

May – Aug
2020

Guaranteed Debt Report

MINISTER OF ECONOMY

Paulo Roberto Nunes Guedes

MINISTER OF ECONOMY - EXECUTIVE SECRETARY

Marcelo Pacheco dos Guarany

SPECIAL SECRETARY OF FINANCE

Waldery Rodrigues Júnior

BRAZILIAN NATIONAL TREASURY SECRETARY

Bruno Funchal

NATIONAL TREASURY DEPUTY SECRETARY

Otávio Ladeira de Medeiros

BRAZILIAN NATIONAL TREASURY UNDERSECRETARIES

Adriano Pereira de Paula
Gildenora Batista Dantas Milhomem
José Franco Medeiros de Moraes
Paula Bicudo de Castro Magalhães
Pedro Jucá Maciel
Pricilla Maria Santana
Waldeir Machado da Silva

STAFF**Head: Public Debt Control and Payment**

Márcia Fernanda de Oliveira Tapajós

Deputy Head: Public Debt Control and Payment

Frederico Schettini Batista

Debt Control and Guarantees Unit

Marcelo Rocha Vitorino - Manager
Amanda Giordani Pereira - Deputy Manager
Ana Cristini Gomes e Silva Ilha
Juliana Torres da Paz
Leandro Cesar Porrua
Luís Alberto Beckman Meirelles

Information:

Public Debt Control and Payment - CODIV
Tel: +55 61 3412-3518; Fax: +55 61 3412-1461

Secretaria do Tesouro Nacional (Brazilian National Treasury)
Edifício Sede do Ministério da Economia, Esplanada dos Ministérios, Bloco P, 2º andar
70048-900 - Brasília – DF
E-mail: codiv.df.stn@tesouro.gov.br
Home Page: <https://www.gov.br/tesourownacional/en>

The Federal Guarantees Report is published by the Brazilian National Treasury. Total or partial reproduction is permitted, with an indication of its source.

CONTENTS

1. FEDERAL GUARANTEES—OUTLOOK.....	3
1.1. Introduction	3
1.2. Outstanding Guaranteed Debt	4
2. GUARANTEED DEBT PROFILE.....	5
2.1. Creditors	5
2.2. Debtors	6
2.2.1. States.....	7
2.2.2. Municipalities	8
2.2.3. Federal State-Owned Enterprises (SOE).....	9
2.2.4. Federal Banks.....	10
2.2.5. Controlled Entities.....	11
2.3. Indices	12
3. MATURITY PROFILE—GUARANTEED DEBT.....	13
4. AVERAGE TERM TO MATURITY (ATM) OF THE GUARANTEED DEBT.....	14
5. AVERAGE COST OF THE GUARANTEED DEBT.....	15
6. STATISTICS OF EXECUTED GUARANTEES.....	16
7. FISCAL RECOVERY REGIME (FRR).....	18
7.1. State of Rio de Janeiro (RJ).....	18
7.1.1. Guaranteed Debt Profile	19
7.1.2. Profile by Creditor	19
7.1.3. Profile by Index	20
7.1.4. Maturity Profile until the end of the FRR.....	20
7.1.5. Total Maturity of the State of Rio de Janeiro's Guaranteed Debt	21
ANNEX 1—HISTORICAL OUTSTANDING GUARANTEED DEBT.....	22
ANNEX 2—GUARANTEED DEBT PROFILE OF BRAZILIAN STATES.....	23
ANNEX 3—NEW GUARANTEED DEBT—2020	37

1. FEDERAL GUARANTEES—OUTLOOK

1.1. Introduction

The Federal Guarantees System is one of the cornerstones of the fiscal framework in Brazil. It is designed to ensure the fiscal equilibrium and to provide the legal enforcement upon public entities, federal and subnational ones, regarding their debt formation.

The Brazilian National Treasury is one of the main agents responsible for managing the fiscal policy, searching for efficiency and transparency. As such, it conducts the concession process of federal guarantees, also controlling and executing guarantees and its collaterals.

