

January 17th, 2020*Domestic Auction of Government Treasury Notes and Exchange Offer for Government and Central Bank securities*

Starting January 21st, 2020, the Republic of Uruguay will launch an off-calendar domestic offering of CPI-linked and Nominal Wage-linked Treasury Notes denominated in local currency. The offering will comprise four successive daily auctions spanning through January 24th, 2020, for an amount of approximately USD 556 million-equivalent¹. The transaction includes an exchange offer for selected securities issued by the Central Bank and the Central Government (outstanding of eligible instruments is approximately USD 7 billion). Key terms and conditions of the offering are presented below. Full terms and conditions are set forth in the Spanish language Communication, which can be obtained [here](#).

	Treasury Notes denominated in UI		Treasury Notes denominated in UP	
	<i>UI `2023 Series 26</i>	<i>UI `2025 Series 13</i>	<i>UP `2037 Series 4</i>	<i>UP `2040 Series 3</i>
Issuer	Republic of Uruguay			
Currency	UI (inflation-linked UYU)		UP (nominal wage-linked UYU)	
Auction date	January 21 st , 2020	January 22 nd , 2020	January 23 rd 2020	January 24 th , 2020
Amount auctioned	UI 1.300 million (approx. USD 152 million)	UI 1.300 million (approx. USD 152 million)	UP 5.000 million (approx. USD 151 million)	UP 3.350 million (approx. USD 101 million)
Annual Fixed Coupon	2.45%	4.00%	2.45%	2.20%
Coupon Frequency	Semi-Annual			
Average Years to Maturity	2.3 yrs.	4.4 yrs.	16 yrs.	19.3 yrs.
Amortization Schedule	Equal amortizations in last three years to maturity			
	2021/2022/2023	2023/2024/2025	2035/2036/2037	2038/2039/2040
Settlement options	<ul style="list-style-type: none"> • Uruguayan Pesos • U.S Dollars • Central Bank Bills and Notes due in 2020 • Treasury Notes due in 2020 	<ul style="list-style-type: none"> • Uruguayan Pesos • U.S Dollars • Central Bank Bills and Notes due in 2020 • Treasury Notes due in 2020 plus CPI-linked Treasury Notes Series 19 (due in 2022) & Series 24 (due in 2021) 		
Issuance Format	Reopening	Reopening	New	Reopening
ISIN	UYNA00026UI9	UYNA00013UI7	TBD	UYNA00003UP3
Settlement date	January 27 th , 2020	January 27 th , 2020	January 27 th , 2020	January 27 th , 2020
Governing law	Republic of Uruguay			
Credit Rating	Baa2(Stable) / BBB(Stable) / BBB-(Negative)			
	Moody's	S&P	Fitch	

¹ The Government is legally authorized to issue up to an additional 100% of the original tendered amount on each auction.

Use of Proceeds	General purposes of the Government
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Instruments Issued. The Government is issuing four different series of domestic local currency Treasury Notes at short and medium-to-long term maturities². The first two auctions are of inflation-linked Notes. These securities are denominated in CPI-Indexed Units (UI for its Spanish acronym)³. The last two series are linked to Nominal Wages (i.e., denominated in Pension Units, or UP for its Spanish acronym)⁴.

Participation and Bids. Both resident and non-resident investors can participate in the offering. Local investors authorized by the Central Bank of Uruguay to submit bids are listed in the Communication referred above. All other investors, both residents and non-residents, can participate through any local broker and/or financial institution referred to in the Communication— provided they have an open account at one of these institutions. Holders of eligible securities willing to tender in the exchange offer that cannot bid directly, should arrange with a local broker and/or financial institution to execute as needed. Neither residents nor non-residents are subject to income tax when investing in Uruguayan government securities. There are no foreign exchange restrictions.

In addition, the Treasury Notes offered in these auctions can also be available through Global Depository Notes (Euroclear, Clearstream and DTC-eligible).

Pricing Mechanism, Issuance Amount and Allocation. Treasury Notes will be issued through a Dutch auction method (single price), as in the regular semi-annual calendar issuances of the Uruguayan government. Auctions are conducted over the electronic platform VALNET through which auction participants place their bids. All accepted bids will be allocated to investors at the same price. Government is legally authorized to issue up to an additional 100% of the original tendered amount on each auction. Likewise, total bids per institution cannot exceed this maximum limit. The Republic reserves the right to accept part or all of the submitted bids, or reject all of them.

