

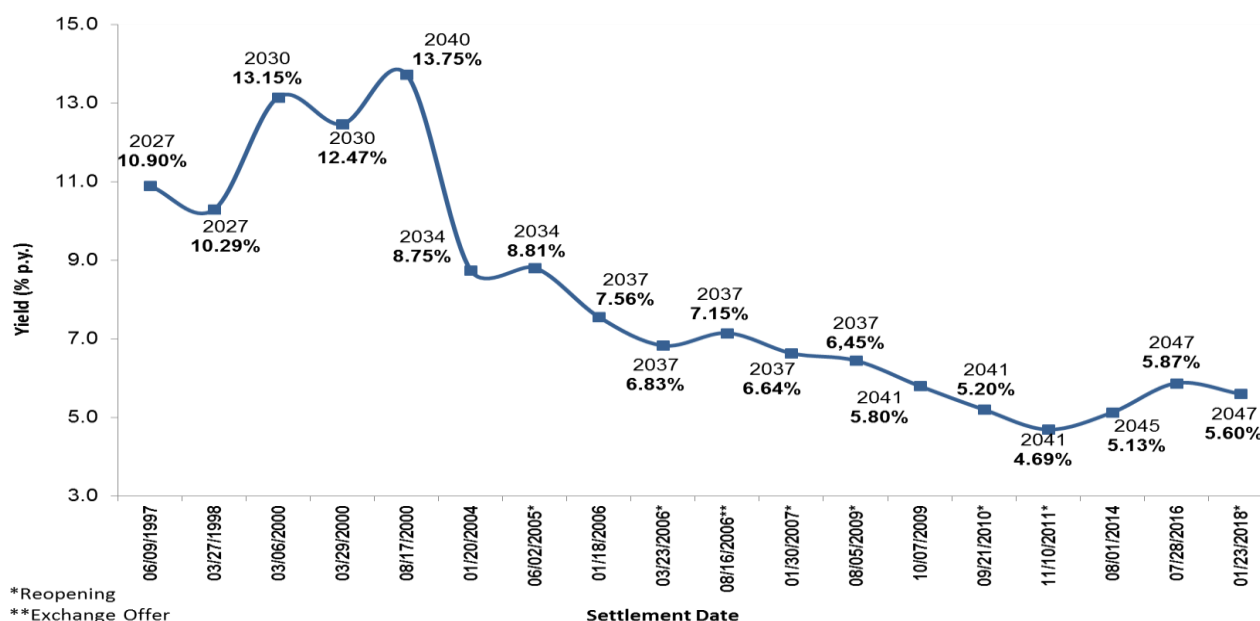
Debt Report

BRAZIL REOPENS ITS 30-YEAR BENCHMARK BOND IN THE EXTERNAL MARKET

On January 23th, the National Treasury reopened its outstanding 5.625% Notes due 2047, which matures in February 21, 2047. The Global 2047 bond was priced at 100.352% of its face value, resulting in a 5.600% yield (US Treasury + 271 bps). The reopening size was USD 1.5 billion in the US Market and the joint book runners were Citibank, HSBC and Morgan Stanley.

The issuance took place in a context of high liquidity in international markets and high appetite for emerging market assets. The choice for reopening the long-term bond is in line with the 30-year Brazilian benchmark reaching the lowest spread levels relative to the US Treasury of reference, since its original issuance, as well as a decline of the risk premium as measured by Credit Default Swap (CDS), which reached the lowest levels in 3 years. In this Scenario, the order book was four times oversubscribed.

Brazil's 30-year Global Bond - Yield at Issuance



The reopening is in line with the National Treasury guidelines in the external market, which aims to consolidate the external US-dollars yield curve, through the establishment and maintenance of liquid benchmarks. The Republic's strategy also provides reference to Brazilian corporate external issuances.

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Global 20247 Reopening Characteristics

Issuance Date	Original Issuance	Reopening
	07/21/16	01/23/18
Term	30 years	30 years
Maturity	02/21/2047	02/21/2047
Coupon	5.625% per annum.	5.625% per annum
Issuance price	96.464 %	100.352%
Yield	5.875% per annum	5.600% per annum
Spread over the US Treasury	357.2 bps	271.0 bps
Principal payment	bullet, at maturity	bullet, at maturity
Interest payment	semi-annually	semi-annually
Amount issued	US\$ 1.5 billion	US\$ 1.5 billion

Source: National Treasury - CODIP



Public Debt Strategic Planning Department – COGEP
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