

Uruguay

Sovereign Debt Report



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

February 2024

Highlights

- Overview of the government's financing strategies, borrowing costs and composition of outstanding debt by end-2023.
- Funding strategies and annual borrowing plan for 2024.
- Domestic market issuance calendar of Treasury Notes announced for the first semester of 2024.
- Briefing Note on the sustainability-linked loan approved by the World Bank, featuring an innovative interest rate step-down mechanism tied to environmental performance.
- R&I affirmed rating at BBB+ with a stable outlook; Moody's published regular credit update.
- Uruguay's Sovereign Sustainability-Linked Bond was distinguished with sustainable finance awards from Bonds and Loans and Latin Finance.

I. Overview of financing strategies, borrowing costs and debt composition in 2023.

I.1. Financing and liability management strategies

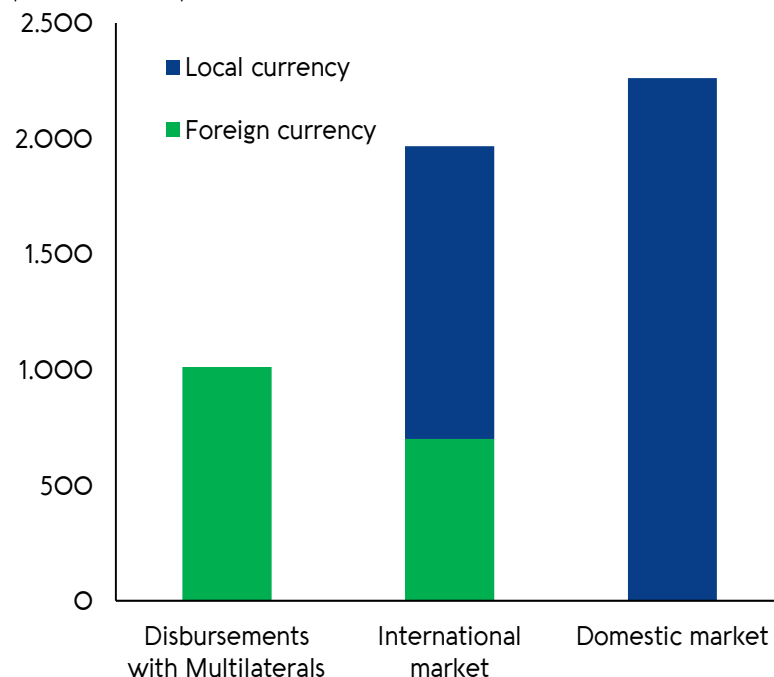
In 2023, total gross borrowing (through bond market issuance and multilateral loans) was USD 5.24 billion (see [Table 5](#) in Annex). Of the total funds raised, a substantial portion was allocated towards amortizing bond securities and loans (contractual obligations coming due plus repurchases through liability management operations), for a total nominal of USD 2.84 billion. Thus, the government's total *net* borrowing during 2023 was USD 2.40 billion—in line with the funding program presented in the Budget Law last year.

Of the total gross funding raised, close to 81% (USD 4.23 billion) was obtained in bond markets, by tapping short and intermediate-term securities. The remainder (USD 1.01 billion) was obtained through multilateral loan disbursements (Figure 1).

Within total bond market financing, 53% was issued in domestic bond markets and denominated in local currency. The remainder was obtained by tapping external

Figure 1: Total funding in bond markets and from multilateral loans during 2023

(in USD million)



bond markets in nominal pesos and U.S. dollars. All in all, more than 83% of total bond issuance (in both domestic and foreign jurisdictions) was denominated in local currency.

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

- *Issuance of global bonds in international markets in both nominal pesos and dollars*

In July 2023, the Government executed the pricing of a new USD 1.27 billion equivalent global bond in nominal fixed-rate pesos (UYU) maturing in 2033, with a 9,75% nominal rate. Simultaneously, it carried out a liability management exercise of short-term global bonds which also aimed to boost the liquidity of the newly established local-currency benchmark. Of the total amount issued, USD 1,006 million equivalent was for cash, and the remainder was used to finance the preferred tenders accepted. The Global UYU 2033 was subsequently included in the JPMorgan GBI-EM index on July 31, 2023. As of end-January 2024, Uruguay's weight in the index remained stable at 0.20%.

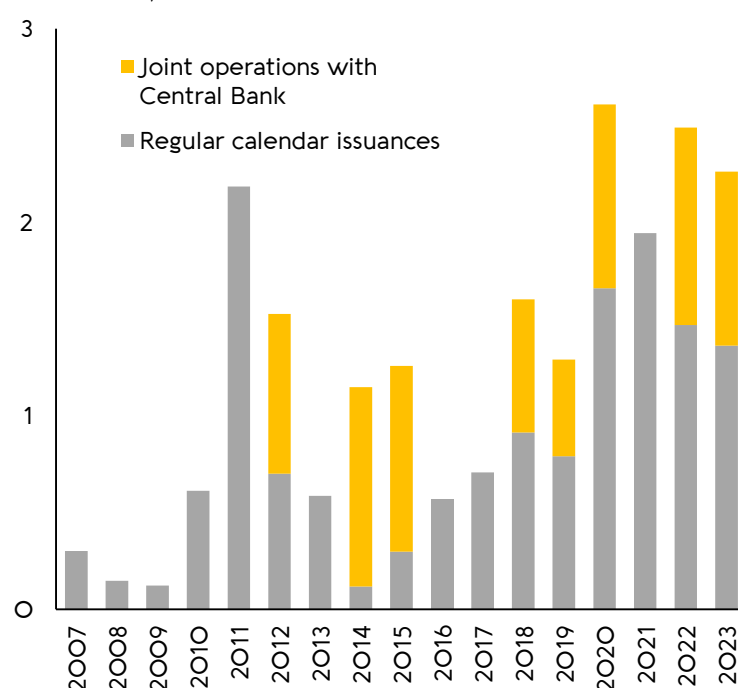
In November 20th, 2023, Uruguay retapped the dollar-denominated SSLB maturing in 2034, linking the bond's coupon interest rate to the achievement of climate and nature conservation performance targets, aligned with Uruguay's Paris Agreement commitments. For more information on the Bond's design, you can read Uruguay's SSLB Framework document [here](#) and access the SSLB website [here](#).

- *Domestic bond market issuance*

During 2023, the government raised a total equivalent of USD 2.26 billion in the domestic market, through the issuance of local currency Treasury Notes in CPI-linked (UI), wage-linked (UP) and nominal fixed-rate UYU. Domestic issuance was placed through (i) regular calendar auctions (in which the government issued 1.3x the base amount), as well as (ii) an off-calendar transaction of local currency Treasury Notes for a total equivalent of USD 899 million, coordinated between the government and the Central Bank.

