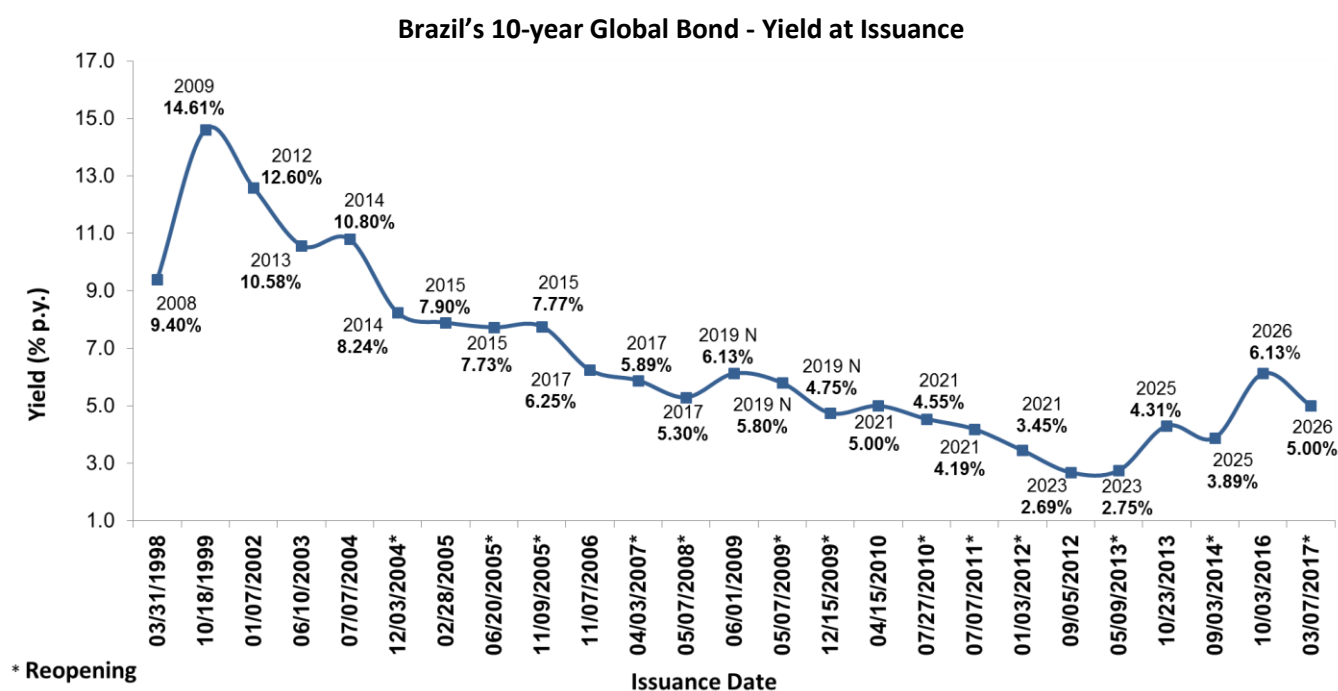


Debt Report

BRAZIL REOPENS ITS 10-YEAR BENCHMARK BOND IN THE EXTERNAL MARKET

On March 7th, the National Treasury reopened its outstanding 6.00% Notes due 2026, maturing in April 7, 2026. The Global 2026 bond was priced at 107.213% of its face value, which resulted in a 5.000% yield to the investor and 248,4 bps spread over the US Treasury of reference. The reopening size reached USD 1.0 billion, in the US Market. The joint book runners were Bank of America Merrill Lynch, BNP Paribas and CitiBank.

The issuance took place in a context of positive market conditions, with the Brazilian 10-year benchmark registering yield reductions since early in this year, as well as the risk premium measured by the Credit Default Swap (CDS). In this context of improvement in investors' perception towards Brazil, the order book was three times oversubscribed. Moreover, the reopening represents a 125 bps cost reduction relative to the original issuance, as of the initial launching of the Global 2026, in March 2016.



The bond reopening is in line with the National Treasury operating guidelines in the external market aiming to consolidate the external yield curve denominated in US-dollars through the establishment and maintenance of liquid benchmark bonds. Besides improving Brazil's liability profile, the benchmark bonds also provides reference to Brazilian corporate external issuances.

Debt Report

Global 2026 Reopening Characteristics

Issuance Date	03/10/2016	03/07/2017
Term	10 years	10 years
Maturity	04/07/2026	04/07/2026
Interest Coupon	6.00% p.y.	6.00% p.y.
Issuance price	99.066 % of face value	107,213% of face value
Yield	6.125% p.y.	5.000% p.y.
Spread over US Treasury	419.6 bps	248.40 bps
Principal payment	single payment, at maturity	single payment, at maturity
Interest payment	semi-annually	semi-annually
Total Issuance	USD 1.5 billion	USD 1.0 billion

Source: National Treasury - CODIP



Public Debt Strategic Planning Department – COGEP
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