Transparency and Stakeholder Relationship Management

Antonio Juambeltz
Ministry of Economy and Finance, Uruguay
Uruguay Debt Profile

DMU Structure and Legal Framework

DMU Communication Strategy

Concluding Remarks
Uruguay Debt Profile

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DMU Communication Strategy

Concluding Remarks
Uruguay at a glance

- Population ’13: 3.3 Million
- Total surface area: 176,215 km²
- Human Development Index: 51st over 186th
- GDP 2014 (e): US$ 56 Billion
  (High Income Economy / World Bank)

- Real Growth Rate ’14 (e): 3.0%
- Real Growth Rate ’04 - 13: 5.6%
- Unemployment Rate: 6.2%
- Ratings: BBB- / Baa2 / BBB-


Sustainable fiscal policy decreased Net Public Debt / GDP ratio

Global Public Debt (% of GDP)

Source: Ministry of Economy and Finance and Central Bank
Central Government Debt Structure

DEBT BY JURISDICTION (2014Q3)
- External Debt: 29%
- Internal Debt: 71%

DEBT BY CURRENCY (2014Q3)
- Local Currency: 51%
- Foreign Currency: 49%

INTEREST RATE MIX (2014Q3)
- Fixed Rate: 93%
- Floating Rate: 7%

INTEREST RATE MIX (2014Q3)
- Floating Rate: 9%
- Fixed Rate: 91%
Proactive debt management reduced roll-over & FX risk

Central Government Debt Profile
As of October 2014 (USD Million)

2014: 0.3% of GDP
2015: 2.1% of GDP

Average life
15 years

Contingent credits lines amount to nearly USD 2bn, 3.5% of GDP:

- World Bank - USD 520 million
- IDB - USD 550 million
- CAF - USD 400 million
- FLAR USD 470 million

Source: Debt Management Unit, Ministry of Economy and Finance. (*) Preliminary data
Uruguay Debt Profile

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Debt Management Unit Structure

**Minister of Economy and Finance**

**Central Bank**
(Republic’s Financial Agent)

**Debt Management Unit Director**

**IRO**
- Managing Investor Relations
- Follow up rating agencies
- Produce quarterly reports
- Website maintenance

**Front Office**
- Design and execution of funding transactions
- Design and execution of funding LM
- Design and execution of derivatives
- Projections of funding needs
- Develop of primary and secondary bond markets

**Middle Office**
- Formulation Debt strategy
- Design Funding strategy
- Risk modeling and DSA
- Reporting debt portfolio profile
- Evaluation funding requests by SOE’s

**Back Office**
- Debt registration
- Settlement and payment

**DMU’s Staff**
- Director (1)
- Senior Advisor (3)
- Advisor (2)
Accountability

Legal Framework

- Accountability and Budget Balance Law for 2010-2014 establish a cap for the annual increase in total Net Public Debt.

- Net Debt in each fiscal year may be increased up to a maximum of 5.5 billion Indexed Units (around USD 650 million or 1.2% GDP as of 11/2014).

- This Indebtedness Law can be seen as a fiscal rule, establishing a severe penalty as it requires parliamentary authorization to issue new debt if the cap is exceeded.

- Under unexpected and extraordinary situations, the Executive can exceed up to a 100% the cap for a particular year due prior notification to the Congress and without modifying the cap for the following years.

Reporting

The DMU sends an Annual Report to the Congress describing the relevant facts of public debt management: new issues in global markets; change in total public net debt, last market trends, etc.
Debt Management Guidelines

Budget 2010-2014

• Reduce the roll over risk.

• Deepen the prefunding policy.

• Reduce FX risk (45% share of LC by the end of 2014).

• Reduce interest rate risk.

• Achieve an optimal share between multilateral and private debt.

• Diversify the funding sources and broaden the investor base.