As noted in IMF (2021)¹, developing local currency debt markets has several advantages: (i) provides a stable source of domestic funding; (ii) helps safeguard sovereign portfolios from currency and maturity mismatches; (iii) contributes to financial stability and mitigates risks from volatile capital flows, (iv) enhances the effectiveness of monetary policy and (v) is the cornerstone of broader capital market development.

Figure 2: Local market bond issuance
(in USD billion)



- *Disbursement of loans from multilateral institutions*

During last year the government disbursed loans with multilaterals for a total of USD 1,011 million, of which USD 875 million corresponded to credit lines with the Interamerican Development Bank (IDB, for a total of USD 500 million) and CAF (Banco de Desarrollo de América Latina y el Caribe, for a total of USD 375 million).

- *Capitalization of the Central Bank through issuance of non-market government bonds*

In December, 2023, the government issued capitalization bonds in order to buttress the Central Bank's net worth, which had fallen below the minimum legal threshold by end-2022. The issuance consisted of a 5-year, local currency CPI-indexed (UI), zero-coupon bond for a nominal amount equivalent to USD 1,808 million. These

¹ "Guidance Note for Developing Government Local Currency Bond Markets", 2021. Analytical Notes No 2021/OO1, International Monetary Fund.

bonds will be computed at effective value in the Central Bank's balance sheet (equivalent to USD 1,551 million as of the day of the capitalization).

Capitalization bonds are non-market securities which are not used for Government's funding purposes, but rather to strengthen the Central Bank's capital. As such, they are excluded from gross debt statistics and from measures of net indebtedness under the fiscal rule. For more details, access the latest Public Debt Coordination Committee press release [here](#).

I.2. Borrowing costs and sovereign risk

As of December 2023, the weighted average annual interest rate paid on outstanding local currency debt was 3.4% in real terms for the CPI-linked portfolio, 2.2% for wage-indexed (UP) instruments and 9.2% for nominal peso liabilities. For the dollar debt portfolio, the average annual rate increased slightly to 5.2%, from 5.1% in 2022 (see [Table 3](#) in Annex).

In terms of sovereign risk spread, Uruguay closed 2023 reaching its highest-ever investment grade rating (BBB+, corresponding to the rating agencies S&P and R&I), and lowest EMBI on record, which was also the lowest among Latin American countries (see Figures 3A and 3B).

Figure 3A: Uruguay's sovereign credit ratings
(as of February, 2024)

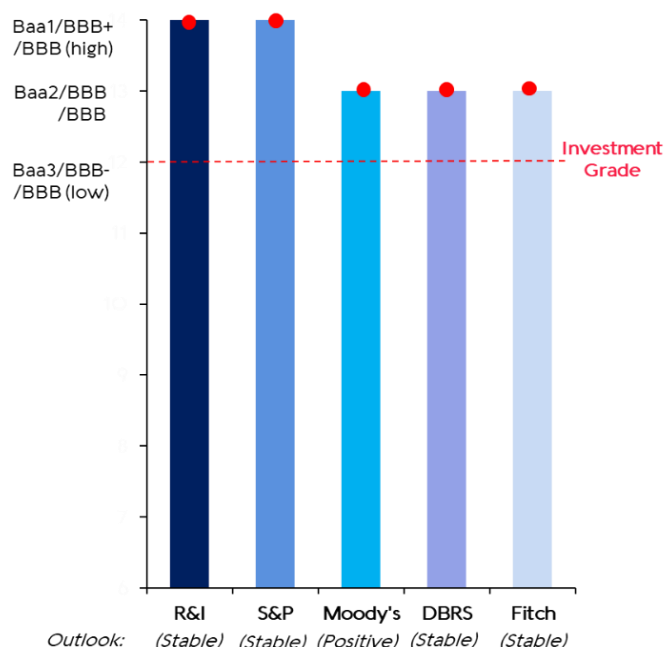
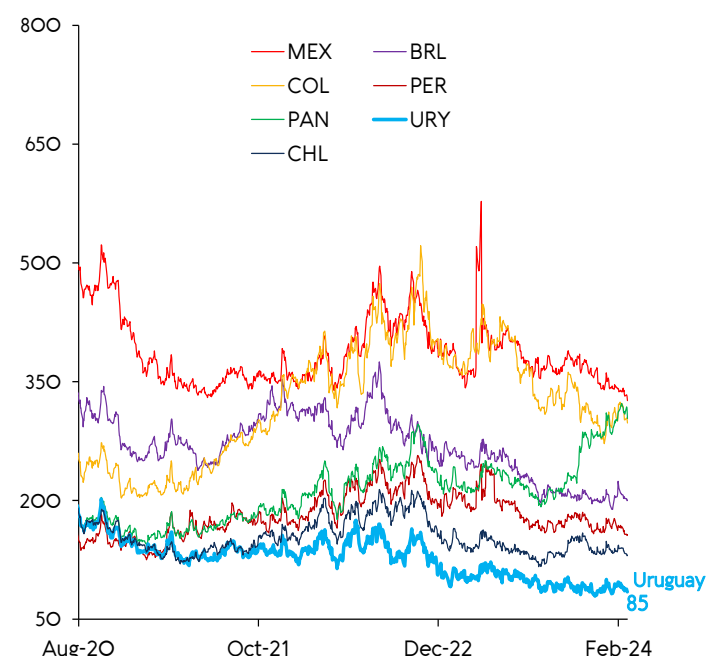


Figure 3B: Sovereign risk premia in Latam
(EMBI spread, in bps; as of February, 2024)



I.3. Net indebtedness

As mentioned in subsection I.1, during 2023, net borrowing incurred by the Central Government (the nominal value of bonds issued in capital markets and loans disbursed, net of amortizations) was the equivalent of USD 2,401 million. In addition, during last year, the stock of Government's financial assets dropped USD 23 million. As a result, total net indebtedness (net borrowing minus the change in financial assets) was the equivalent of **USD 2,424 million**-- below the legal limit under the fiscal rule (see [Table 4](#) in Annex).

The limit on net indebtedness for 2023 was originally set in USD 2,200 million under the Budget Law in 2022. In July 2023, the Government invoked the safeguard legal clause, due to the severe drought hitting the country, increasing by 30% (to USD 2,860 million) the maximum total net indebtedness.