If any guaranteed credit event arises, the payment becomes an actual responsibility for the National Treasury, just like any other debt issued by the federal government. Thus, the guaranteed debt is a contingent liability for the Treasury. After the guaranteed debt is paid by the federal government, the collateral agreements are triggered in order to recover the amount expended. As such, the Treasury monitors eventual delays from the original debtor perspective, establishing a period for them to remedy their situation, and warning them for the penalties and consequences set forth in the contract terms and in the legislation.

The description above justifies the role of public debt managers, as far as official guarantees are similar to conventional debt instruments. They are contracts under the civil law, affect the financial position of the government, and consume budgetary resources. Typically, contractual loans, associated to their guarantees, hold a cost-risk relationship very close to traditional debt instruments. Therefore, they must be treated as such in the funding strategy. They should be understood as a portfolio of obligations, with procedures and rules underlying its formation, besides cost-risk exercises.

Hence, as in the Federal Debt Management, it matters to explore the guaranteed debt characteristics, as well as their costs and risks. In that sense, the new Federal Guarantees Report presents a series of indicators that detail their composition regarding different currencies, indices (linkers), maturities, costs for all guaranteed entities. This was possible due to the construction of a special module on our Debt IT-System, which encompasses several contracts with different characteristics (there are currently 687 active ones). With that, more transparency can be provided to this contingent liability, allowing analysts to derive new approaches to assess Federal Guarantees attached to loans, which is the object of this report (published every four months).

1.2. Outstanding Guaranteed Debt

According to Article 29, IV of the Brazilian Fiscal Responsibility Law (FRL), the Federal Government can grant guarantees for financial or contractual obligations. The most common are the guarantees on credit loans, which correspond to the guarantees offered by the federal government towards government related entities (GRE), subnational governments, State-Owned Enterprises (SOE) and controlled entities according to legal definitions.

As for the origin and in accordance with Article 40 of the FRL, guarantees attached to credit loans can be classified as foreign or domestic, depending on the origin of the guaranteed debt.

All numbers published in this report, including the FX-rate used to compute the debt expressed in Brazilian reais (R\$), refer to August 31st, 2020.

The outstanding guaranteed debt may increase due to the following factors: disbursement of existing contracts; contracting of new debt with disbursement; indexation of the domestic guaranteed debt, and FX-rate depreciation. Conversely, amortizations and FX-rate appreciation decrease the outstanding debt.

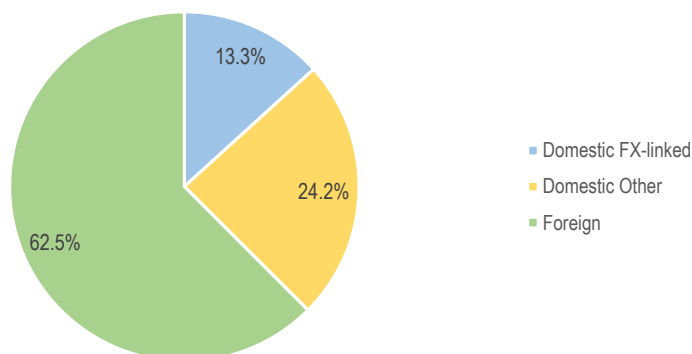
By the end of August 2020, the outstanding guaranteed debt amounted to R\$ 311.99 bn. The domestic guaranteed debt reached R\$ 116.98 bn while the external guaranteed debt reached R\$ 195.01 bn.

The Table 1.1 below display the numbers as of 08/31/20.

Table 1.1
Guaranteed Debt
Profile

	(R\$ million)		
	Dec 2019	Apr 2020	Aug 2020
Domestic Guarantees	109,297.76	116,594.49	116,978.92
FX-linked	31,590.59	41,900.47	41,399.02
Other	77,707.16	74,694.02	75,579.90
Foreign Guarantees	146,620.13	194,207.22	195,012.61
Total	255,917.89	310,801.71	311,991.53

Graph 1.1
Guaranteed Debt
Profile



2. GUARANTEED DEBT PROFILE

2.1. Creditors

Domestic guaranteed debt represents 37.5% of the total. External guaranteed debt totalled 62.5%. Federal banks are responsible for 95.0% (R\$ 111.10 bn) of the domestic credit, while, in the case of the external credit, multilateral organisms respond for 89.3% (R\$ 174.06 bn).

