



## QUARTERLY REPORT : GROSS PUBLIC DEBT ANALYSIS, AS OF DECEMBER 31, 2018

Gross public debt reached S/ 187,921 million (approximately US\$ 55,614 million) by the end of December, 2018; this is 7.1% higher than the previous quarter and represented a 10.1% increase over the same period in 2017. This uptick is explained mainly by the liability management operation carried out in November 2018 for S/ 10,350 million, with the goal of prepaying loans to multilaterals (US\$ 534.4 million) and switching sovereign bonds maturing in 2020 and 2029 (S/ 4,433.2 million). The difference was new cash raised to fulfill financing needs for 2019. During 2018, the domestic currency lost 4.1% of its value, but this was offset by a gross debt in soles that reached 60%. The FX effect measured in domestic currency was up 1.6% over total debt. On the other hand, debt service as a share of the Public Budget closed the year at 7.2%, and while it is expected a slight increase for 2019, to 8.3%, this is within the estimations included in the 2019-2022 Multiannual Macroeconomic Framework. Public debt in soles as a share of GDP reached 16.7% by the end of 2018. In this period, the amortization profile has changed towards more concentration of debt payments in the medium term, especially with recent tap issues of sovereign bonds maturing in 2024, 2026, 2028, 2031 and 2032 and the new issue of a sovereign bond maturing in 2029.

Gross public debt stock, December 2018						
Categories	Stock (PEN Mill.)	Fair value (PEN Mill.)	Average life (years)	Duration (years)	ATR (years)	Debt cost in PEN (%)
<b>Market</b>	<b>159,509</b>	<b>189,140</b>	<b>12.54</b>	<b>7.78</b>	<b>12.53</b>	<b>7.31</b>
Global Bonds	57,318	75,714	13.88	7.95	13.88	8.51