I.4. Debt stock and currency, maturity and investor composition

- The gross debt stock of the central government is projected to have reached 57.2% of nominal GDP by end-2023, down 0.4 percentage points from end-2022. Estimated net debt remained stable at 53.5% of GDP (see [Debt Indicators](#) in Annex).
- The Government continued to make significant strides in de-dollarizing the debt structure, reducing the ratio's vulnerability to currency volatility. The share of local currency debt in total debt increased to **54.3%** by end-2023, up 1.8 percentage points from end-2022. The increase in the proportion of local currency debt in the total debt stock was explained by the combined effect of two factors: (i) the local currency/foreign currency mix of gross borrowing, adjusted for debt amortizations by type of currency and (ii) relative price valuation effects (CPI and wage inflation in dollar terms). First, of the total gross borrowing during 2023, 67% was denominated in local currency. This high volume of local currency funding was partially offset by the fact that, of the total bond and loan amortizations last year, 79% was also denominated in local currency. Second, the nominal and real appreciation of the peso during 2023 (most notably in year-end terms) and, CPI and wage inflation dynamics also increased the share of debt in local currency, due to valuation effects.
- By the end-2023, the share of short-term debt (coming due in 2024) represented 4.5% of the total debt stock and the average time to maturity of the debt portfolio was 12 years.

- The share of internationally-issued bonds outstanding held by non-residents varied across currency of denomination. By end-2023, foreigners held more than 80% of global bonds denominated in U.S. dollars and nominal fixed-rate local currency. On the other hand, residents held slightly more than 84% of the total outstanding local currency bonds linked to CPI (UI) issued in external markets.

Figure 4: Global Bonds Outstanding, by Currency and Residency of Investors
(end-2023, as a share of total)

	Residents (%)	Non-residents (%)
Total Global Bonds (*)	37.1	62.9
<i>of which:</i>		
Local currency nominal fixed-rate (UYU)	14.5	85.5
U.S. dollars	18.7	81.3
Local currency CPI-linked (UI)	84.4	15.6

(*) excludes bonds issued in Japanese Yens, held entirely by non-residents.

I.5. Liquidity buffers

As of end-December 2023, government's cash reserves were USD 1.76 billion and precautionary credit lines with multilateral institutions stood at USD 1.04 billion (with Corporación Andina de Fomento, Fondo Latinoamericano de Reservas and the Inter-American Development Bank). Taken together, this liquidity buffer covered 71% of debt-servicing needs over the period January 2024 – December 2024.

II. Funding plans and debt management strategies for 2024.

II.1. Financing needs, borrowing plan and projected net indebtedness

For 2024, the projected gross financing needs of the government amounts to USD 4.75 billion (see [Table 5](#) in Annex). This figure aggregates the estimated fiscal deficit (primary deficit and interest payments) of approximately USD 2.50 billion, contractual amortizations of bonds and loans for USD 2.07 billion and USD 189 million of projected financial asset accumulation. Total gross borrowing in 2024, from bond issuance (in domestic and international markets) and multilateral loans, is projected at USD 4.54 billion.

The government's total net indebtedness, defined by law as gross borrowing minus amortizations and financial asset accumulation, is estimated at approximately USD 2.28 billion. The legal limit on total net indebtedness for 2024, set under the fiscal rule, is USD 2.3 billion.

The difference between the projected fiscal deficit (USD 2.49 billion) and the projected net indebtedness (USD 2.28 billion) is captured in the "Others (net)" category (USD 211 million) in [Table 5](#) of the Flow of Funds. This category reflects the net effect of: (i) financing operations that do not have an impact on gross debt statistics (see Annex for the definition of central government debt statistics), (ii) valuation effects from bond issuance prices above or below par, and (iii) financial sources of cash increases for the Treasury that do not entail a

government revenue in fiscal statistics. Regarding the latter, starting in 2024, the Social Security Trust Fund (FSS, for its Spanish acronym) will start to transfer to the Banco de Previsión Social (BPS), a fraction of the accumulated savings of workers and retirees that had elected to change to the public social security scheme, under the legislation enacted by Congress in December 2017.² According to the law, the transfer during 2024 will be for approximately USD 130 million. This inflow will not affect the statistics on the fiscal balance, but will require less assistance from the Treasury to the BPS, thus increasing cash balances (liquid assets) of the government's Treasury and reducing total net indebtedness, all else constant.

II.2. Cornerstones of debt management strategies

The pillars of the debt management strategy for 2024 are the following:

- **With regards to bond issuance and functioning of secondary markets:**

- *Continue to develop domestic markets.* In particular, the government recently published its regular semi-annual issuance calendar which continues to offer nominal fixed-rate, CPI-linked and wage-linked Treasury Notes, across different maturities, targeting a base amount equivalent of around USD 500 million for the first semester (see Section III below). While aiming for a regular and predictable auction calendar, the DMU will maintain flexibility in its domestic issuance of local currency Treasury Notes (in terms of base amounts and issuance frequencies), assessing changes in investor demand across currencies and maturities, in coordination with the Central Bank.
- *Calibrate the currency and maturity mix of international debt issuance.* The DMU will assess different currency and maturity options to issue debt in international markets (in nominal pesos, CPI-linked and/or dollars, either in the belly or long-end of the curve). The strategy will factor, *inter alia*: (i) resident and non-resident investor's preferences for type of currency, liquidity and duration and (ii) the government's goal to reduce the expected cost of funding while keeping a well distributed amortization profile. In addition, the Government will continue to engage and strengthen ties with the Japanese investor base.
- *Promote the functioning of secondary external markets.* The government will continue to encourage market-making activities by banks and other financial intermediaries, while promoting price transparency in secondary markets, to foster the liquidity of Uruguay's local currency and dollar bond curves.

- **With regards to multilateral financing:**

- *Continue to integrate sustainable finance within loan instruments with multilateral institutions.* Uruguay is working on a sustainability-linked loan from the InterAmerican Development Bank within the recently launched CLIMA pilot program, an innovative framework that will reward borrowers with a discount on the loan principal for achieving climate and nature objectives. The loan will embed energy efficiency goals, and is the jointly undertaken by the Ministry of Economy and Finance, the Ministry of Environment, the Ministry of Industry, Energy and Mining and the state-owned company UTE.
- *Proactive management of the currency and interest rate exposure in outstanding multilateral loans.* The government will continue to work closely with multilateral institutions to diversify currency risk and reduce expected interest payments, within its foreign currency loan portfolio.

III. Domestic market issuance calendar of Treasury Notes announced for the first semester of 2024.

After a broad outreach effort engaging local investors (public and private banks, pension funds and insurance companies), on December 29th, 2023, the DMU published its semi-annual issuance calendar in the domestic market for the period January-June 2024.