Table 2.1
Guaranteed Debt
Profile by Creditor

Creditor Classes	Outstanding (R\$ million)	(%)
Domestic Creditors	116,978.92	37.5
Federal Banks	111,095.57	35.6
Private Banks	5,883.35	1.9
Foreign Creditors	195,012.61	62.5
Multilateral Organisms	174,063.58	55.8
Private Banks	10,650.26	3.4
Government Agencies	10,298.76	3.3
Total	311,991.53	100.0

Domestically, BB, BNDES and CAIXA, represent 17.9%, 11.3% and 6.3% out of the total, respectively. As for external creditors, IBRD (WB) and IADB are the most representative, with 27.1% and 25.5% respectively.

Table 2.2
Guaranteed Debt
Profile:
Largest Creditors

Creditors	Outstanding (R\$ million)	(%)
Domestic Creditors	116,978.92	37.5
BB	55,730.22	17.9
BNDES	35,223.15	11.3
CAIXA	19,610.73	6.3
Other	6,414.82	2.1
Foreign Creditors	195,012.61	62.5
IBRD (WB)	84,415.65	27.1
IADB	79,435.32	25.5
CAF	7,715.79	2.5
Other	23,445.86	7.5
Total	311,991.53	100.0

2.2. Debtors

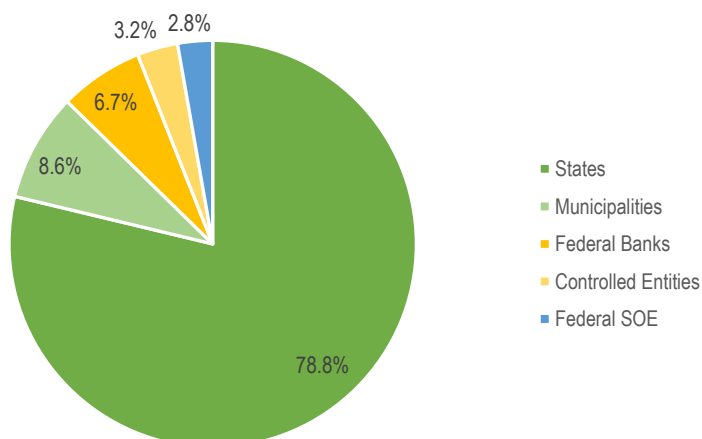
Regarding debtors, state governments are the most representative, with 78.8% (R\$ 245.70 bn) out of the total. Municipalities and federal banks represent 8.6% and 6.7%, respectively. Controlled entities hold 3.2% (R\$ 10.08 bn) and federal SOE, 2.8% (R\$ 8.64 bn).

Table 2.3
Guaranteed Debt
Profile by Debtor

Debtors	Outstanding (R\$ million)	(%)
States	245,700.21	78.8
Municipalities	26,769.50	8.6
Federal Banks	20,799.10	6.7
Controlled Entities	10,079.32	3.2
Federal SOE ^a	8,643.41	2.8
Total	311,991.53	100.0

^a Non-financial SOE.

Graph 2.1
Guaranteed Debt
Profile by Debtor



2.2.1. States

The following table shows the largest guarantees attached to states, as well as its internal credit ratings, computed by the Treasury¹. The largest debtor is Rio de Janeiro, with 13.9% of all guaranteed loans, followed by São Paulo and Minas Gerais.