• Achieve a more dynamic domestic market.
Uruguay Debt Profile

DMU Structure and Legal Framework

**DMU Communication Strategy**

Concluding Remarks
Communication Strategy aimed at strengthening the relationship with investors

**Strengthening Investor Confidence**

1. **Transparency**
   - Information does not depend on the economic context

2. **Predictability**
   - Reporting and dissemination on a regular basis
   - Regular calendar for local auctions

3. **Availability**
   - Availability to meet investors and answer their requirements as soon as possible

4. **Equal Treatment**
   - All investors are treated equally
Importance of Investor Relations

✓ Key for a small economy like Uruguay.

✓ It generates positive externalities for the economy.
Website

✓ Launched in 2011.

✓ Follows the IR & Data Transparency Practices of IIF.

Press & Publications

The DMU seeks to disclose information that helps investors understand the economic and financial situation of the country and make investment decisions on this basis.

This section includes the Republic's periodic reports submitted to the US' securities markets regulator (the Securities and Exchange Commission), the latest National Budget Laws, and the legal framework related with the Uruguayan public debt.

Recent reports referring to the macroeconomic, financial, and social situation of Uruguay, prepared by multilateral institutions (IMF, ECLAC, World Bank, IDB, etc), are also included.
Website visitors by location

- USA: 12%
- Argentina: 61%
- Japan: 1%
- Germany: 2%
- United Kingdom: 2%
- India: 4%

Rest of the World: 11%
Reports disseminate to over 1,500 contacts

**Uruguay in focus**

A quarterly bulletin issued by the Debt Management Unit

October 2014

Presidential and legislative elections scheduled for October 26

On October 25th Uruguay will hold presidential and legislative elections. Uruguay is a representative democratic republic with a presidential system. The president is elected by direct popular vote for a period of five years and may not seek re-election for consecutive terms. According to Uruguay’s electoral system, established under the 1996 constitutional reform, each political party selects a single candidate for presidential elections. Primary elections were held on June 1st to determine the candidates who are representing their respective parties in the general election. Mr. Tabaré Vázquez was selected for the Frente Amplio, Mr. Luis Lacalle Pou for the Partido Nacional, Mr. Pedro Bordaberry for the Partido Colorado and Mr. Pablo Mieres for the Partido Independiente.

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**REAL SECTOR**

Uruguayan economy continues decelerating from its neighbors. In spite of the more challenging regional environment, the Uruguayan economy managed to decelerate from its neighbors and grew 3.7% in the second quarter over the same period of 2013. Thus far this year, which occurred in almost all sectors, CEP is poised to grow at least 3% in line with the official forecast and in contrast to the noticeable deceleration in its neighbors Argentina and Brazil.

Upon learning the official growth numbers for the second quarter, private analysts raised their forecasts for 2014 to 3.2% in October from 2.1% in September, while the IMF estimates 2.5% as shown in its last October report. Meanwhile, the government maintained its estimate at 3%.

Unlike previous quarters, when domestic demand was the driver of growth, in the latter the expansion was based on external demand. In that sense, total exports increased 8.1% in real terms (28.1% in 2013). As a result, registered lower real expansion compared with exports, there was a positive effect of net sales over GDP growth. In turn, domestic demand showed mixed results in the second quarter. While total consumption grew 4.4%, investment decreased 8% in real terms because of the completion of major construction projects.

Most sectors of the economy recorded an expansion in the second quarter of this year. Primary Activities decreased 0.6% in seasonal terms but registered a significant growth of 3.6% YoY boosted by livestock growth. Manufacturing grew 4.6% (s/a) and 1.1% over the same period of 2013. Highlights of this growth were the real expansion of food products and cellulosic pulp which have offset the contraction of industrial sales.

Transport, Storage and Communications expanded in the second quarter in seasonal terms (2.8%) as well as over the same period of 2013 (8.1%), underserved by data and logistic services.

Commerce, Restaurants and Hotels increased 1% in seasonal terms and registered an improved expansion of 1.4% driven by increased sales of capital goods in the external market and a strong demand of tourist services.

Other activities increased 1% (c/a) and 2% in 2014/2Q boosted by the expansion in financial services.