² Under this law (so-called "Cincuentones Law"), workers and retirees aged over 50 were given the option to change their affiliation from the individual capitalization pension scheme, which is managed by pension funds and insurance companies that pay out annuities, to the public social security *pay-as-you-go* scheme. The law mandated that these extraordinary inflows into the BPS were ring-fenced in a Social Security Trust Fund, and starting in 2024 would be used gradually over a 20-year period, to pay for the additional pensions from those that switched.

The total issuance base amount for the first semester will be USD 500 million-equivalent, approximately. Based on feedback received from local investors, the government will continue to issue nominal UYU, UI and UP Treasury Notes denominated in local currency. Included in the latest calendar are new Treasury Note series at shorter maturities (across all three local currencies), in line with expected demand. The calendar continues to add a switch facility option, where investors can settle Treasury Notes purchased by tendering certain short-term Treasury Notes (aside from using Uruguayan pesos or U.S. dollars). In addition, Monetary Regulation Bills issued by the CBU are accepted as settlement options for specific auctions (Series 31 in UI, Series 11 in UYU and Series 7 in UP).

[Table 6A](#) in the Central Government's Debt and Financing Statistics appendix provides further details on the new calendar, and the auction outcomes completed thus far. Confirmation of the base amounts to be auctioned, and additional information on each issued series, is posted one week prior to the corresponding auction date. For more information, please access the press release [here](#) or visit the DMU's website [here](#).

IV. Briefing note on interest rate step-down mechanism of new World Bank loan.

On November 16th, 2023, the Board of the World Bank (WB) approved a new DPL for Uruguay for USD 350 million. The loan includes the innovative feature of a step-down in the interest rate (of up to 100 basis points lower per year), if the country reduces the intensity of methane emissions from livestock production beyond its ambitious commitments under the Paris Agreement. It does not include a financial penalty if targets are not met.

The Sovereign Sustainability-Linked Loan (SSLL) is the product of a whole-of-government approach, jointly undertaken by the Ministries of Economy and Finance, of Environment and of Agriculture, Livestock and Fisheries of Uruguay. Close collaboration with the WB's technical teams was essential in the development of this instrument. The United Nations Development Program will independently verify the key performance indicator.

The briefing note published [here](#), summarizes the loan's environmental goal-driven design and rationale, the novel financial mechanism embedded, and the reporting and verification framework underpinning it.

V. R&I affirmed rating at BBB+ with a stable outlook; Moody's credit analysis regular update.

On December 27th, 2023, the Japanese credit rating agency (R&I) affirmed Uruguay's foreign currency issuer rating at BBB+ with a stable outlook. In R&I's view, Uruguay's economic growth is slowing down, but it is expected to register a firm growth in 2024. Also, R&I mentions the government's debt ratio has been stabilized due to the strong commitment to fiscal discipline. Access the news release [here](#).

On December 7th, 2023, 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 profile. The agency highlights the progress on the reform agenda in order to tackle structural challenges and the importance of compliance with the fiscal rules in order to contribute to reduce the debt burden over the coming years. Access Moody's Credit Opinion [here](#).

VI. Uruguay's Sovereign Sustainability-Linked Bond (SSLB) was distinguished with sustainable finance awards from Bonds and Loans and Latin Finance.

On November 28th, 2023, Bonds & Loans held the Bonds, Loans & ESG Capital Markets Latin America & Caribbean Awards event, in which it recognized Uruguay's SSLB issuance as *Ground-breaking Deal of the Year*. According to Bonds & Loans, the selection process "...involves the exhaustive selection process involves close examination of deal size, tenor, structure, and distribution; analysis and background of the borrower and their accessibility to financing; with extra credit for those deals demonstrating high quality execution, accessing new pools of liquidity, innovative structuring, and opening-up new markets".

On January 25th, 2024, Latin Finance awarded Uruguay with the *Sovereign ESG Deal of the Year*. According to Latin Finance, the recognition "...takes into account a variety of factors including the innovation, timing, foresight, execution quality and ESG impact of the transaction".

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 (tied to the "Cincuentones Law") and the SiGa Trust Funds (underpinning loan guarantees to SMEs). The "Gross debt" category excludes non-market central government securities outstanding as the result of the capitalization of the Central Bank.³

The government's financial assets include 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 financial and non-financial public sector entities, including those as a result of loan disbursements contracted by the Republic on behalf of public sector entities. It also encompasses assets under management in the SiGa Trust Funds. The "Other financial assets" category excludes assets under management of the Social Security Trust Fund and Trust Funds of restructured mortgage loans administered by the National Housing Agency on behalf of the Minister of Finance.

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

	2016	2017	2018	2019	2020	2021	2022	2023(*)
Gross Debt	26,098	28,664	29,383	29,838	32,879	35,498	40,898	45,034
Financial Assets	3,794	3,431	3,174	2,204	2,759	2,773	2,919	2,898
Liquid Assets	2,515	2,230	2,132	1,213	1,582	1,611	1,590	1,759
Other Assets	1,279	1,201	1,042	991	1,177	1,162	1,330	1,139
Net Debt	22,304	25,233	26,208	27,634	30,120	32,726	37,979	42,136
Multilateral Credit Lines ⁽¹⁾	2,418	2,418	2,434	2,191	1,415	1,865	1,515	1,039

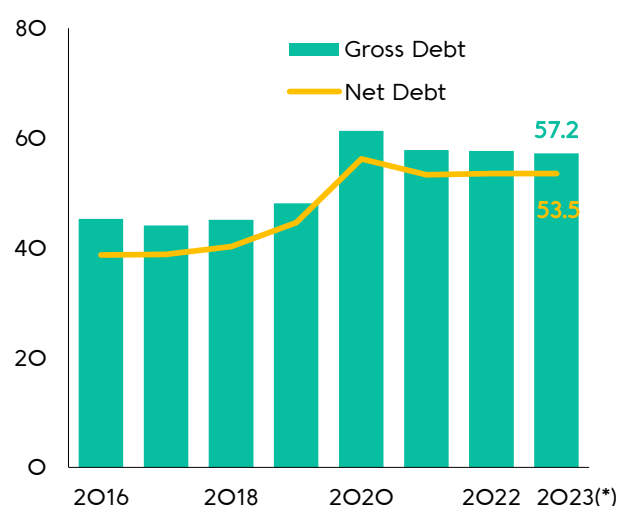
(*) Preliminary.

