 2.00 | UP | 850.0 | 25.2 | 1,700.0 | 50.4 | 1.88 |
| 09-21-2021 | Series 28 | 01-20-2026 | 1.58 | UI | 500.0 | 59.3 | 1,000.0 | 118.6 | 0.73 |
| 09-28-2021 | Series 4 | 01-27-2037 | 2.45 | UP | 1,150.0 | 34.1 | 2,300.0 | 68.2 | 1.75 |
| 10-12-2021 | Series 9 | 08-18-2025 | 7.50 | UYU | 1,350.0 | 31.1 | 870.0 | 20.0 | 7.50 |
| 10-19-2021 | Series 29 | 08-24-2034 | 2.50 | UI | 300.0 | 34.9 | 243.4 | 28.3 | 2.53 |
| 10-26-2021 | Series 5 | 09-01-2047 | 2.00 | UP | 1,000.0 | 29.1 | 2,000.0 | 58.3 | 1.90 |
| 11-23-2021 | Series 28 | 01-20-2026 | 1.575 | UI | 500.0 | 58.3 | 1,000.0 | 116.5 | 0.56 |
| 11-30-2021 | Series 4 | 01-27-2037 | 2.450 | UP | 1,380.0 | 40.0 | 2,754.0 | 79.9 | 1.79 |
| 12-07-2021 | Series 9 | 08-18-2025 | 7.500 | UYU | 1,350.0 | 30.6 | 950.0 | 21.5 | 8.10 |
| 12-14-2021 | Series 29 | 08-24-2034 | 2.500 | UI | 300.0 | 35.0 | 581.9 | 67.8 | 2.54 |
| 12-21-2021 | Series 5 | 09-01-2047 | 2.00 | UP | 2,270.0 | 65.4 | 4,540.0 | 130.8 | 1.93 |
| 12-21-2021 | Series 29 | 08-24-2034 | 2.500 | UI | 300.0 | 34.9 | 165.4 | 19.2 | 2.54 |

1/ All Treasury Notes, except for Series 9 and Series 30, 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); UYU: Fixed-rate peso.

Table 7. Outstanding Government Debt Securities
(as of end-January 2022)