In contrast, Construction decelerated 2.4% (c/a) and 4.9% in 2014/2Q compared with same period of 2013 due to the end of some significant public and private works (especially a sewage plant and some infrastructure projects).

The semi-annual publication of the issuance calendar, introduced in August 2012, aims to increase the efficiency of the Government local securities market and provide sound basis for further financial market development in line with the objective of promoting the domestic market. Emphasis is placed on the continued effort to build up benchmark-sized series. This Program also helps to improve transparency and offers predictability to the market.

**Uruguay Debt report**

A quarterly report issued by the Debt Management Unit

October 2014

Executive

The last Macroeconomic Coordination Committee held on September decided to remove reserve requirements for foreign investors on CG local securities. To keep providing a steady supply of local benchmark bonds, a new issuance schedule for the forthcoming six-months was released.

MEF removes reserve requirements on CG local securities on foreign investors

The last Macroeconomic Coordination Committee held on September which comprised authorities from the Ministry of Economy and Finance and the Central Bank decided to removes reserve requirements on nonresidents holdings of local securities issued in domestic currency by the Central Government and reduced from 50% to 30% the already operating for CBU securities. This regime was introduced in August 2012 and then modified in July 2013 in a context of further appreciation of the Uruguayan Peso and important portfolio inflows aimed at domestic securities in local currency. It is important to highlight that since the measures had been taken, nonresidents maintained their holdings in both CBU and CG securities. But since the beginning of July 2014, prospects of a further strengthening of the US Dollar and the prolonged rally seen versus most currencies (to which the Uruguayan Peso was no stranger) underpinned the decision.

Forthcoming six-months auction calendar

In early October the Central Government released its new issuance calendar for the forthcoming six months (October 2014 - March 2015) in the domestic market. The Government will regroup the 5-year CPI linked Note final maturity in 2020 and intends to issue a new reference in the 10 year segment to continue strengthening local benchmarks in the CPI Curve. Total issuance for the entire period is planned to be around the equivalent of USD 115 million (each Note will be issued every two months). It is important to note that at each auction up to 200% of the auction amount can be accepted (for further information click here).

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Preliminary Issue Amount per auction (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-Year CPI Note benchmark</td>
<td>Around 130</td>
</tr>
<tr>
<td>10-Year CPI Note benchmark</td>
<td>Around 120</td>
</tr>
</tbody>
</table>

Despite the depreciation in the Uruguayan Peso Debt-to-GDP ratio remains stable

The Uruguayan Peso Debt-to-GDP ratio remained stable.

**CHART 1**

The chart shows the change in the ratio of total debt to GDP, which remains stable despite fluctuations in the exchange rate. The ratio is calculated on a quarterly basis, with the data spanning from Q1 2010 to Q2 2014. Despite the depreciation of the Uruguayan Peso, the ratio has remained relatively stable, indicating that the government's fiscal policy has been effective in managing debt levels.

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Main Economic Indicators updated on a monthly basis