(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

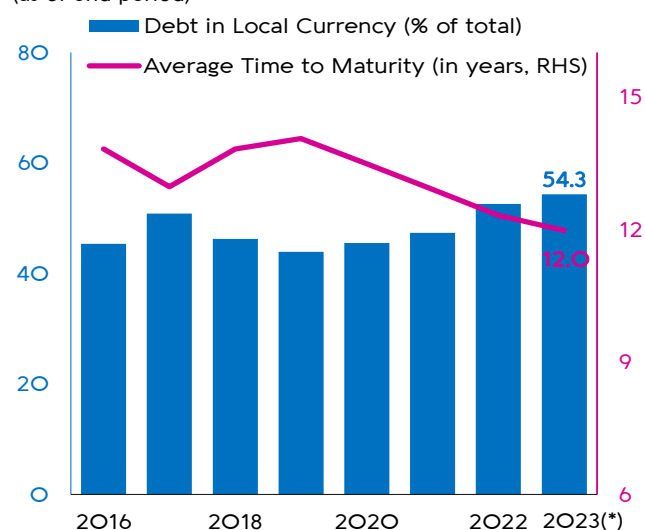
1a. Gross and Net Debt

(in % of GDP, as of end-period)⁴



1b. Currency and Maturity Composition of Debt

(as of end-period)



(*) Preliminary.

³ The first capitalization bond was issued in 2008 and further issuances were made in 2010, 2011, 2012 and 2013 and more recently in December 2023. Data on outstanding stock of government bonds issued to capitalize the Central Bank, as of 2023Q3, can be found at: <https://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 2022 and 2023, annual nominal GDP figures are MoF estimates and projections; official annual GDP figures for 2023 (and revisions for annual GDP for 2022) will be released in March 2024. 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023(*)
By Currency ⁽¹⁾												
Foreign Currency (FX)	88.5	65.9	48.2	54.8	54.7	49.2	53.8	56.1	54.5	52.7	47.4	45.7
Dollars	67.8	59.1	44.8	51.7	52.0	47.6	51.4	53.9	49.1	47.8	43.6	42.4
Yens	1.9	3.3	2.6	2.5	2.3	1.2	2.1	2.1	3.7	3.3	2.4	1.9
Swiss francs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	1.5	1.3	1.3
Other	18.9	3.4	0.8	0.7	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1
Local Currency	11.5	34.1	51.8	45.2	45.3	50.8	46.2	43.9	45.5	47.3	52.6	54.3
Nominal Fixed-Rate	0.0	0.0	4.8	6.0	5.0	12.8	10.1	8.6	5.6	7.3	6.5	9.0
CPI-Indexed (UI)	11.5	34.1	42.4	35.3	36.4	34.0	30.7	28.1	31.3	30.0	31.9	28.6
Wage-Indexed	0.0	0.0	4.6	3.9	3.9	4.0	5.3	7.3	8.6	10.1	14.2	16.6
By Residual Maturity												
Short-Term (less than one year)	16.0	5.5	4.1	2.6	5.1	5.5	3.9	5.6	4.7	5.3	4.4	4.5
Medium and Long Term	84.0	94.5	95.9	97.4	94.9	94.5	96.1	94.4	95.3	94.7	95.6	95.5
By Rate												
Fixed ⁽²⁾	78.4	87.9	93.7	94.3	93.7	94.4	94.4	94.3	95.8	94.6	94.3	92.3
Floating	21.6	12.1	6.3	5.7	6.3	5.6	5.6	5.7	4.2	5.4	5.7	7.7
By Instrument												
Bonds	60.4	81.0	90.5	91.5	91.2	91.2	90.6	90.8	88.0	87.9	88.7	87.9
Loans	39.6	19.0	9.5	8.5	8.8	8.8	9.4	9.2	12.0	12.1	11.3	12.1
By Residency of Creditors ⁽³⁾												
Residents	27.3	34.9	33.7	35.1	44.5	46.5	45.0	42.6	41.3	44.6	50.1	51.7
Non-Residents	72.7	65.1	66.3	64.9	55.5	53.5	55.0	57.4	58.7	55.4	49.9	48.3
Bond Holders	36.3	46.1	56.4	46.7	44.7	45.6	48.2	46.9	43.8	38.3	37.4	37.4
Loans from Financial Institutions	36.4	19.0	8.5	8.8	8.8	9.4	9.2	11.8	11.6	11.6	11.0	11.0
By Contractual Jurisdiction												
Domestic	21.9	17.6	28.8	25.9	25.9	24.1	22.9	21.6	22.0	23.4	28.9	29.5
International	78.1	82.4	71.2	74.1	74.1	75.9	77.1	78.4	78.0	76.6	71.1	70.5

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

(1) Foreign currency composition is defined on a contractual basis and reflects currency conversions of multilateral debt.

(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 2023Q3.

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

	2005	2010	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023(*)
Average Interest Rate on Outstanding Debt ⁽¹⁾												
Dollars	7.8	6.5	5.3	5.1	5.1	5.2	5.2	5.0	4.8	4.6	5.1	5.2
Euros	6.9	6.9	5.9	5.9	5.3	5.3	5.3	0.3	0.2	0.1	0.1	0.1
Yens	2.5	2.3	1.9	1.9	1.9	1.6	1.3	1.3	0.9	0.7	0.7	0.7
Swiss francs	-	-	-	-	-	-	-	-	0.3	0.4	0.4	0.3
Nominal Pesos	-	-	9.6	12.8	13.5	10.9	10.6	10.6	9.6	8.8	8.8	9.2
CPI-Indexed (UI)	5.4	4.3	3.9	4.0	4.1	4.1	3.8	3.8	3.6	3.4	3.3	3.4
Wage-Indexed	-	-	2.3	2.3	2.3	2.3	2.2	2.3	2.3	2.2	2.1	2.2
Exchange Rate Risk												
Share of Total Debt denominated in FX	88.5	65.9	48.2	54.8	54.7	49.2	53.8	56.1	54.5	52.7	47.4	45.7
Share of Short Term FX Debt in Total Debt	-	3.4	1.4	0.8	1.7	0.9	2.2	1.1	2.3	1.9	1.5	2.3
Interest Rate Risk												
Duration (in years)	8.0	10.4	12.5	12.4	12.1	11.6	12.3	12.5	12.1	11.7	11.1	10.7
Share of Floating Rate	21.6	12.1	6.3	5.7	6.3	5.6	5.6	5.7	4.2	5.4	5.7	7.7
Share of Total Debt that Resets in One Year	33.7	15.1	10.9	8.1	11.2	10.7	9.2	11.1	8.5	10.0	9.9	11.7
Roll-Over and Liquidity Risk												
Average Time to Maturity (in years)	7.9	12.3	14.4	14.4	13.8	13.0	13.8	14.0	13.5	12.9	12.3	12.0
Share of Short-Term Debt	16.0	5.5	4.1	2.6	5.1	5.5	3.9	5.6	4.7	5.3	4.4	4.5
(Liquid Assets + Credit Lines) / Short Term Debt Service ⁽²⁾	33.1	39.0	187.5	289.2	188.2	154.0	172.8	108.0	95.7	105.2	88.3	71.1

(*) Preliminary.