Sovereign Bonds	102,009	113,215	11.79	7.68	11.79	6.64
Other Bonds	181	210	8.19	6.26	0.50	7.32
<b>Non Market</b>	<b>28,412</b>	<b>25,690</b>	<b>5.98</b>	<b>4.65</b>	<b>3.45</b>	<b>5.96</b>
Paris Club	4,024	4,362	5.96	4.58	5.96	6.66
MDB's	11,628	12,458	5.89	4.67	0.56	6.25
Suppliers	16	17	1.00	0.98	1.00	6.50
Others	12,744	8,854	6.13	4.73	6.13	5.27
<b>TOTAL</b>	<b>187,921</b>	<b>214,830</b>	<b>11.67</b>	<b>7.41</b>	<b>11.33</b>	<b>7.14</b>

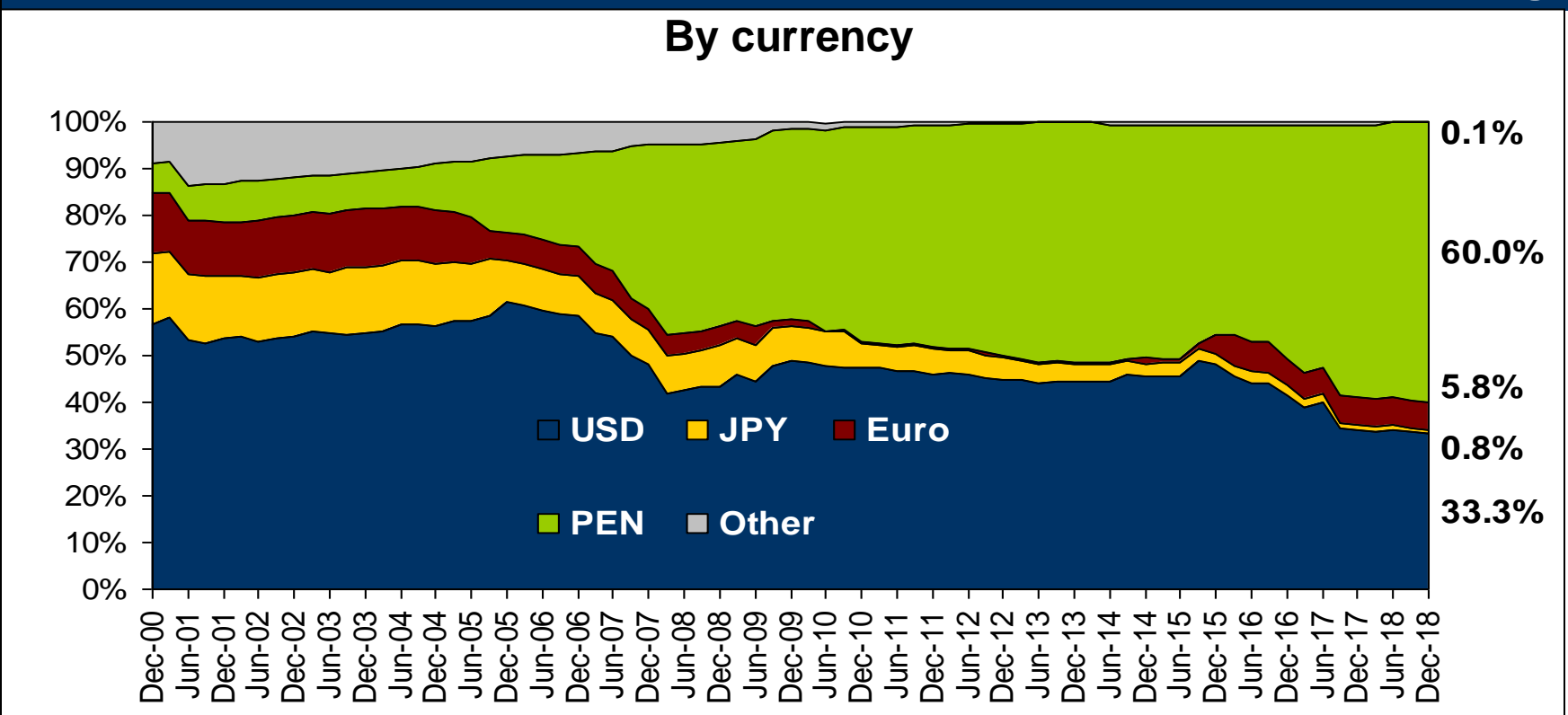
Decomposition of the stock variation, Dec 2017 - Dec 2018 (PEN Million)*				
Currency	Stock	FX Effect	Net effect (*)	Total variation
PEN	112,816	0	13,144	13,144
USD	62,600	2,412	1,768	4,180
EUR	10,840	525	217	742
Other	1,665	29	-896	-866
<b>TOTAL</b>	<b>187,921</b>	<b>2,966</b>	<b>14,233</b>	<b>17,199</b>

(\*) Disbursements minus public debt repayments.

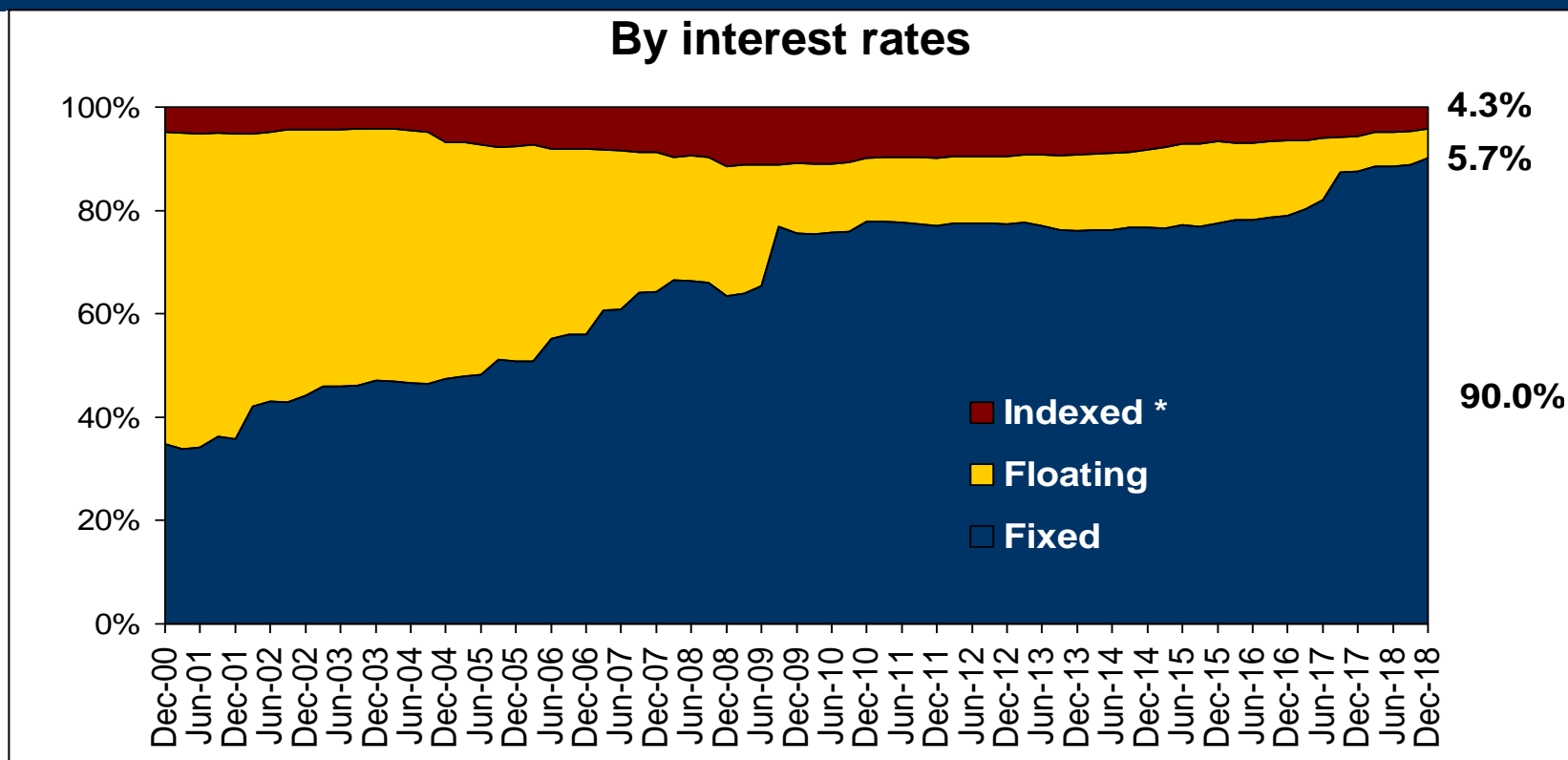