- Handy, summarized and official national economic statistics

<table>
<thead>
<tr>
<th>Economic structure and performance</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Last available as of:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nominal GDP (local currency, $bn)</strong></td>
<td>333</td>
<td>425</td>
<td>471</td>
<td>549</td>
<td>636</td>
<td>687</td>
<td>780</td>
<td>912</td>
<td>1,016</td>
<td>1,141</td>
<td>1,220</td>
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<tr>
<td><strong>Nominal GDP (US$bn)</strong></td>
<td>13,712</td>
<td>17,403</td>
<td>15,630</td>
<td>23,486</td>
<td>30,387</td>
<td>29,473</td>
<td>38,861</td>
<td>47,271</td>
<td>49,968</td>
<td>55,661</td>
<td>55,397</td>
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<td><strong>GDP per capita (US$)</strong></td>
<td>4,354</td>
<td>5,769</td>
<td>6,275</td>
<td>7,345</td>
<td>9,235</td>
<td>9,068</td>
<td>11,055</td>
<td>14,384</td>
<td>15,169</td>
<td>16,855</td>
<td>16,855</td>
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<tr>
<td><strong>Unemployment (% of labor force, avg)</strong></td>
<td>13.1</td>
<td>12.2</td>
<td>11.4</td>
<td>9.2</td>
<td>7.6</td>
<td>7.3</td>
<td>6.7</td>
<td>6.0</td>
<td>6.1</td>
<td>5.4</td>
<td>6.4</td>
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<tr>
<td><strong>Real GDP (%) change - YoY</strong></td>
<td>5.0</td>
<td>7.5</td>
<td>4.1</td>
<td>6.5</td>
<td>7.2</td>
<td>7.2</td>
<td>8.4</td>
<td>7.3</td>
<td>3.7</td>
<td>4.4</td>
<td>3.6</td>
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<tr>
<td><strong>Real GDP (%) change - GGr - SA</strong></td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Agriculture &amp; Livestock</strong></td>
<td>9.1</td>
<td>3.6</td>
<td>5.6</td>
<td>-9.7</td>
<td>2.1</td>
<td>6.4</td>
<td>3.4</td>
<td>11.1</td>
<td>-4.8</td>
<td>4.6</td>
<td>3.6</td>
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<tr>
<td><strong>Manufacturing</strong></td>
<td>7.7</td>
<td>13.3</td>
<td>4.8</td>
<td>8.3</td>
<td>8.1</td>
<td>11.8</td>
<td>3.3</td>
<td>2.6</td>
<td>16.0</td>
<td>-0.4</td>
<td>1.5</td>
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<tr>
<td><strong>Electricity, gas &amp; water</strong></td>
<td>-13.6</td>
<td>6.1</td>
<td>-25.2</td>
<td>50.2</td>
<td>-51.1</td>
<td>12.8</td>
<td>8.8</td>
<td>23.3</td>
<td>-21.9</td>
<td>55.2</td>
<td>29.7</td>
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<td><strong>Construction</strong></td>
<td>6.6</td>
<td>14.7</td>
<td>7.0</td>
<td>9.3</td>
<td>2.6</td>
<td>1.2</td>
<td>1.2</td>
<td>4.3</td>
<td>2.7</td>
<td>18.7</td>
<td>1.4</td>
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<td><strong>Commerce, restaurants &amp; hotels</strong></td>
<td>8.7</td>
<td>7.2</td>
<td>4.6</td>
<td>8.7</td>
<td>11.9</td>
<td>-4.0</td>
<td>16.2</td>
<td>10.2</td>
<td>3.4</td>
<td>2.8</td>
<td>1.4</td>
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<tr>
<td><strong>Transportation &amp; communications</strong></td>
<td>8.9</td>
<td>16.7</td>
<td>11.1</td>
<td>16.1</td>
<td>30.7</td>
<td>12.6</td>
<td>16.3</td>
<td>13.6</td>
<td>7.4</td>
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<table>
<thead>
<tr>
<th>Inflation and Monetary Indicators</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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<tr>
<td><strong>Inflation (PPP) change, 12m</strong></td>
<td>7.59</td>
<td>4.94</td>
<td>6.38</td>
<td>6.50</td>
<td>5.18</td>
<td>5.98</td>
<td>6.83</td>
<td>8.50</td>
<td>7.46</td>
<td>8.32</td>
<td>2014/05</td>
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<td><strong>Inflation (WPI), change, 12m</strong></td>
<td>5.1</td>
<td>2.2</td>
<td>9.2</td>
<td>16.4</td>
<td>16.9</td>
<td>14.4</td>
<td>11.1</td>
<td>9.2</td>
<td>6.3</td>
<td>16.3</td>
<td>2014/05</td>
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<td><strong>Nominal exchange rate (USY per USD, 12m average)</strong></td>