(1) Weighted average by currency.

(2) Short term debt service is defined as amortization plus interest payments over the following 12 months.

Figure 2. Amortization Profile, by Currency of Denomination of Debt
(in USD million, as of end-December 2023)

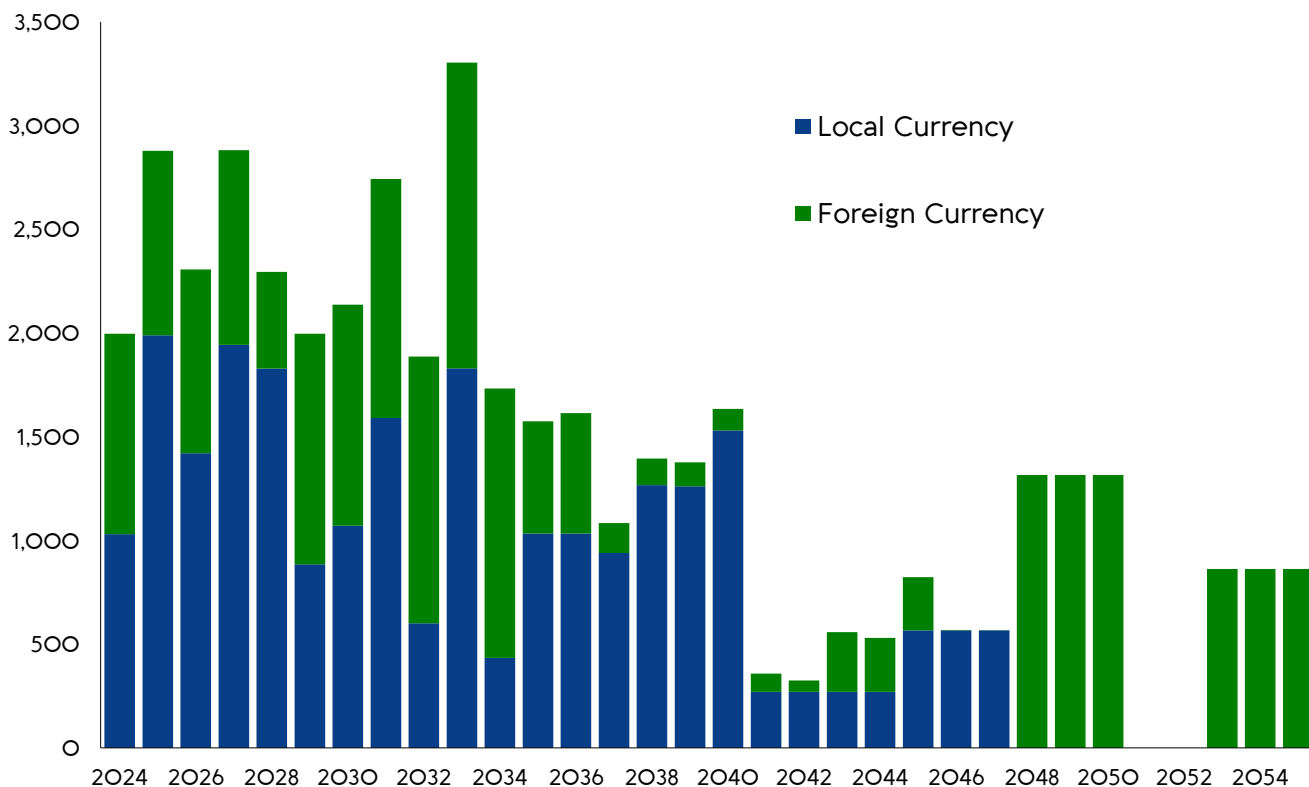


Figure 3. Short-Term Debt Service Profile
(in USD million, as of end-December 2023)