Public Debt Management: Dec 2017- Dec 2018 (USD Million)			
Source of funding	Concertations	Disbursement	Amortization
MDB's	1,246	458	360
Paris Club	93	105	137
External bonds	0	0	266
Sub total *	1,339	563	818
Internal credits	0	26	53
Internal bonds	136	3,715	340
Sub total	136	3,741	393
TOTAL	1,475	4,305	1,211

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

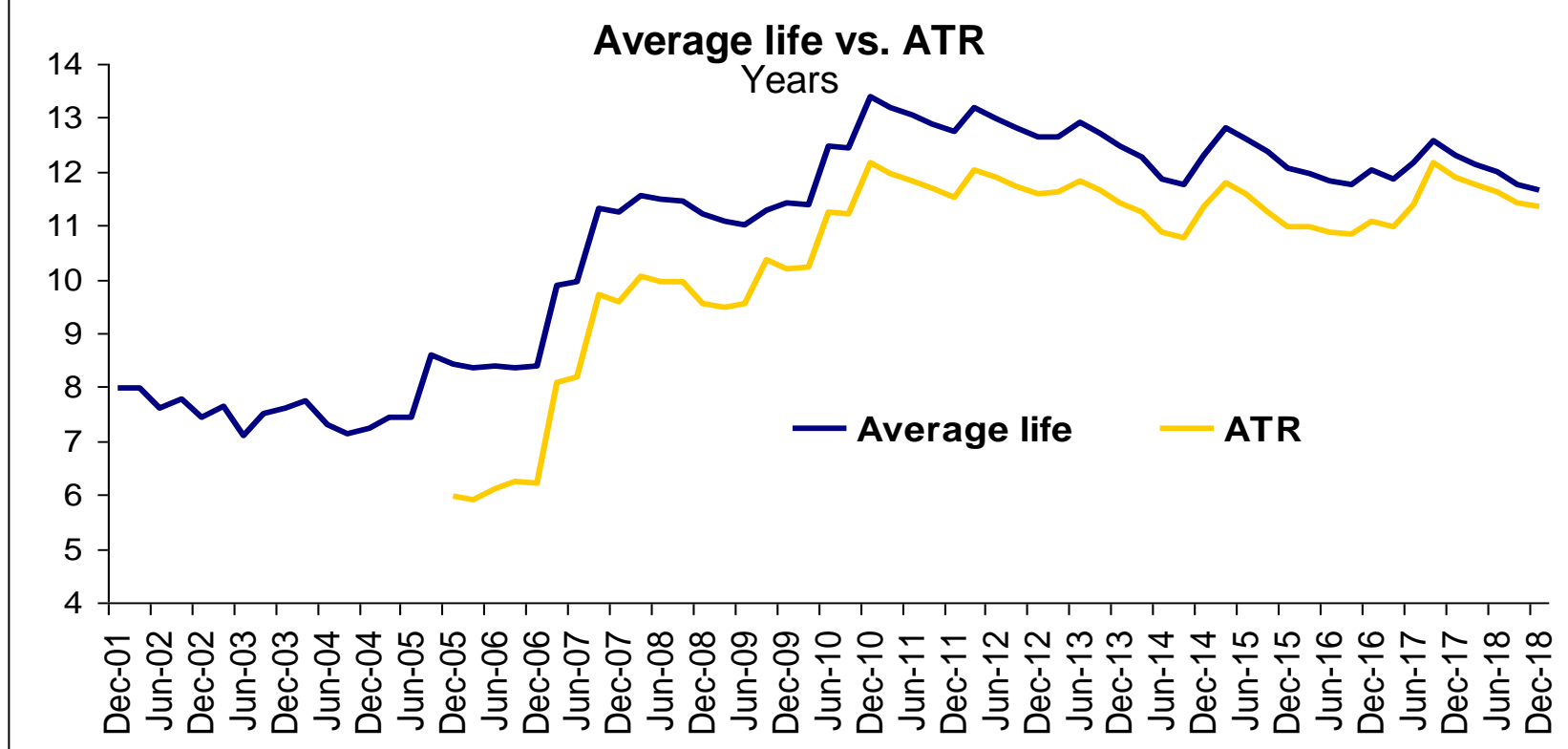
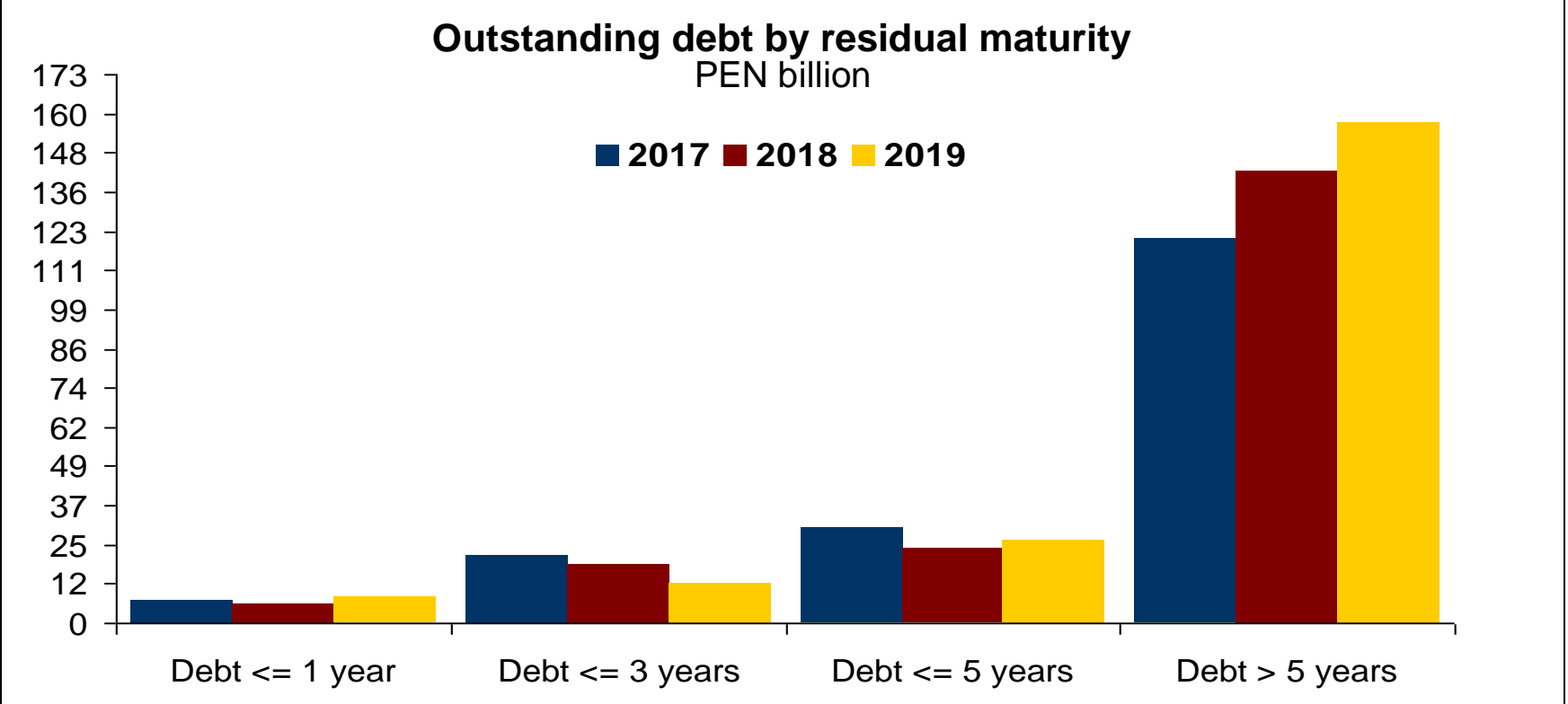
