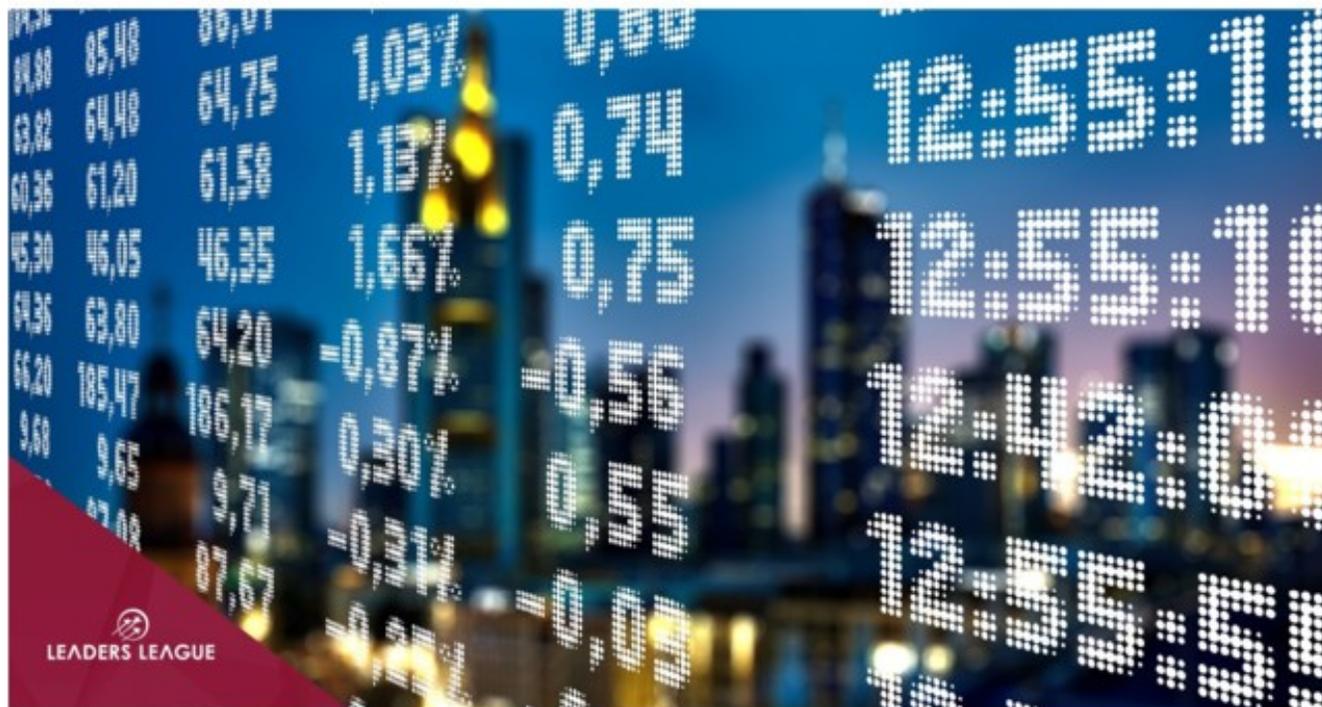


Peru makes \$5bn bond issuance

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Peru has made a global sovereign debt issuance of \$5 billion, the largest in the country's history, 25% larger than the \$4 billion issuance carried out in November 2020.



The issuance takes place as part of the country's foreign debt operations approved by Congress to finance the 2021 public sector budget, and was carried out in both US dollars and euros.

The government was advised on the debt issuance by Peruvian law firm Hernández & Cía. Abogados.

“Among the complexities of this transaction was a sophisticated structure aimed at raising funds in various markets at highly competitive rates for the Republic of Peru,” the law firm said. “As one of its main aspects, the transaction included the issuance of bonds in US dollars and euros, to be placed in the North American and European markets, respectively.”

“In turn, the US dollar issuance comprised three tranches, depending on the placement value, terms and rates. It is worth noting that the US dollar operation offered bonds for \$4 billion and saw demand of \$10 billion, included the participation of more than 200 investors, from North America, Asia and Europe, and was highly competitive for operations of this nature,” the firm added.

“The euro issuance offered bonds for 825 million euros (equivalent to approximately \$1 billion), and received demand of more than double the amount offered. The placement rate was 1.25%, the lowest in foreign currency ever recorded by Peru in an international debt issue, according to the Ministry of Economy and Finance,” it said.

The issuance saw the participation of more than 100 investors with high quality accounts from various markets around the world.

Hernández & Cía. Abogados' team was led by partners José Manuel Abastos and Juan Luis Hernández, with senior associate Erick Calla and associates Andrés Marcos and María Alejandra Justo.

From the financial side, Peru was advised by Bank of America, JP Morgan and Morgan Stanley, while the Bank of New York Mellon also participated as registrar, transfer and paying Agent, and as listing agent in Luxembourg and paying agent in London.

Law firm Paul Hastings acted as international advisor to Peru, while Shearman & Sterling acted as international advisor to the guarantors, and Payet, Rey, Cauvi, Pérez Abogados acted as local advisor to the subscribers.