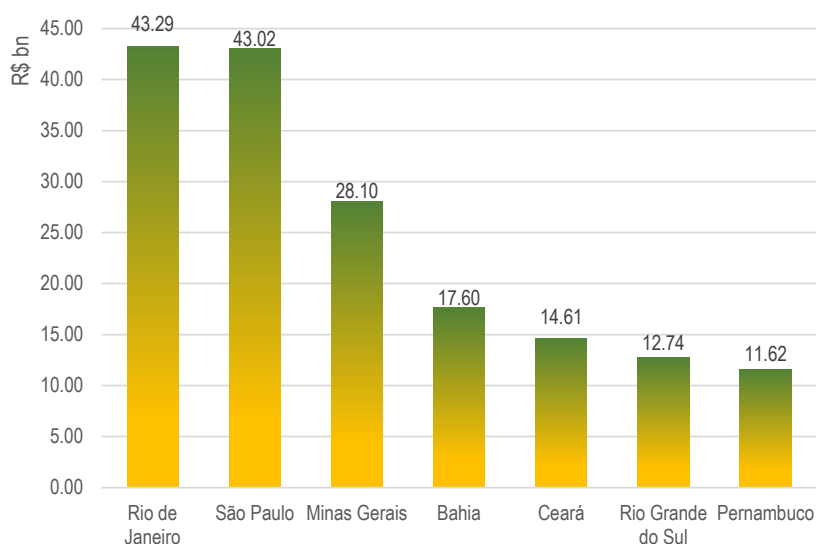
Table 2.4
Guaranteed Debt
Profile: Largest States

Debtors—States	CAPAG ^a	Outstanding (R\$ million)	(%)
Rio de Janeiro	D	43,286.73	13.9
São Paulo	B	43,015.22	13.8
Minas Gerais	D	28,096.61	9.0
Bahia	C	17,601.77	5.6
Ceará	B	14,605.52	4.7
Rio Grande do Sul	D	12,739.15	4.1
Pernambuco	C	11,620.72	3.7
Other ^b		74,734.50	24.0
Total		245,700.21	78.8

^a Internal credit ratings published by the National Treasury Subnational Government Undersecretariat. As these are based on preliminary data, the ratings may change over the period.

^b Annex 2 shows these data for all 27 states.

Graph 2.2
Guaranteed Debt
Profile: Largest States



¹ The internal credit ratings (CAPAG) is an important assessment for any entity applying for a Treasury guarantee. It is computed based on the MoF Regulation n. 501, issued on 11/23/17. The inputs consider indicators to cover overall debt levels (not only guaranteed debt), current savings and liquidity. It ranks subnationals from A to D (lowest). According to the referred normative the applicant must have rating B or higher in order to be eligible to receive a federal guarantee, although there are other eligibility criteria.

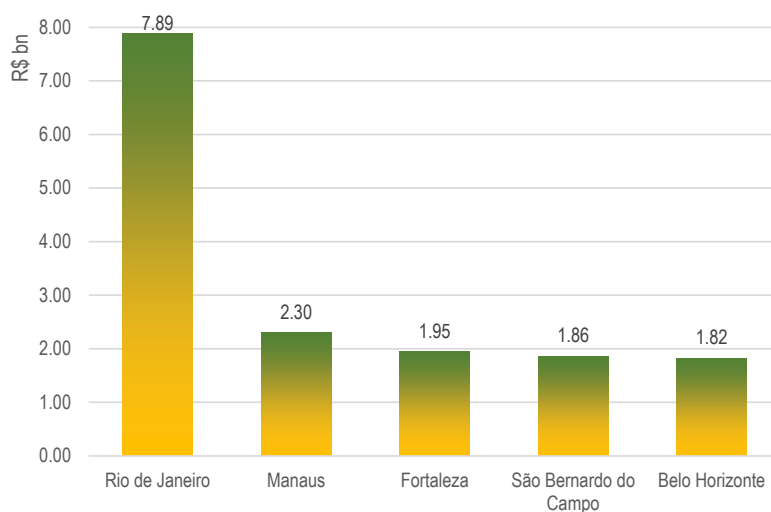
2.2.2. Municipalities

The city of Rio de Janeiro holds R\$ 7.89 bn, the largest amount among municipalities, equivalent to 29.5% of this type of debtor and to 2.5% of all guaranteed loans. Table 2.5 shows the top five cities.