### Structure of the gross public debt



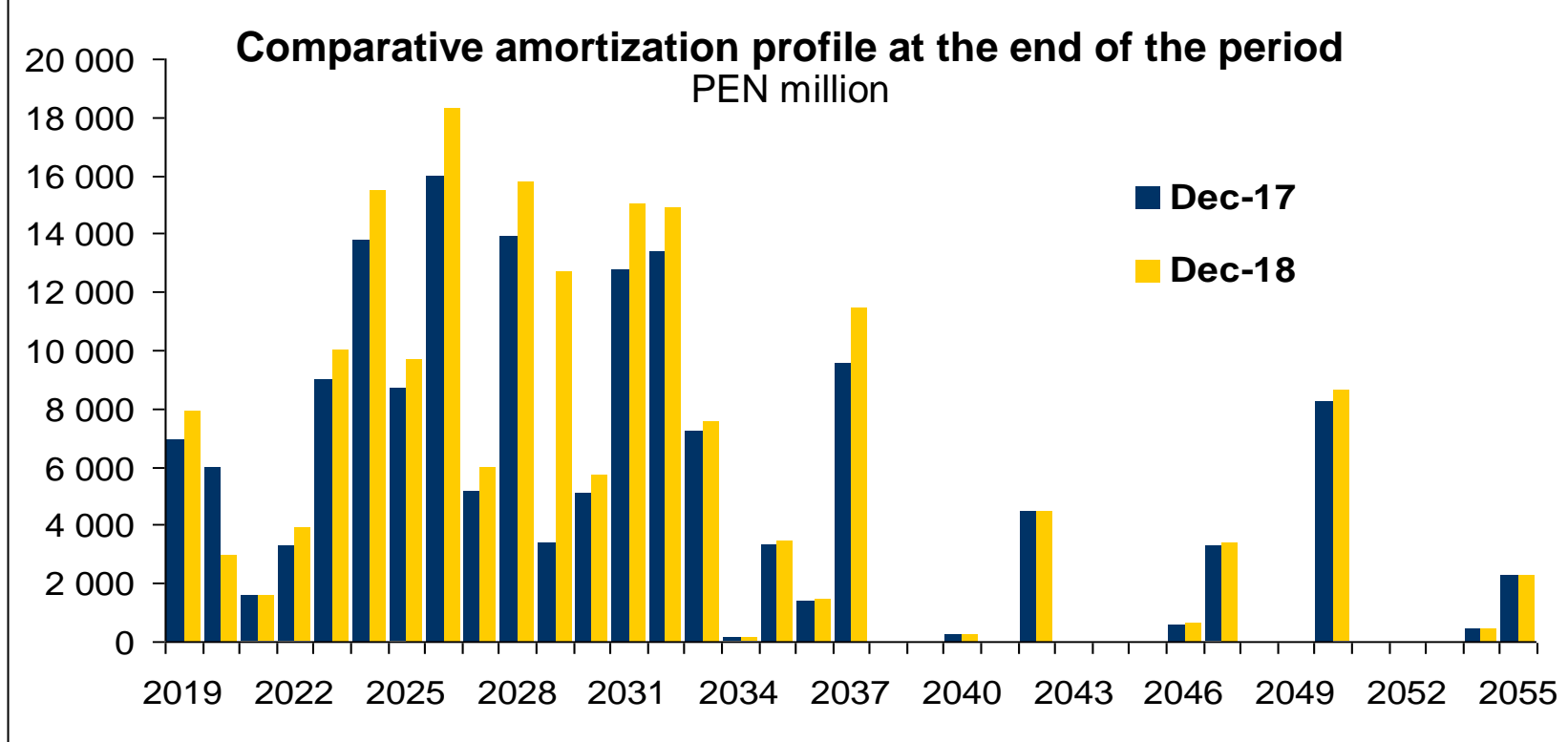
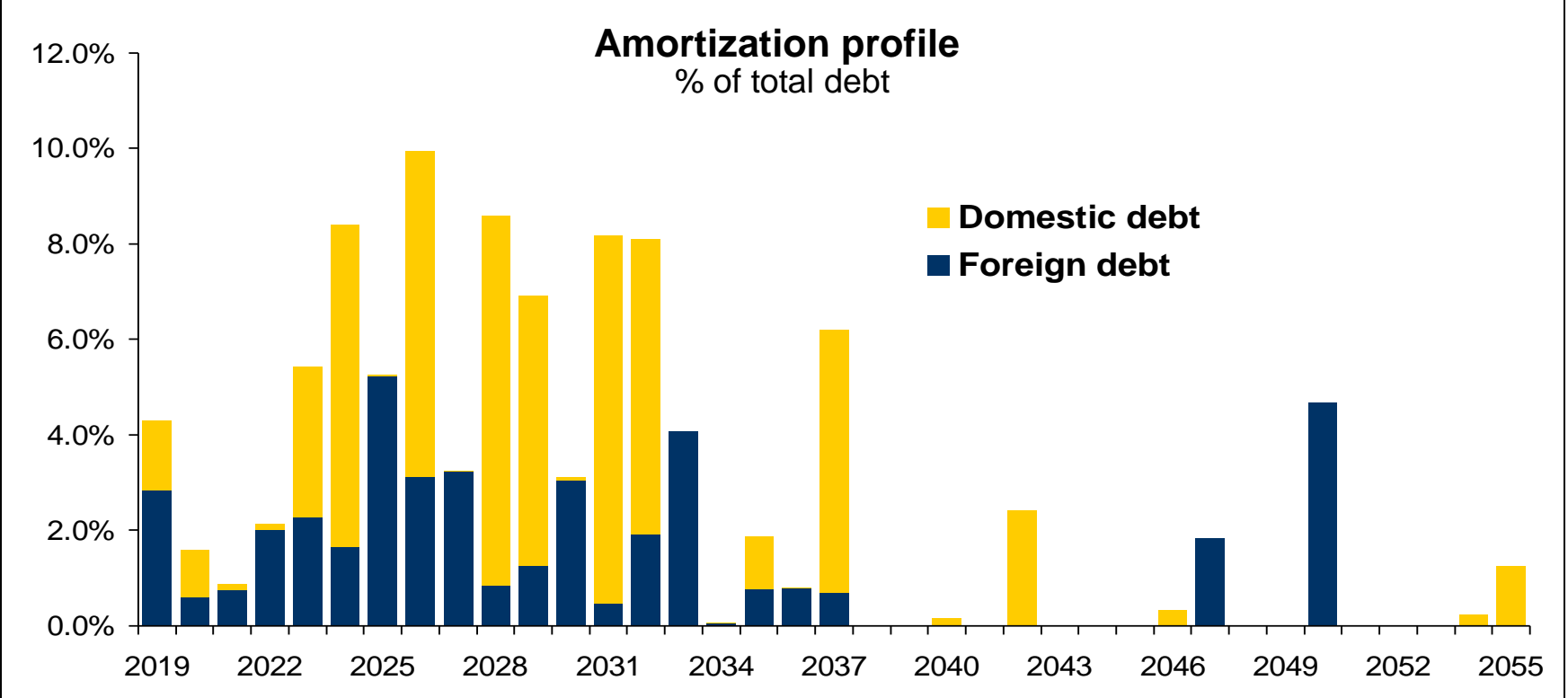
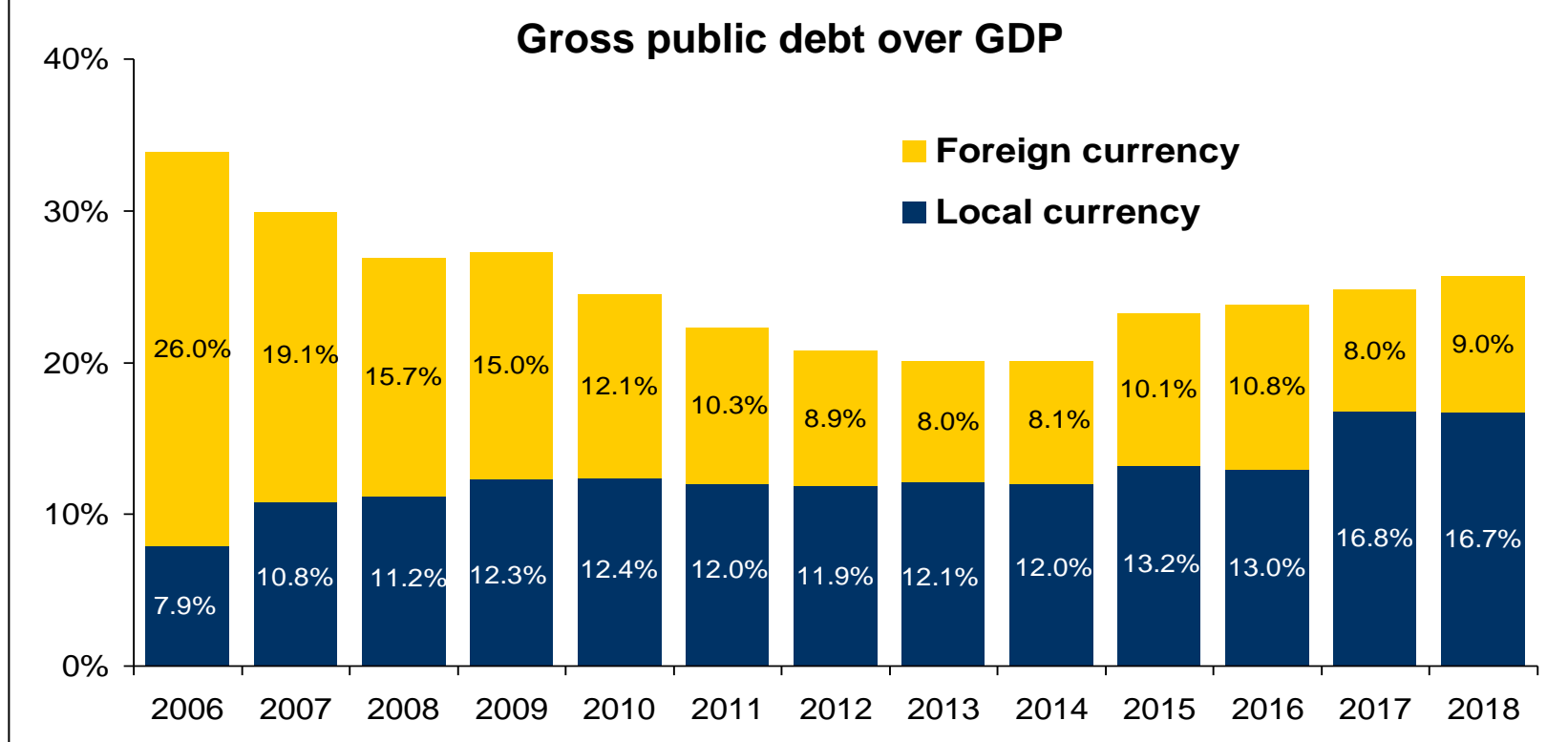
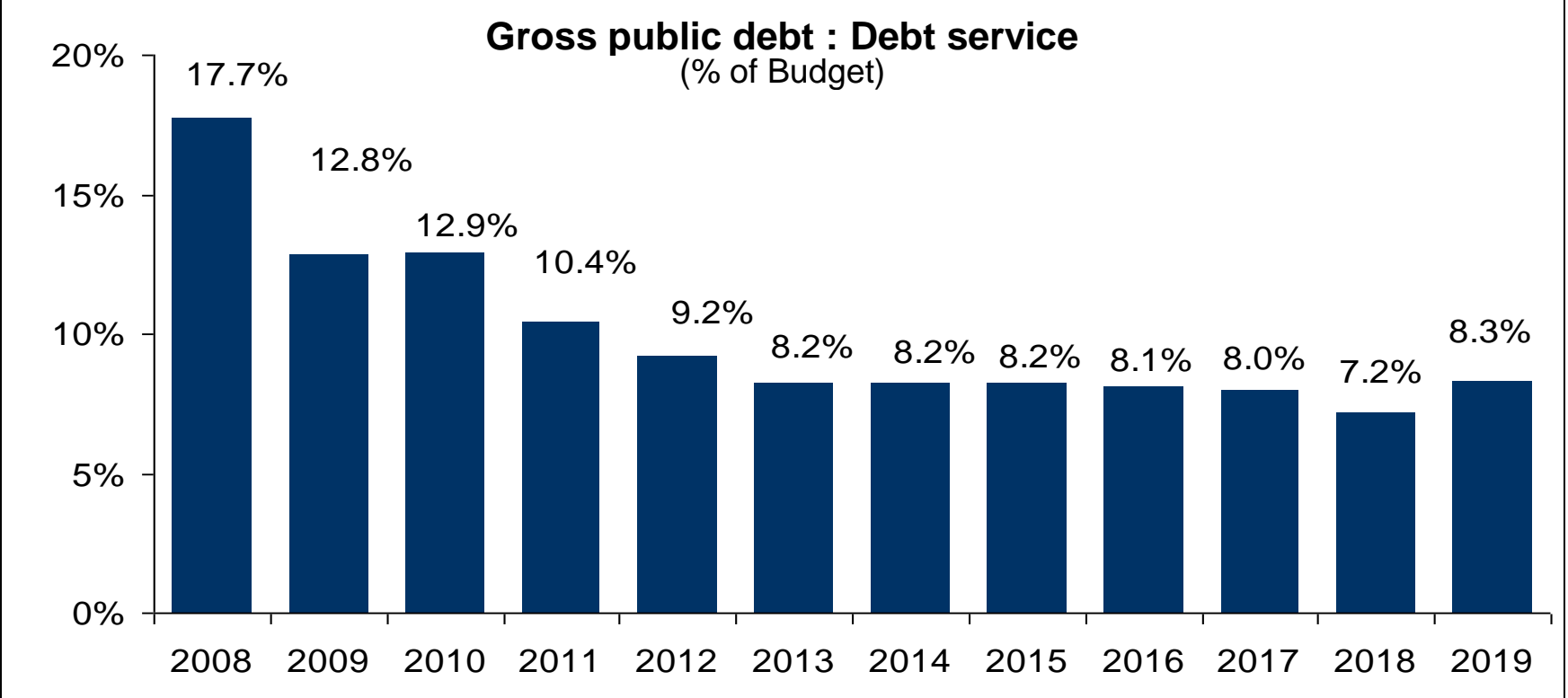
Note: Percentage of the synthetic debt in local currency is 0.2%.



\* The indexed debt includes Sovereign Bonds (2.2%) and Pension Bonds (2.1%).



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, 2017 represented annual values.