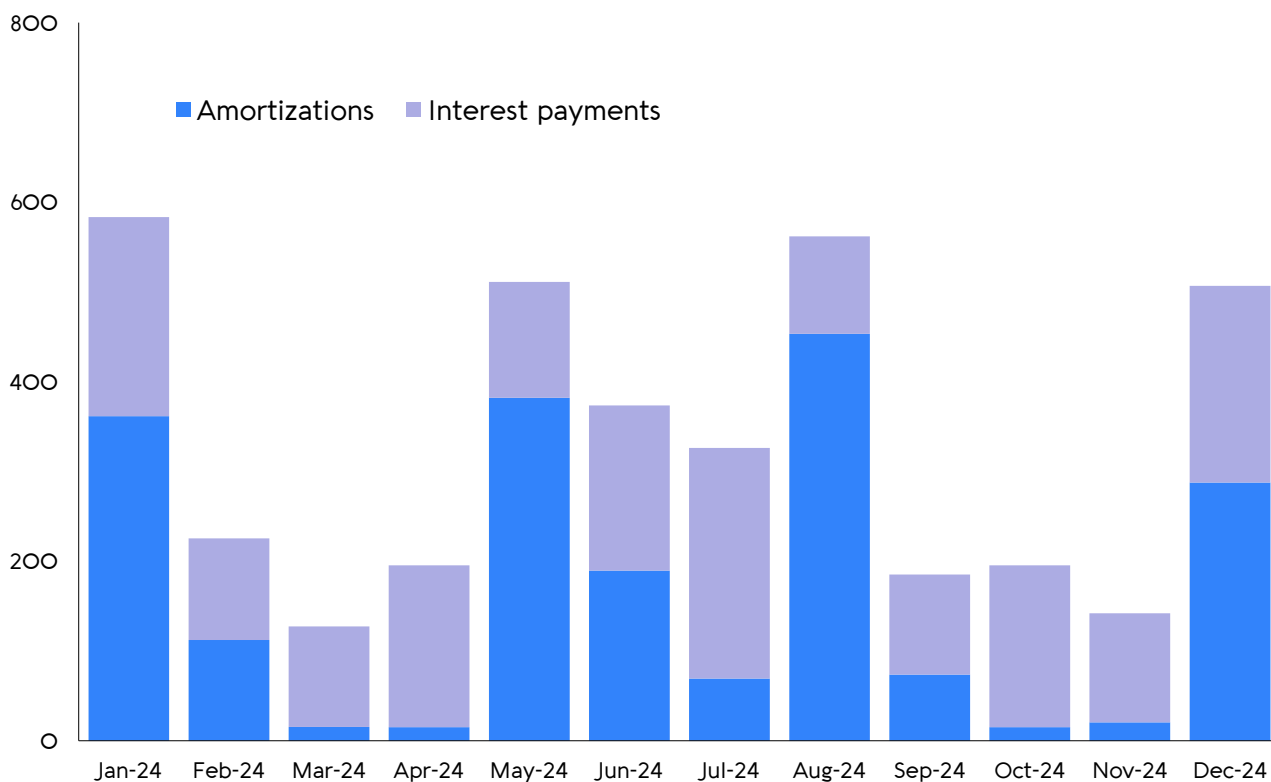


Table 4. Central Government's Net Indebtedness
(January-December 2023, in USD million)^{1/}

(1) Gross Indebtedness	5,239
Disbursements from Multilaterals and Financial Institutions	1,011
Total Issuance of Market Debt	4,228
<i>Local Market</i>	2,261
<i>International Market</i>	1,967
(2) Amortizations of Bonds and Loans	2,838
Market Debt	2,614
<i>Contractual obligations</i>	1,396
<i>Early redemptions</i>	1,218
Loans	224
(3) Change in Financial Assets	-23
Net Indebtedness = (1) - (2) - (3)	2,424

^{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)

	2023 ^(*)	2024 ^(Proj.)
FINANCING NEEDS	5,365	4,752
Primary Deficit ^{1/}	652	415
Interest Payments ^{2/}	1,898	2,080
Amortizations of Bonds and Loans ^{3/}	2,838	2,068
Change in Financial Assets	-23	189
FUNDING SOURCES	5,365	4,752
Disbursements from Multilaterals and Fin. Instit.	1,011	616
Total Issuance of Market Debt ^{4/}	4,228	3,925
Others (net) ^{5/}	126	211
Memo Item : Government Net Indebtedness (GNI)	2,424	2,284

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.

3/ For 2023, includes the obligations coming due on a contractual basis and bonds repurchased and early redeemed through liability management operations.

4/ Includes bonds issued domestically and in international markets.

5/ Captures the net effect of financing operations that do not have an impact on gross debt statistics; valuation effects from bond issuance prices above or below par; and financial sources of cash increases for the Treasury that do not entail a government revenue in fiscal statistics

Source: Ministry of Economy and Finance.

Table 6A. Current Domestic Issuance Calendar of Treasury Notes (January – June 2024)

Find below the results of the calendar auctions held through February 29th, 2024 and the remaining schedule for 2024H1 (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.	
01-16-2024	Series 6	07-20-2036	2.250	UP	850	33.1	800.0	31.2	1.89
01-23-2024	Series 31	01-18-2029	3.250	UI	200	30.3	400	60.6	2.74
02-06-2024	Series 11	12-07-2026	9.125	UYU	600	15.4	1,200	30.8	9.04
02-20-2024	Series 7	02-21-2029	1.200	UP	1,200	47.1	2,400	94.2	1.29
02-27-2024	Series 32	02-28-2036	3.125	UI	200	30.4	194.8	29.6	3.12
03-12-2024	Series 6	07-20-2036	2.250	UP	850				
03-19-2024	Series 31	01-18-2029	3.250	UI	200				
04-16-2024	Series 11	12-07-2026	9.125	UYU	600				
04-23-2024	Series 7	02-21-2029	1.200	UP	1,200				
04-30-2024	Series 32	02-28-2036	3.125	UI	200				
05-21-2024	Series 6	07-20-2036	2.250	UP	850				
05-28-2024	Series 31	01-18-2029	3.250	UI	200				
06-11-2024	Series 11	12-07-2026	9.125	UYU	600				
06-18-2024	Series 7	02-21-2029	1.200	UP	1,200				
06-25-2024	Series 32	02-28-2036	3.125	UI	200				

1/ All Treasury Notes, except for Series 31 in UI and Series 11 in UYU, 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 6B. Domestic Issuance Calendar of Treasury Notes (July – December 2023)

Find below the results of the auctions for 2023H2:

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.	
07-19-2023	Series 6	07-20-2036	2.250	UP	1,200	47.2	2,390.0	94.0	2.20
07-25-2023	Series 30	01-19-2027	1.125	UI	200	30.8	377	58.0	3.09
08-08-2023	Series 10	02-01-2029	10.500	UYU	950	25.0	657.8	17.3	9.38
08-15-2023	Series 29	08-24-2034	2.500	UI	275	42.1	334.5	51.2	3.39
08-22-2023	Series 3	05-13-2040	2.200	UP	1,200	47.4	2,080.0	82.2	2.15
09-12-2023	Series 6	07-20-2036	2.250	UP	1,200	47.1	2,400.0	94.2	2.17
09-19-2023	Series 30	01-19-2027	1.125	UI	200	30.4	199.2	30.3	3.07
10-10-2023	Series 10	02-01-2029	10.500	UYU	600	15.1	93.3	2.3	10.07
10-17-2023	Series 29	08-24-2034	2.500	UI	275	40.0	<i>no bids were accepted</i>		
10-24-2023	Series 3	05-13-2040	2.200	UP	1,400	53.3	1,500.0	57.2	2.21
11-14-2023	Series 6	07-20-2036	2.250	UP	1,200	46.0	2,125.0	81.5	2.23
11-21-2023	Series 30	01-19-2027	1.125	UI	200	29.9	400.0	59.8	3.09
12-05-2023	Series 10	02-01-2029	10.500	UYU	600	15.4	41.1	1.1	9.93
12-12-2023	Series 29	08-24-2034	2.500	UI	150	22.0	224.0	32.9	3.43
12-19-2023	Series 3	05-13-2040	2.200	UP	1,200	46.4	1,071.0	41.4	2.16

1/ All Treasury Notes, except for Series 10 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 February 28th, 2024)

