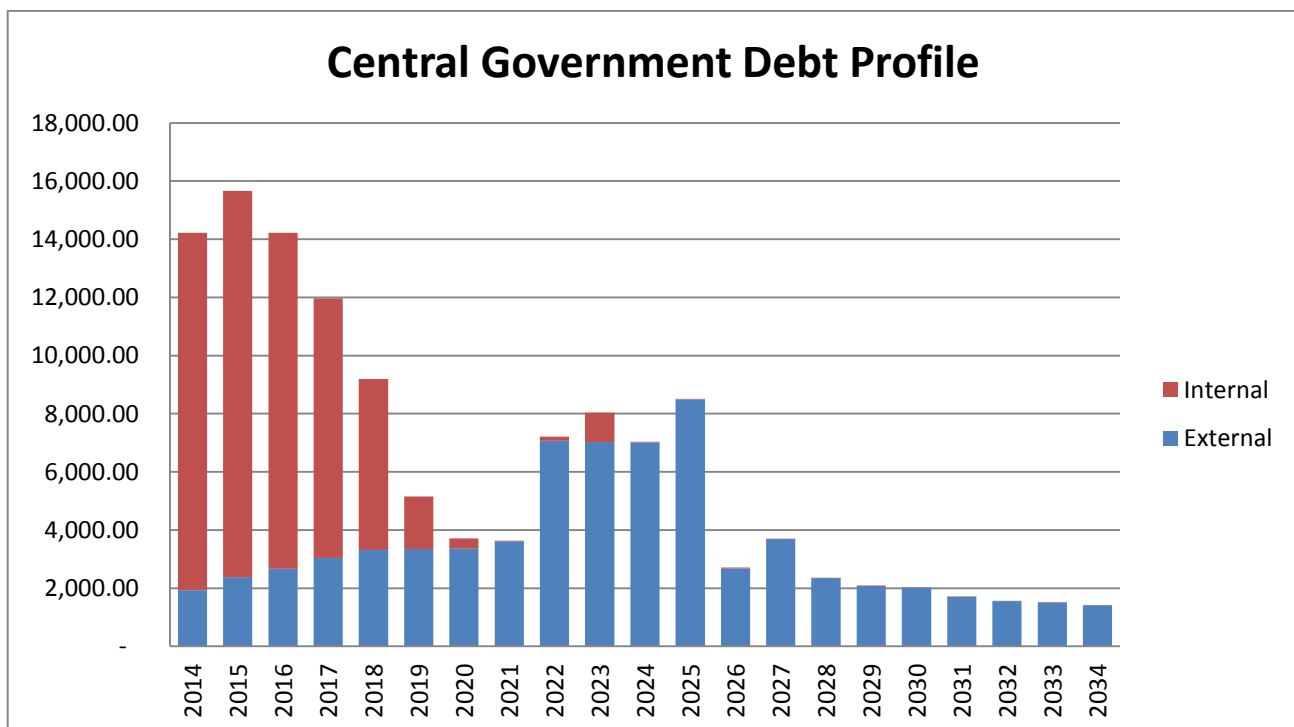


Relevant Topics

The Ministry of Finance’s Public Credit Office (PCO) has improved its analysis of roll over risk and has an active liability management program. The average life of the domestic debt has changed modestly since 2008. However, given the increase in the outstanding debt stock, the nominal amounts of the maturities and thus their potential impact on cash flow have increased. To monitor these maturities and roll over risk, in addition to the average life, the PCO started tracking the percentage of its overall portfolio maturing in 1 and 3 years, as shown on the next page.

Liability Management: In addition to improved monitoring and risk analysis, in 2011 the PCO increased its focus on Liability Management. The annual budget law was changed to allow the PCO to exchange domestic bonds with investors either through reverse auctions or direct negotiations, all on a purely voluntary basis. In 2011 and 2012, the operations were intended primarily to address larger near term maturities prior to the maturity date to help reduce roll over risk, given the large size of certain maturities.

In 2013, short term permutas have not been actively used in the domestic market, with virtually all maturities being paid in cash. Issuance has been through traditional placements. Over the medium term, the permuta program is designed to allow the improvement of the yield curve, with off-the run securities voluntarily exchanged for reference bonds through open market operations as is common in other markets.



Central Government Debt Indicators

Public Debt Indicators												
	2008		2009		2010		2011		2012		III Q 2013***	
Stock												
Internal Debt	785.98		1,334.83		2,106.81		2,652.67		2,867.57		3,039.56	
External Debt	2,194.71		2,342.29		2,712.96		3,096.32		3,549.45		4,350.71	
Total Debt	2,980.69		3,677.12		4,819.77		5,748.99		6,417.02		7,390.27	
General Indicators												
Interest/ Revenues	2.7%		3.5%		5.7%		7.8%		9.7%		**	
Debt/GDP	21%		25%		30%		33%		35%		39%	
Debt Composition												
Internal Debt	26%		36%		44%		46%		45%		41%	
External Debt	74%		64%		56%		54%		55%		59%	
Debt Composition by Currency												
Local	26%		36%		43%		46%		43%		36%	
Foreign	74%		64%		57%		54%		57%		64%	
Average Life												
Average Life of Debt Portfolio	11.55		10.78		9.69		9.23		8.98		8.58	
Average Life Internal Debt	3.86		3.58		3.66		3.26		3.12		2.63	
<i>Standardized</i>	2.04		2.15		3.01		2.80		2.75		2.26	
<i>Non Standardized*</i>	9.90		6.84		6.51		5.80		5.65		5.70	
Average Life External Debt	14.30		14.88		14.37		14.35		13.72		12.74	
% of Portafolio < 1 year	7.4%		8.6%		6.3%		7.1%		6.6%		9.8%	
% of Portafolio < 3 years	17.5%		23.2%		22.2%		22.6%		25.4%		33.6%	
Interest Rate Risk												
% Fixed Rate	93%		91%		86%		81%		79%		80%	
% Tasa Variable	7%		9%		14%		19%		21%		20%	
Average Rate												
Internal Debt (in local currency)												
Standardized	11,009.89	9.74%	17,208.51	8.91%	32,086.75	8.55%	42,493.24	9.22%	47,864.79	10.84%	47,881.99	11.15%
\$ Denominated	396.80	5.50%	359.01	5.50%	321.22	5.50%	285.78	5.50%	1,962.67	5.93%	7,911.49	6.11%
Non Standardized*	3,448.38	4.33%	7,660.84	2.91%	7,410.84	4.70%	7,754.43	5.07%	7,409.16	5.03%	6,669.48	4.50%
External Debt (in Foreign Currency)												
	2.61%		2.38%		2.47%		2.36%		2.40%		2.97%	

* Includes non market securities , including: Central Bank Recapitalization Bonds (excludes bonds at 0%), Conadi Bonds, Agrarian Debt, Zarzal Bonds and others.

** Calculated year end only.

*** Preliminary