

January 27<sup>th</sup>, 2022*Domestic Auction of Government Treasury Notes and Exchange Offer for Government and Central Bank securities*

Starting February 1<sup>st</sup>, 2022, 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 February 4<sup>th</sup>, 2022, for an amount of approximately USD 500 million-equivalent<sup>1</sup>. 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 7.5 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 `2027 Series 30</i>	<i>UI `2034 Series 29</i>	<i>UP `2037 Series 4</i>	<i>UP `2047 Series 5</i>
<b>Issuer</b>	Republic of Uruguay			
<b>Currency</b>	UI (inflation-linked UYU)		UP (nominal wage-linked UYU)	
<b>Auction date</b>	February 1 <sup>st</sup> , 2022	February 2 <sup>nd</sup> , 2022	February 3 <sup>rd</sup> , 2022	February 4 <sup>th</sup> , 2022
<b>Amount auctioned</b>	UI 1,300 million (approx. <b>USD 150 million</b> )	UI 1,100 million (approx. <b>USD 125 million</b> )	UP 3,500 million (approx. <b>USD 100 million</b> )	UP 4,300 million (approx. <b>USD 125 million</b> )
<b>Annual Fixed Coupon</b>	1.125%	2.50%	2.45%	2.00%
<b>Coupon Frequency</b>	Semi-Annual			
<b>Average Years to Maturity</b>	4 yrs.	11.6 yrs.	14 yrs.	24.6 yrs.
<b>Amortization Schedule</b>	Bullet, at maturity	Equal amortizations in last three years to maturity		
	2027	2032/2033/2034	2035/2036/2037	2045/2046/2047
<b>Settlement options</b>	<ul style="list-style-type: none"> <li>• Uruguayan Pesos</li> <li>• U.S. Dollars</li> <li>• Central Bank Bills due in 2022</li> <li>• Treasury Notes amortizing in 2022: CPI-linked Treasury Notes Series 19 (due in 2022), Series 26 (second amortization in 2022), &amp; Series 27 (first amortization in 2022)</li> </ul>			
<b>Issuance Format</b>	Reopening	Reopening	Reopening	Reopening
<b>ISIN</b>	UYNA00030UI1	UYNA00029UI3	UYNA00004UP1	UYNA00005UP8
<b>Settlement date</b>	February 7 <sup>th</sup> , 2022			
<b>Governing law</b>	Republic of Uruguay			
<b>Credit Rating</b>	Baa2(Stable) / BBB(Stable) / BBB-(Stable) Moody's      S&P      Fitch			
<b>Use of Proceeds</b>	General purposes of the Government			

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

**Instruments Issued.** The Government is issuing four different series of domestic local currency Treasury Notes at short and medium-to-long term maturities<sup>2</sup>. The first two auctions are of inflation-linked Notes. These securities are denominated in CPI-Indexed Units (UI for its Spanish acronym)<sup>3</sup>. The last two series are linked to Nominal Wages (i.e., denominated in Pension Units, or UP for its Spanish acronym)<sup>4</sup>.

**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 31<sup>st</sup>, 2022 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 `2027)</i>	From 01/31/2022 at 13:00 through <b>02/01/2022 by 14:00</b>	02/01/2022 at 15:00	02/07/2022
<i>CPI-linked (UI `2034)</i>	From 01/31/2022 at 13:00 through <b>02/02/2022 by 14:00</b>	02/02/2022 at 15:00	02/07/2022
<i>Wage-linked (UP `2037)</i>	From 01/31/2022 at 13:00 through <b>02/03/2022 by 14:00</b>	02/03/2022 at 15:00	02/07/2022
<i>Wage-linked (UP `2047)</i>	From 01/31/2022 at 13:00 through <b>02/04/2022 by 14:00</b>	02/04/2022 at 15:00	02/07/2022

**Queries:**

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

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

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

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 / [debtinfo@mef.gub.uy](mailto:debtinfo@mef.gub.uy)
- To submit proposals:
  - Central Bank Monetary Operations Department: +598 (2) 1967 2411/2412 / [dom@bcu.gub.uy](mailto:dom@bcu.gub.uy)
- To submit eligible securities:
  - Central Bank Monetary Payment System Department: +598 (2) 1967 2426/2427 / [dev@bcu.gub.uy](mailto:dev@bcu.gub.uy)

### **Annex - Eligible Securities for Tender**

#### **Central Bank Monetary Regulation Bills in Uruguay Pesos**

<b>Maturity</b>	<b>Outstanding</b>	<b>Outstanding in USD million</b>
02/11/2022	11,000,000,000	248
02/14/2022	10,819,060,000	244
02/18/2022	11,520,570,000	260
02/23/2022	11,509,028,000	260
02/25/2022	6,974,748,000	157
03/02/2022	8,319,154,000	188
03/04/2022	13,656,090,000	308
03/18/2022	4,346,850,000	98
03/23/2022	14,169,250,000	320
03/25/2022	12,701,120,000	287
04/01/2022	13,641,438,000	308
04/06/2022	12,033,750,000	272
04/08/2022	6,004,620,000	136
04/22/2022	5,884,940,000	133
04/29/2022	9,804,420,000	221
05/06/2022	9,122,856,000	206
05/11/2022	1,411,460,000	32
05/20/2022	7,461,850,000	168
06/24/2022	12,055,470,000	272
07/01/2022	13,195,582,000	298
07/15/2022	6,545,664,000	148
07/29/2022	13,137,156,000	297
08/12/2022	11,456,290,000	259
09/16/2022	8,739,124,000	197
10/07/2022	9,619,670,000	217
11/11/2022	9,157,060,000	207
12/02/2022	1,628,830,000	37
12/23/2022	7,828,224,000	177

CPI-linked Treasury Notes

<b>Series</b>	<b>Maturity</b>	<b>Outstanding</b>	<b>Outstanding in USD million</b>
19	09/27/2022	2,795,552,647	326
26	05/13/2023	3,513,571,299	409
27	06/09/2024	7,773,112,633	905