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 '24	08-14-2013	08-14-2024	4.500	0.4	0.4	2,000	311	Yes	08-14-2024	EJ783737 Corp
Global USD '25	09-28-2009	09-28-2025	6.875	1.0	1.1	500	117	Yes	03-28-2024	EH983569 Corp
Global USD Jul. '27	07-15-1997	07-15-2027	7.875	3.0	3.4	510	22	No	07-15-2024	TT334611 Corp
Global USD Oct. '27	10-27-2015	10-27-2027	4.375	2.5	2.6	2,100	1,418	Yes	04-27-2024	QJ2218924 Corp
Global USD '31	01-23-2019	01-23-2031	4.375	5.2	5.9	2,441	2,074	Yes	07-23-2024	AW7271116 Corp
Global USD '33	05-29-2003	01-15-2033	7.875	6.7	8.9	1,056	841	No	07-15-2024	EC939210 Corp
Global USD SSLB '34	10-28-2022	10-28-2034	5.750	7.6	10.0	2,200	2,200	Yes	04-28-2024	BZ876934 Corp
Global USD '36	03-21-2006	03-21-2036	7.625	7.8	11.0	1,421	1,057	Yes	03-21-2024	EF330974 Corp
Global USD '45	11-20-2012	11-20-2045	4.125	13.4	20.7	854	731	Yes	05-20-2024	EJ442676 Corp
Global USD '50	06-18-2014	06-18-2050	5.100	14.1	25.3	3,947	3,947	Yes	06-18-2024	EK3264687 Corp
Global USD '55	04-20-2018	04-20-2055	4.975	15.1	30.1	2,588	2,588	Yes	04-20-2024	AS2148789 Corp
Yens										
Samurai '24	12-09-2021	12-09-2024	0.520	0.8	0.8	247	247	No	06-09-2024	JP585800AMC1 Corp
Samurai '26	12-09-2021	12-09-2026	0.670	2.7	2.8	3	3	No	06-09-2024	JP585800BMC9 Corp
Samurai '28	12-09-2021	12-08-2028	0.840	4.5	4.8	4	4	No	06-09-2024	JP585800CMC7 Corp
Samurai '31	12-09-2021	12-09-2031	1.000	6.8	7.8	3	3	No	06-09-2024	JP585800DMC5 Corp
Samurai '36	12-09-2021	12-09-2036	1.320	9.7	12.8	76	76	No	06-09-2024	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 '28	09-15-2017	03-15-2028	8.500	3.4	4.0	808	652	No	03-15-2024	AP0760557 Corp
Global UYU '31	05-21-2021	05-21-2031	8.250	5.4	7.2	1,312	1,312	No	05-21-2024	US917288BM35 Corp
Global UYU '33	07-20-2023	07-20-2033	9.750	6.3	9.1	1,227	1,227	No	07-20-2024	ZJ749841 Corp
Linked to CPI (UI)										
Global UI '27	04-03-2007	04-05-2027	4.250	2.0	2.1	1,123	827	Yes	04-05-2024	EG3199437 Corp
Global UI '28	12-15-2011	12-15-2028	4.375	3.5	3.7	2,613	2,157	Yes	06-15-2024	EI8993764 Corp
Global UI '30	07-10-2008	07-10-2030	4.000	4.9	5.3	1,227	1,227	Yes	07-10-2024	EH4525315 Corp
Global UI '37	06-26-2007	06-26-2037	3.700	10.0	12.1	1,076	1,076	Yes	06-26-2024	EG5893227 Corp
Global UI '40	07-02-2020	07-02-2040	3.875	11.8	15.1	2,232	2,232	Yes	07-02-2024	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	1.4	1.5	258	244	No	08-18-2024	BR0604115 Corp
Treasury Notes 10	02-01-2023	02-01-2029	10.500	3.9	4.9	167	167	No	08-01-2024	ZM7497484 Corp
Treasury Notes 11	02-07-2024	12-07-2026	9.125	2.5	2.8	31	31	No	06-07-2024	ZF9780734 Corp
Linked to CPI (UI)										
Treasury Notes 13	05-25-2010	05-25-2025	4.000	0.7	0.7	1,462	701	Yes	05-25-2024	EI3977911 Corp
Treasury Notes 21	11-26-2014	11-26-2025	4.000	1.7	1.7	590	581	Yes	05-26-2024	EK9574097 Corp
Treasury Notes 25	01-24-2018	07-24-2030	2.900	5.9	6.4	643	643	Yes	07-24-2024	AR4175741 Corp
Treasury Notes 27	06-09-2020	06-09-2024	2.975	0.3	0.3	1,180	183	Yes	06-09-2024	BJ9985414 Corp
Treasury Notes 28	01-20-2021	01-20-2026	1.575	1.4	1.4	1,074	715	Yes	07-20-2024	BN5826324 Corp
Treasury Notes 29	08-24-2021	08-24-2034	2.500	8.3	9.5	1,003	1,003	Yes	08-24-2024	BR1714806 Corp
Treasury Notes 30	01-19-2022	01-19-2027	1.125	2.8	2.9	908	908	No	07-19-2024	BT5601823 Corp
Treasury Notes 31	01-18-2023	01-18-2029	3.250	4.5	4.9	345	345	No	07-18-2024	ZM4879866 Corp
Treasury Notes 32	02-28-2024	02-28-2036	3.125	9.4	11.0	30	30	Yes	08-28-2024	ZD3376021 Corp
Linked to Nominal Wage Index (UP) 3/										
Treasury Notes 1	07-25-2018	07-25-2025	1.500	0.9	0.9	686	125	Yes	07-25-2024	AT7277862 Corp
Treasury Notes 2	08-29-2018	08-29-2033	1.800	8.7	8.5	754	754	Yes	08-28-2024	AU7040093 Corp
Treasury Notes 3	05-13-2019	05-13-2040	2.200	13.3	16.2	1,571	1,571	Yes	05-13-2024	Z56932199 Corp
Treasury Notes 4	01-27-2020	01-27-2037	2.450	10.3	11.9	1,732	1,732	Yes	07-27-2024	ZP7855163 Corp
Treasury Notes 5	09-01-2021	09-01-2047	2.000	17.3	22.5	1,704	1,704	Yes	03-01-2024	BR2601176 Corp
Treasury Notes 6	07-20-2023	07-20-2036	2.250	10.1	13.0	303	303	Yes	07-20-2024	ZJ8592405 Corp
Treasury Notes 7	02-21-2024	02-21-2029	1.200	3.9	4.0	94	94	Yes	08-21-2024	ZD1725781 Corp
Linked to After-tax Wage Index (UR) 4/										
Treasury Notes 1	03-31-2014	03-31-2044	2.250	15.5	20.4	1,358	1,358	Yes	06-31-2024	•

1/ Dollar-equivalent as of February 28th, 2024.

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.

Source: Debt Management Unit and Bloomberg.

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