RenMax

Sociedad de Bolsa

INFLATION-INDEXED URUGUAYAN TREASURY BILLS

Denomination: Inflation Indexed Units (UIs) published daily by the Statistics National Institute (INE)

Issuer: Central Bank of Uruguay

Issue date: Weekly

Principal repayment: 100% at maturity

Minimum bid in auction: UI 100,000 (minimum increments of UI 10,000)

Custody agent: Bolsa de Valores de Montevideo

Dealer: RenMax Sociedad de Bolsa

Latest auctions   www.bcu.gub.uy

Principal Indexation Formula:

These bonds are denominated in Inflation Indexed Units (UIs). The UI's price in Uruguayan Pesos is a function of the Consumer Price Index (IPC), calculated according to the following formula:

$$UI_{d,M} = UI_{5,M-1} \times \left(\frac{IPC_{M-2}}{IPC_{M-3}} \right)^{\frac{d + D_{M-1} - 5}{D_{M-1}}}$$

if 1<d<5

$$UI_{d,M} = UI_{5,M} \times \left(\frac{IPC_{M-1}}{IPC_{M-2}} \right)^{\frac{d-5}{D_M}}$$

if 6<d<31

$UI_{d,M} =$ Value of UI in day d corresponding to month M

$d =$ day in the month

D_M = number of days in the month M

IPC_M = Level of the IPC in month M

The **principal** is denominated in Inflation Indexed Units (UIs) which are Uruguayan Pesos linked to inflation.

Coupons are paid in UIs: Bonds pay a fixed coupon over the face value (already adjusted).

Index (IPC):

The Consumer Price Index (IPC) is a measure of the average change in prices over time in a market basket of goods and services. The information source used to estimate household expenses and the basket of goods and services for the change in the IPC (base date March 1997) is the Household Survey of Revenue and Expenditure1.

Foreign Exchange Regime in Uruguay:
Uruguay has no foreign exchange controls and does not impose any registration requirements for capital coming in or out of the country. It is a liberalized and unified currency market. Foreign investors interested in participating in these issues have complete freedom in converting from USD to UYU or vice versa at a floating exchange rate.