Table 2.5
Guaranteed Debt
Profile:
Largest Municipalities

Debtors—Municipalities	Outstanding (R\$ million)	(%)
Rio de Janeiro	7,887.53	2.5
Manaus	2,298.99	0.7
Fortaleza	1,945.80	0.6
São Bernardo do Campo	1,864.70	0.6
Belo Horizonte	1,820.44	0.6
Other	10,952.05	3.5
Total	26,769.50	8.6

Graph 2.3
Guaranteed Debt
Profile:
Largest Municipalities



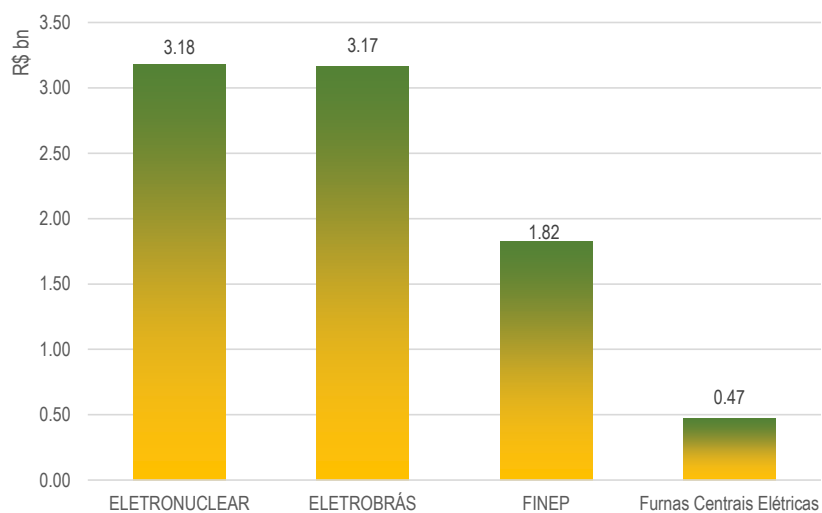
2.2.3. Federal State-Owned Enterprises (SOE)

Among SOE, ELETRONUCLEAR responds for 1.0% (R\$ 3.18 bn) of the total debt guaranteed by the federal government, followed by ELETROBRÁS, with 1.0% (R\$ 3.17 bn).

Table 2.6
Guaranteed Debt
Profile: Largest SOE

Debtors—SOE	Outstanding (R\$ million)	(%)
ELETRONUCLEAR	3,181.53	1.0
ELETROBRÁS	3,165.93	1.0
FINEP	1,820.96	0.6
Furnas Centrais Elétricas	474.98	0.2
Total	8,643.41	2.8

Graph 2.4
Guaranteed Debt
Profile: Largest SOE



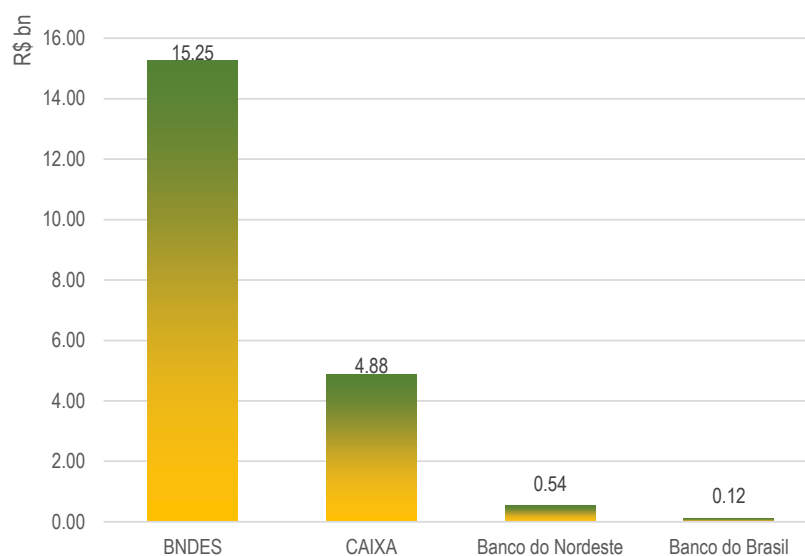
2.2.4. Federal Banks

Federal Banks hold R\$ 20.80 bn in guaranteed debt. BNDES and CAIXA are on the top, with 4.9% (R\$ 15.25 bn) and 1.6% (R\$ 4.88 bn) of the total guaranteed amount, respectively.