International markets

In FOREIGN CURRENCY

| Security | Issue Date | Maturity | 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 | | | | | | | | | | |
| Global USD '22 | 11-18-2005 | 11-18-2022 | 8.000 | 0.7 | 0.7 | 1,805 | 109 | Yes | 05-18-2022 | EF173885 Corp |
| Global USD '24 | 08-14-2013 | 08-14-2024 | 4.500 | 1.4 | 1.5 | 2,000 | 1,010 | Yes | 08-14-2022 | EJ783737 Corp |
| Global USD '25 | 09-28-2009 | 09-28-2025 | 6.875 | 2.4 | 2.6 | 500 | 175 | Yes | 03-28-2022 | EH983569 Corp |
| Global USD Jul. '27 | 07-15-1997 | 07-15-2027 | 7.875 | 4.6 | 5.4 | 510 | 22 | No | 07-15-2022 | TT334611 Corp |
| Global USD Oct. '27 | 10-27-2015 | 10-27-2027 | 4.375 | 4.2 | 4.7 | 2,100 | 1,527 | Yes | 04-27-2022 | QJ2218924 Corp |
| Global USD '31 | 01-23-2019 | 01-23-2031 | 4.375 | 6.8 | 7.9 | 2,441 | 2,441 | Yes | 07-23-2022 | AW7271116 Corp |
| Global USD '33 | 05-29-2003 | 01-15-2033 | 7.875 | 8.0 | 10.9 | 1,056 | 841 | No | 07-15-2022 | EC939210 Corp |
| Global USD '36 | 03-21-2006 | 03-21-2036 | 7.625 | 9.1 | 13.1 | 1,421 | 1,057 | Yes | 03-21-2022 | EF330974 Corp |
| Global USD '45 | 11-20-2012 | 11-20-2045 | 4.125 | 15.2 | 22.7 | 854 | 731 | Yes | 05-20-2022 | EJ442676 Corp |
| Global USD '50 | 06-18-2014 | 06-18-2050 | 5.100 | 16.0 | 27.3 | 3,947 | 3,947 | Yes | 06-18-2022 | EK3264687 Corp |
| Global USD '55 | 04-20-2018 | 04-20-2055 | 4.975 | 17.4 | 32.2 | 2,588 | 2,588 | Yes | 04-20-2022 | AS2148789 Corp |
| Yens | | | | | | | | | | |
| Samurai '24 | 12-09-2021 | 12-09-2024 | 0.520 | 2.8 | 2.8 | 324 | 324 | No | 06-09-2022 | JP585800AMC1 Corp |
| Samurai '26 | 12-09-2021 | 12-09-2026 | 0.670 | 4.6 | 4.8 | 3 | 3 | No | 06-09-2022 | JP585800BMC9 Corp |
| Samurai '28 | 12-09-2021 | 12-08-2028 | 0.840 | 6.4 | 6.8 | 5 | 5 | No | 06-09-2022 | JP585800CMC7 Corp |
| Samurai '31 | 12-09-2021 | 12-09-2031 | 1.000 | 8.8 | 9.8 | 3 | 3 | No | 06-09-2022 | JP585800DMC5 Corp |
| Samurai '36 | 12-09-2021 | 12-09-2036 | 1.320 | 12.0 | 14.8 | 99 | 99 | No | 06-09-2022 | JP585800EMC3 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) | | | | | | | | | | |
| Global UYU '22 | 06-20-2017 | 06-20-2022 | 9.875 | 0.3 | 0.3 | 799 | 368 | No | 06-20-2022 | AN9574152 Corp |
| Global UYU '28 | 09-15-2017 | 03-15-2028 | 8.500 | 4.7 | 6.1 | 716 | 716 | No | 03-15-2022 | AP0760557 Corp |
| Global UYU '31 | 05-21-2021 | 05-21-2031 | 8.250 | 6.5 | 9.3 | 1,163 | 1,163 | No | 05-21-2022 | JS917288B35 Corp |
| Linked to CPI (UI) | | | | | | | | | | |
| Global UI '27 | 04-03-2007 | 04-05-2027 | 4.250 | 3.8 | 4.1 | 864 | 431 | Yes | 04-05-2022 | EG3199437 Corp |
| Global UI '28 | 12-15-2011 | 12-15-2028 | 4.375 | 5.2 | 5.7 | 2,011 | 1,660 | Yes | 06-15-2022 | EI8993764 Corp |
| Global UI '30 | 07-10-2008 | 07-10-2030 | 4.000 | 6.5 | 7.3 | 944 | 944 | Yes | 07-10-2022 | EH4525315 Corp |
| Global UI '37 | 06-26-2007 | 06-26-2037 | 3.700 | 11.4 | 14.1 | 828 | 828 | Yes | 06-26-2022 | EG5893227 Corp |
| Global UI '40 | 07-02-2020 | 07-02-2040 | 3.875 | 13.1 | 17.1 | 1,718 | 1,718 | Yes | 07-02-2022 | BK2453227 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 |
|--|------------|---------------|------------|------------------|-------------------|---------------------------|--------------------------------|--------------|------------------|----------------------|
| Nominal Fixed-Rate (UYU) | | | | | | | | | | |
| Treasury Notes 9 | 08-18-2021 | 08-18-2025 | 7.500 | 3.0 | 3.5 | 102 | 102 | No | 02-18-2022 | BR0604115 Corp |
| Linked to CPI (UI) | | | | | | | | | | |
| Treasury Notes 13 | 05-25-2010 | 05-25-2025 | 4.000 | 2.2 | 2.3 | 1,117 | 1,117 | Yes | 05-25-2022 | EI3977911 Corp |
| Treasury Notes 19 | 09-27-2012 | 09-27-2022 | 2.500 | 0.6 | 0.6 | 412 | 327 | No | 03-27-2022 | EJ3951237 Corp |
| Treasury Notes 21 | 11-26-2014 | 11-26-2025 | 4.000 | 3.5 | 3.8 | 447 | 447 | Yes | 05-26-2022 | EK9574097 Corp |
| Treasury Notes 25 | 01-24-2018 | 07-24-2030 | 2.900 | 7.6 | 8.4 | 495 | 495 | Yes | 07-24-2022 | AR4175741 Corp |
| Treasury Notes 26 | 05-13-2019 | 05-13-2023 | 2.450 | 0.7 | 0.7 | 723 | 410 | Yes | 05-13-2022 | ZS6930243 Corp |
| Treasury Notes 27 | 06-09-2020 | 06-09-2024 | 2.975 | 1.3 | 1.3 | 908 | 908 | Yes | 06-09-2022 | BJ9985414 Corp |
| Treasury Notes 28 | 01-20-2021 | 01-20-2026 | 1.575 | 2.9 | 2.9 | 826 | 826 | Yes | 07-20-2022 | BNS826324 Corp |
| Treasury Notes 29 | 08-24-2021 | 08-24-2034 | 2.500 | 10.0 | 11.5 | 165 | 165 | Yes | 02-24-2022 | BR1714806 Corp |
| Treasury Notes 30 | 01-19-2022 | 01-19-2027 | 1.125 | 4.8 | 4.9 | 111 | 111 | No | 07-19-2022 | BT5601823 Corp |
| Linked to Nominal Wage Index (UP) | | | | | | | | | | |
| Treasury Notes 1 | 07-25-2018 | 07-25-2025 | 1.500 | 2.4 | 2.4 | 508 | 508 | Yes | 07-25-2022 | AT7277862 Corp |
| Treasury Notes 2 | 08-29-2018 | 08-29-2033 | 1.800 | 10.4 | 10.5 | 559 | 559 | Yes | 02-28-2022 | AU7040093 Corp |
| Treasury Notes 3 | 05-13-2019 | 05-13-2040 | 2.200 | 14.8 | 18.2 | 631 | 631 | Yes | 05-13-2022 | ZS6932199 Corp |
| Treasury Notes 4 | 01-27-2020 | 01-27-2037 | 2.450 | 11.9 | 13.9 | 694 | 694 | Yes | 07-27-2022 | ZP7855163 Corp |
| Treasury Notes 5 | 09-01-2021 | 09-01-2047 | 2.000 | 18.7 | 24.5 | 240 | 240 | Yes | 03-01-2022 | BR2601176 Corp |
| Linked to After-tax Wage Index (UR) | | | | | | | | | | |
| Treasury Notes 1 | 03-31-2014 | 03-31-2044 | 2.250 | 16.9 | 23.0 | 1,004 | 1,004 | Yes | 03-31-2022 | • |

1/ Dollar-equivalent as of January 31st, 2022.

2/ Amortizer bonds have principal repaid in the last three years to maturity, in annual and equal installments.

3/ The value of the UP varies daily to reflect, at the end of the month, the monthly variation of the Nominal Average Wage Index. While the Unidad Reajutable (UR) resets every month based on the Average Net Salary Index.

4/ Given that this Treasury Note does not currently have a market price, duration is calculated assuming a price of 100.

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