



QUARTERLY REPORT : GROSS PUBLIC DEBT ANALYSIS, as of DECEMBER 31, 2016

By the end of 2016, the balance of gross public debt amounted to approximately S/ 156.2 billion (equivalent to US\$ 46.5 billion), a 3.6% higher compared to the previous quarter and 9.9% higher compared to the year 2015. By December 31 of 2016, the local currency had risen 1.7% compared to the end of 2015, an increase that has had a positive impact on the payment of debt service and on the gross debt position ratio, which is composed of foreign currencies by around 50.0%. This effect was also visible on the exchange rate differential measured in soles, that decreased 0.7% over total debt. Regarding debt indicators, they have shown improvements as a result of the repurchase and exchange of global bonds made in October 2016 for an amount of US\$ 611 million and of sovereign bonds for S/ 7,054 million. The liability management operation was financed wholly with issuance of the 2028 sovereign bond by an amount totaling S/ 10,252 million. On the other hand, the ratio of debt service over the Republic's general budget has continued to decrease, closing 2016 at 8.1% and with a very similar forecast for 2017, so the Government is more capable to dispose more resources to satisfy the population's needs. Moreover, in 2016, the profile of gross public debt amortisations was reconfigured towards a greater focus on the medium term, especially with the emission of sovereigns with a maturity in 2024, 2026, 2028, 2031 and 2037.

Gross public debt stock, December 2016

Categories	Stock (PEN Mill.)	Fair value (PEN Mill.)	Average life (years)	Duration (years)	ATR (years)	Debt cost in PEN (%)
Market	113,845	133,829	14.09	7.91	14.07	8.01
Global Bonds	48,845	65,191	14.91	7.89	14.91	9.60
Sovereign Bonds	64,820	68,428	13.48	7.92	13.48	6.81
Other Bonds	180	210	10.19	7.10	0.50	8.07
Non Market	42,390	39,104	5.64	4.28	1.81	6.66
Paris Club	5,115	5,676	6.18	4.54	6.18	8.05
Multilaterals	22,685	23,957	6.79	5.12	0.63	6.63
Suppliers	39	42	1.97	1.84	1.97	9.09
Others	14,551	9,429	2.47	2.01	2.31	5.94
TOTAL	156,236	172,934	12.01	7.09	11.07	7.68

Decomposition of the stock variation, Dec 2015 - Dec 2016 (PEN Million)*

Currency	Stock	FX Effect	Net effect (*)	Total variation
PEN	78,173	0	14,523	14,523
USD	64,852	-1,064	-2,591	-3,655
JPY	9,041	-319	3,573	3,254
Other	4,170	288	-275	13
TOTAL	156,236	-1,095	15,229	14,134