Table 2.7
Guaranteed Debt
Profile:
Largest Fed. Banks

Debtors—Federal Banks	Outstanding (R\$ million)	(%)
BNDES	15,254.57	4.9
CAIXA	4,883.67	1.6
Banco do Nordeste	544.11	0.2
Banco do Brasil	116.75	0.0
Total	20,799.10	6.7

Graph 2.5
Guaranteed Debt
Profile:
Largest Fed. Banks



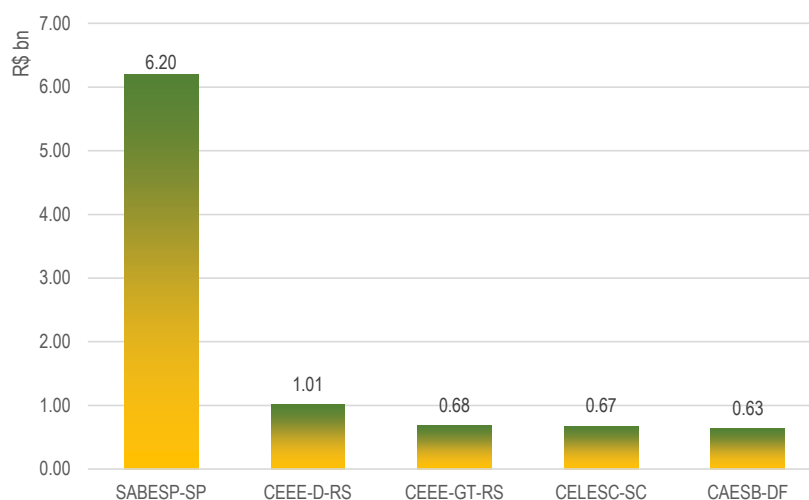
2.2.5. Controlled Entities

Controlled entities (subnational SOE, usually public utility companies) represent 3.2% (R\$ 10.08 bn) out of the total guaranteed debt. SABESP-SP and CEEE-D-RS are the most important, with R\$ 6.20 bn and R\$ 1.01 bn, respectively.

Table 2.8
Guaranteed Debt
Profile: Largest
Controlled Entities

Debtors—Controlled Entities	Outstanding (R\$ million)	(%)
SABESP-SP	6,196.71	2.0
CEEE-D-RS	1,007.84	0.3
CEEE-GT-RS	684.06	0.2
CELESC-SC	674.78	0.2
CAESB-DF	632.61	0.2
Other	883.32	0.3
Total	10,079.32	3.2

Graph 2.6
Guaranteed Debt
Profile: Largest
Controlled Entities



2.3. Indices

There are two types of indices that affect the outstanding guaranteed debt. The first type affects the value of the principal throughout time. For external debt contracts, for instance, the original currency is factored in as the actual index, as the outstanding debt is expressed in Brazilian reals and, thus, dependent on the FX-rate.

The second type of indices affect the interest payments, determining the creditor pay-off by the interest accrued in each period until the payment date. E.g. most external debt contracts have interest rates linked to the LIBOR.

The table below shows the profile of the guaranteed debt according to the indices affecting the principal. The category “Non-indexed” refer to the debt whose principal nominal values are fixed and not corrected by any index over time.

Table 2.9
Profile by Index

Indices Applied on Principal	Total Principal		Fixed-rate Interests		Variable-rate Interests	
	(R\$ million)	(%)	(R\$ million)	(%)	(R\$ million)	(%)
FX-rate	236,411.63	75.8	21,791.47	7.0	214,620.16	68.8
IPCA (inflation)	2,705.84	0.9	2,705.84	0.9	0.00	0.0
SELIC	1,419.63	0.5	1,419.63	0.5	0.00	0.0
TJLP ^a	45,983.05	14.7	0.00	0.0	45,983.05	14.7
TR	2,795.55	0.9	2,795.55	0.9	0.00	0.0
Non-indexed	22,675.83	7.3	4,984.62	1.6	17,691.21	5.7
Total	311,991.53	100.0	33,697.12	10.8	278,294.42	89.2

^a Although TJLP (Long Term Interest Rate) is an interest rate, it is considered an index because some contracts have principal the linked to a 6% cap, with the exceeding value capitalized into the overall debt.