Tenders and Settlement. Repurchase prices for eligible securities will be communicated on January 20th, 2020 and posted on both the Central Bank’s and the Debt Management Unit’s websites. Accepted bids may be settled in Uruguayan Pesos, U.S. dollars, and/or the eligible instruments issued by the Central Bank and the Central Government, as detailed in the Annex. Treasury Notes denominated in UI are converted into UYU at the correspondent index UI/UYU at the settlement date (Bloomberg ticker: *URUDUD <Index>*). Treasury Notes denominated in UP are converted into UYU at the correspondent index *UP/UYU* at the settlement date (Bloomberg ticker: *URUDUP <Index>*). For those investors settling in U.S. dollars, the peso equivalent amount will be calculated using the simple average of the exchange rate of the day prior to each auction and the day of the auction (closing price, as reported by the Central Bank: Bloomberg ticker: *USDUYU CBUY <Curncy>*).

Offering schedule. The dates and times for the issuance and settlement transactions are detailed below (Montevideo time/UTC/GMT - 3 hours). The Republic at its sole discretion may modify the dates and times indicated below.

Treasury Notes	Receipt of proposals	Announcement of auction results	Settlement
<i>CPI-linked (UI `2023)</i>	From 01/20/2020 at 13:00 through 01/21/2020 by 14:00	01/21/2020 at 15:00	01/27/2020
<i>CPI-linked (UI `2025)</i>	From 01/20/2020 at 13:00 through 01/22/2020 by 14:00	01/22/2020 at 15:00	01/27/2020
<i>Wage-linked (UP `2037)</i>	From 01/20/2020 at 13:00 through 01/23/2020 by 14:00	01/23/2020 at 15:00	01/27/2020
<i>Wage-linked (UP `2040)</i>	From 01/20/2020 at 13:00 through 01/24/2020 by 14:00	01/24/2020 at 15:00	01/27/2020

² A full list of Uruguay’s Treasury Notes outstanding can be accessed using the Bloomberg ticker: *UNT <Govt>*.

³ The UI is a daily accounting unit that tracks changes to the Consumer Price Index (Bloomberg ticker: *URUDUD <Index>*).

⁴ The UP is a daily accounting unit that tracks changes to the Nominal Wage Index (Bloomberg ticker: *URUDUP <Index>*).

Queries:

Investors can clear any doubts by referring to the contacts below, as follows:

- For Treasury Notes issuances:
 - Ministry of Economy and Finance Debt Management Unit: +598 (2) 1712 2957/2785 / debtinfo@mef.gub.uy
- To submit proposals:
 - Central Bank Monetary Operations Department: +598 (2) 1967 2411/2412 / dom@bcu.gub.uy
- To submit eligible securities:
 - Central Bank Monetary Payment System Department: +598 (2) 1967 2426/2427 / dcv@bcu.gub.uy

Annex - Eligible Securities for Tender**Central Bank Monetary Regulation Bills in Uruguay Pesos**

Maturity	Outstanding	Outstanding in USD million
02/03/2020	2.403.870.000	64
02/07/2020	16.550.280.000	443
02/12/2020	6.267.456.000	168
2/21/2020	2.700.122.000	72
2/28/2020	14.725.250.000	394
03/11/2020	1.109.940.000	30
3/20/2020	3.608.090.000	97
3/27/2020	12.796.042.000	343
04/01/2020	5.062.850.000	136
4/17/2020	2.907.110.000	78
4/22/2020	7.231.200.000	194
05/08/2020	4.594.450.000	123
5/15/2020	2.124.360.000	57
06/05/2020	1.805.730.000	48
06/10/2020	11.998.860.000	321
6/26/2020	4.447.630.000	119
07/03/2020	11.901.760.000	319
7/15/2020	6.476.710.000	173
7/31/2020	3.654.770.000	98
8/28/2020	3.520.100.000	94
09/02/2020	4.631.670.000	124
10/02/2020	4.929.870.000	132
10/14/2020	6.141.880.000	165
11/06/2020	2.743.860.000	73
12/02/2020	8.040.500.000	215
12/18/2020	9.976.860.000	267

CPI-linked Central Bank Notes

Maturity	Outstanding	Outstanding in USD million
03/05/2020	922.500.000	108

Nominal Peso Treasury Notes

Series	Maturity	Outstanding	Outstanding in USD million
8	7/29/2020	19.600.235.256	525

CPI-linked Treasury Notes

Series	Maturity	Outstanding	Outstanding in USD million
12	03/07/2020	145.881.926	17
20	4/30/2020	2.814.240.277	329
14	06/10/2020	3.878.525.944	454
24	12/29/2021	6.993.050.000	818
19	9/27/2022	3.523.250.000	412