<td>28.65</td>
<td>24.48</td>
<td>24.01</td>
<td>23.41</td>
<td>20.94</td>
<td>23.33</td>
<td>20.70</td>
<td>19.30</td>
<td>20.33</td>
<td>20.50</td>
<td>20.52</td>
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<td><strong>Nominal exchange rate (change, 12m average)</strong></td>
<td>1.7</td>
<td>-14.8</td>
<td>-1.7</td>
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<td>11.4</td>
<td>-16.0</td>
<td>-6.9</td>
<td>12.8</td>
<td>80.3</td>
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<td><strong>REER (CPI, 2010-100)</strong></td>
<td>127.7</td>
<td>125.4</td>
<td>131.9</td>
<td>121.9</td>
<td>122.0</td>
<td>101.3</td>
<td>100.9</td>
<td>94.4</td>
<td>82.4</td>
<td>80.3</td>
<td>2014/05</td>
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<td><strong>REER (%) change, 12m, 100</strong></td>
<td>7.5</td>
<td>-8.9</td>
<td>4.5</td>
<td>7.0</td>
<td>7.4</td>
<td>-2.0</td>
<td>0.4</td>
<td>-4.6</td>
<td>-11.3</td>
<td>-3.1</td>
<td>2014/05</td>
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<tr>
<td><strong>Real Wages (%) change, 12m</strong></td>
<td>2.9</td>
<td>4.5</td>
<td>3.7</td>
<td>4.1</td>
<td>4.3</td>
<td>5.6</td>
<td>3.4</td>
<td>4.0</td>
<td>5.2</td>
<td>3.3</td>
<td>4.8</td>
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<tr>
<td><strong>Monetary Base (%) change, 12m</strong></td>
<td>11.1</td>
<td>14.1</td>
<td>5.0</td>
<td>45.5</td>
<td>13.6</td>
<td>9.9</td>
<td>10.2</td>
<td>11.3</td>
<td>7.2</td>
<td>5.7</td>
<td>11.2</td>
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<tr>
<td><strong>M1 (%) change, 12m</strong></td>
<td>13.0</td>
<td>37.4</td>
<td>20.0</td>
<td>31.8</td>
<td>17.5</td>
<td>11.9</td>
<td>28.1</td>
<td>18.2</td>
<td>9.2</td>
<td>13.0</td>
<td>5.4</td>
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<td><strong>M2 (%) change, 12m</strong></td>
<td>11.5</td>
<td>27.2</td>
<td>23.9</td>
<td>20.0</td>
<td>17.3</td>
<td>14.8</td>
<td>31.0</td>
<td>20.1</td>
<td>18.4</td>
<td>11.7</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Overnight bank rate interest rate</strong>, 12m, % (dec avg)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>2014/05</td>
</tr>
<tr>
<td><strong>Short-term deposit interest rate</strong>, 12m, % (60-90 days, dec avg)</td>
<td>5.0</td>
<td>2.3</td>
<td>2.0</td>
<td>2.5</td>
<td>3.3</td>
<td>4.8</td>
<td>4.4</td>
<td>5.3</td>
<td>6.5</td>
<td>5.0</td>
<td>4.7</td>
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<tr>
<td><strong>Total private NPS deposits/GDP, %</strong></td>
<td>89.7</td>
<td>89.6</td>
<td>84.9</td>
<td>52.0</td>
<td>42.7</td>
<td>46.4</td>
<td>46.3</td>
<td>45.4</td>
<td>45.4</td>
<td>40.6</td>
<td>2014/05</td>
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<tr>
<td><strong>Local currency private NPS deposits (USDm, dec avg)</strong></td>
<td>34.4</td>
<td>15.2</td>
<td>16.0</td>
<td>12.6</td>
<td>10.7</td>
<td>10.7</td>
<td>10.5</td>
<td>10.7</td>
<td>10.7</td>
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<td>2014/05</td>
</tr>
<tr>
<td><strong>Foreign currency private NPS deposits (USDm, dec avg)</strong></td>
<td>310.7</td>
<td>131.0</td>
<td>126.9</td>
<td>123.9</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>2014/05</td>
</tr>
<tr>
<td><strong>Foreign currency deposits/Total reserve assets</strong></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>2014/05</td>
</tr>
<tr>
<td><strong>Domestic credit to private NPS/GDP</strong></td>
<td>25.2</td>
<td>21.1</td>
<td>21.2</td>
<td>22.9</td>
<td>24.5</td>
<td>22.2</td>
<td>22.0</td>
<td>24.5</td>
<td>24.8</td>
<td>24.8</td>
<td>2014/05</td>
</tr>
<tr>
<td><strong>Domestic credit to resident private NPS (USDm, dec avg)</strong></td>
<td>3.588</td>
<td>3.717</td>
<td>4.165</td>
<td>5.517</td>
<td>8.984</td>
<td>7.213</td>
<td>8.635</td>
<td>10.387</td>
<td>12.237</td>
<td>13.821</td>
<td>13.714</td>
</tr>
</tbody>
</table>
Investor Meetings in the office