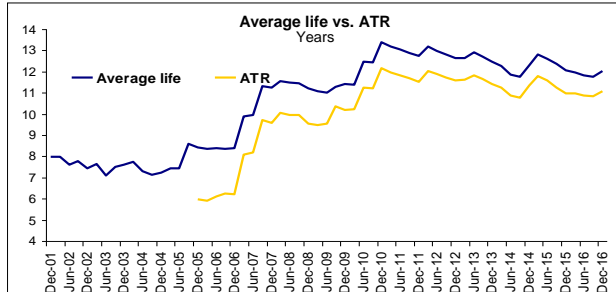
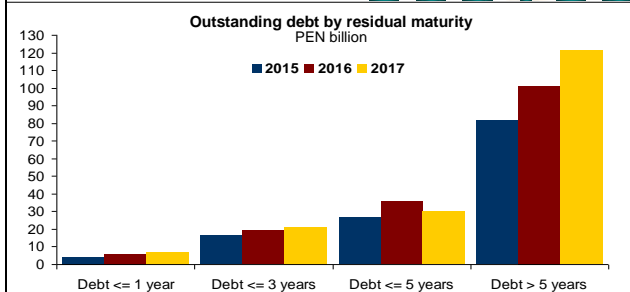
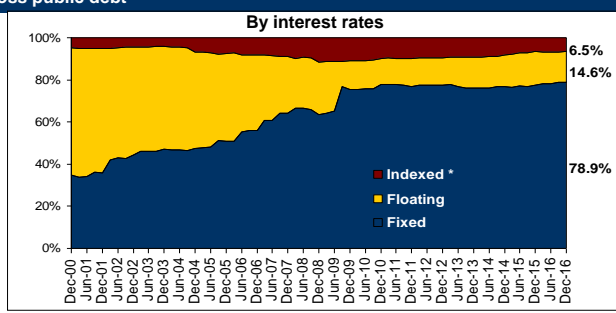
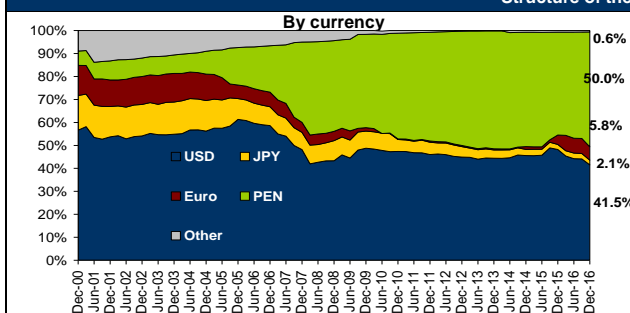
(*) Disbursements less public debt repayments

Public Debt Management: Dec 2015- Dec 2016 (USD Million)

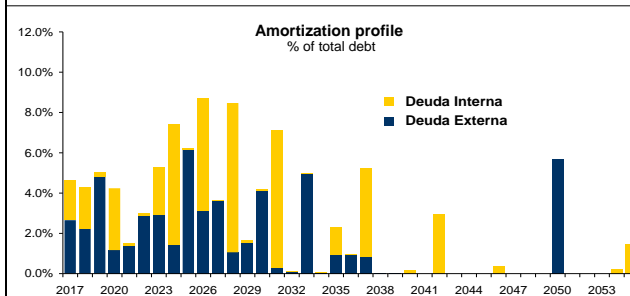
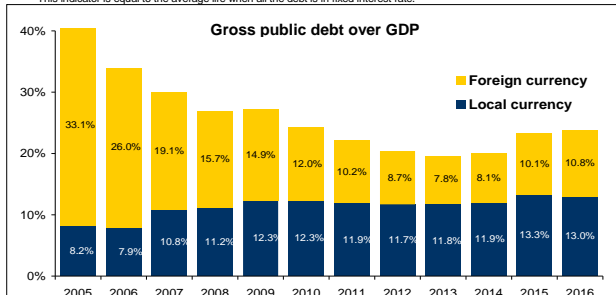
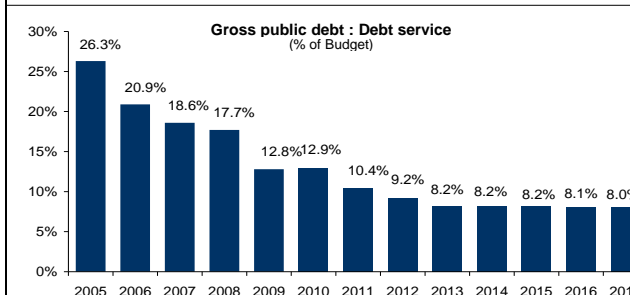
Source of funding	Concertations	Disbursement	Amortization
Multilaterals organizations	2,979	823	541
Paris Club	327	47	171
External bonds	1,150	1,150	298
Sub total *	4,455	2,021	1,346
Internal credits	0	295	70
Internal bonds	4,630	3,429	136
Sub total	4,630	3,724	205
TOTAL	9,086	5,745	1,551

(*) Includes payments to Latin America, Commercial Bank, Eastern Europe and unsecured Supplier.

Structure of the gross public debt



ATR: It is the average of maturity in which a new interest rate for the public debt has to be refinanced. This indicator is equal to the average life when all the debt is in fixed interest rate.



Note: The ratio as of December, 2016 represented annual values.