✓ If it’s necessary we invite our colleagues of Budget & Macro Office to participate in some meetings.

✓ We rely on an updated institutional presentation.
Non Deal Road Shows

- Visit US accounts once a year.
- Japan every two years.
- LATAM in 2013.
- Exploring new potential accounts.
Local Investors Survey


✓ The results were treated confidentially.

✓ 23 questions to assess i) the quality of information produced by DMU and ii) potential demand of securities.

Con el objetivo de mejorar el relacionamiento con la comunidad inversora local y en línea con las mejores prácticas de relacionamiento con inversores, la Unidad de Gestión de Deuda (UGD) del Ministerio de Economía y Finanzas lo invita a participar de esta breve encuesta (con un tiempo estimado de no más de 15 minutos).

Las respuestas individuales serán exclusivamente para uso interno de la UGD, se tratarán con absoluta confidencialidad y no se divulgarán los resultados. Se solicita enviar las respuestas a la dirección deposito@mf.gub.uy, mencionando en el Asunto “Respuesta UGD” y conteniendo en el correo nombre e institución que responde.

Desde ya agradecemos su colaboración.

I. Preguntas relativas a la información de la UGD

1. ¿Cómo evalúa en términos generales la comunicación de la UGD con el mercado?
   a) Mala
   b) Regular
   c) Buena
   d) Muy buena

|  |  |  |  |  |
|---|---|---|---|
| a) Malo | b) Regulares | c) Buenos | d) Muy Buenos |
| Reseptas |  |  |  |
| AFAPES | 4 |
| Bancos | 5 |
| Otros | 10 |
Keeping an eye on Investor Base

- On-going track and analysis of investor base composition and trends
Rating Agencies

- Meetings with analysts coming to the country once a year and on every global meetings (IMF/IADB/WB).
- Close and constant tracking of Uruguay’s situation according to rating methodologies.
- Call conferences after every operation (i.e. Global Bond, LM exercise).

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**Uruguay’s consistent return to investment grade**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>New 10-year benchmark Global Bond</td>
</tr>
<tr>
<td>2012</td>
<td>IG Status</td>
</tr>
<tr>
<td>2011</td>
<td>New LM Exercise, awarded as “Best Sovereign LM” by Latin America Magazin</td>
</tr>
<tr>
<td>2010</td>
<td>Goal in Budget Plan (2010-2014); IG Status</td>
</tr>
<tr>
<td>2009</td>
<td>New US$ 2025 Notes despite financial crisis</td>
</tr>
<tr>
<td>2008</td>
<td>US$ &amp; UI Exchange Offers</td>
</tr>
<tr>
<td>2007</td>
<td>Global &amp; Local Debt Tender Offers</td>
</tr>
<tr>
<td>2006</td>
<td>Prepayment of Official Loans (WB, IADB, IMF)</td>
</tr>
<tr>
<td>2003</td>
<td>Voluntary Debt Re-profiling</td>
</tr>
</tbody>
</table>

Source: S&P and Moody's creditrating
Invited by Navios Maritime Holdings, the Minister of Finance ringed the bell in NYSE and gave some conferences to investors and interview for media.

Navios Rings NYSE Closing Bell

MarineLink.com

Navios Maritime Holdings Inc. Chairman and CEO Angeliki Frangou, along with members of the Navios Maritime Holdings Inc. management team, commemorated the company's 60th Anniversary by ringing the NYSE Closing Bell today, Wednesday, February 19, 2014.

Prior to the ceremony, Frangou commented, "We are pleased to be back at the NYSE to ring the closing bell, celebrating of our 60th anniversary. We are also delighted that the Uruguayan Minister of Foreign Affairs, Luis Almagro, and the Minister of Finance, Mario Bergara will join us to celebrate our long-time activities in Uruguay. We look forward to this event."
Investor On line Conference

First conference given by the Minister of Finance in September.

✓ 100% of the online questions asked via email were forwarded to the Minister.
✓ Half of the 100 users online were external investors.
✓ Available on the DMU website.

MEF removes reserve requirements on CG local securities to non


September 30th, 2014. The Ministry of Economics and Finance (MEF) and the Central Bank decided to reduce down to 0% the reserve requirements to non-residents’ holdings of local domestic currency by the Central Government and to reduce from 50% to 30% the amount CBU Securities.

Click here to access the Press Release (in Spanish only).

Uruguay Macroeconomic Outlook

September 16th, 2014. The Minister of Economy and Finance of Uruguay, Mario Bergara, presented the country’s macroeconomic outlook.

Please click here to see the presentation and here to access the document.

Japanese Rating Agency upgrades Uruguay to Investment Grade

Regular calendar for local auctions

- Launched for the next six months in the domestic markets.
- It helps to provide predictibility to the market.

DEBT MANAGEMENT UNIT
Calle 1009 Pdo. 1, Montevideo, Uruguay
Phone: (+598) 217-03677
Email: debtm@ret Law.gov.uy
Website: deuda.mef.gub.uy

Press Release
October 9th, 2014

Issuance Program
October 2014 - March 2015

The Central Government launches today its Issuance Program for the next six months in the domestic market. The Government will continue reopening the CPI-linked (UI) Treasury Notes issued on April 30th, 2014 and due on April 2020 (Series 20). Likewise, it intends to issue a new CPI-Linked (UI) benchmark in the middle section of the curve. Notes will be auctioned alternately every two months with an estimated nominal issuance as set forth in the following table:

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Preliminary Issue Amount per auction (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-Year CPI Note benchmark</td>
<td>Around UI 200</td>
</tr>
<tr>
<td>10-Year CPI Note benchmark</td>
<td>Around UI 120</td>
</tr>
</tbody>
</table>

The Central Government intended issuances for the next six months are:

<table>
<thead>
<tr>
<th>Auction Date</th>
<th>Instrument</th>
<th>Type of Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-28-2014</td>
<td>5-Year CPI Note benchmark</td>
<td>Reopening</td>
</tr>
<tr>
<td>11-25-2014</td>
<td>10-Year CPI Note benchmark</td>
<td>Reopening</td>
</tr>
<tr>
<td>12-23-2014</td>
<td>5-Year CPI Note benchmark</td>
<td>Reopening</td>
</tr>
<tr>
<td>01-27-2015</td>
<td>10-Year CPI Note benchmark</td>
<td>Reopening</td>
</tr>
<tr>
<td>02-24-2015</td>
<td>5-Year CPI Note benchmark</td>
<td>Reopening</td>
</tr>
<tr>
<td>03-24-2015</td>
<td>10-Year CPI Note benchmark</td>
<td>Reopening</td>
</tr>
</tbody>
</table>

Amounts tendered and any further information on individual series of bonds will be posted one week prior to the auction date on deuda.mef.gub.uy Debt Management Unit (DMU) website, and www.bcu.gub.uy Central Bank of Uruguay (CBU) website.
Communication policy was reflected in recent IR & Data Transparency Practices Ranking elaborated by IIF.
Uruguay Debt Profile

DMU Structure and Legal Framework

DMU Communication Strategy

Concluding Remarks
• Despite having a small staff the IR Area is key for the DMU.

• Retention of staff is crucial for success.

• The quality of communication can always be improved: use all available tools.
Thank you

Antonio Juambeltz
Ministry of Economy and Finance, Uruguay