Both types of indices (over principal and interest rates) affect the risk analysis of the guaranteed debt. For example, the FX-linked exposure must include the contracts denominated in foreign currency and those denominated in BRL, but linked to the USD.

3. MATURITY PROFILE—GUARANTEED DEBT

An important risk indicator to be monitored by the guarantor (Treasury) is the percentage maturing in the next 12 months. From the Treasury perspective, it is essential to understand what could arise and be prepared to deal with liquidity and budgetary issues in order to perform the payments when required. These measures allow debt managers to know the debt incoming flow for each period and how the guarantees are distributed over time.

As of August 31st, 2020, 9.8% of the guaranteed debt is maturing in the next 12 months. This number is broken-down according to the table below. It is important to note that all payments are considered in these percentages, including accrued interest. Hence the numbers displayed in the table are higher than the overall outstanding debt we have considered so far.

Table 3.1
Maturity Profile

Debtors	Up to 12 mo.		1 to 2 years		2 to 3 years		3 to 4 years		4 to 5 years		More than 5 yr.	
	(R\$ bn)	(%)	(R\$ bn)	(%)	(R\$ bn)	(%)	(R\$ bn)	(%)	(R\$ bn)	(%)	(R\$ bn)	(%)
States	28.37	9.8	23.94	8.2	23.02	7.9	21.53	7.4	20.84	7.2	172.76	59.5
Municipalities	2.48	8.4	2.55	8.6	2.61	8.8	2.55	8.6	2.27	7.7	17.17	58.0
Federal Banks	2.52	11.0	2.56	11.2	2.62	11.5	2.44	10.6	2.08	9.1	10.68	46.7
Federal SOE	1.67	15.0	1.61	14.4	0.74	6.6	0.55	5.0	0.48	4.3	6.13	54.8
Controlled Entities	0.90	8.2	0.88	8.0	0.86	7.9	0.83	7.6	0.80	7.3	6.68	61.0
Total	35.94	9.8	31.53	8.6	29.85	8.2	27.90	7.6	26.47	7.3	213.42	58.5

4. AVERAGE TERM TO MATURITY (ATM) OF THE GUARANTEED DEBT

For cross-country comparisons, the Brazilian National Treasury calculated the average life of the federal public debt using the ATM methodology. This indicator considers the average life of each loan, weighted by the respective amortizations.

The ATM of the guaranteed debt reached 7.48 years, as detailed in the table below. The table opens by the credit origin, as well as by debtor class.

Table 4.1
ATM

Debtors	Outstanding (R\$ million)	ATM (years)
Total	311,991.53	7.48
Domestic Guarantees	116,978.92	6.79
States	100,494.57	7.00
Municipalities	6,054.25	4.89
Federal Banks	4,919.52	5.17
Federal SOE	5,510.59	6.58
Foreign Guarantees	195,012.61	7.89
States	145,205.64	8.03
Municipalities	20,715.26	8.08
Federal Banks	15,879.58	6.15
Federal SOE	3,132.82	9.62
Controlled Entities	10,079.32	7.56

5. AVERAGE COST OF THE GUARANTEED DEBT

Another important risk measure for the guaranteed debt portfolio is the average cost. This statistic indicates how much the debtor (or group thereof) had to bear for keeping their debt for the last twelve months. Thus, it is a rate per annum.

The calculation of such cost considers the contractual interest rates plus spreads and the variation of the index applied over the due principal, if any. For foreign debts, the latter is replaced by the FX-rate as far as it determines the variation of the financial value of the outstanding balance denominated in BRL.

As of August 31st, 2020, the average cost of the guaranteed debt portfolio reached 29.26% per annum. This is an average of the 35.82% p.a. cost of foreign debt and the 18.33% p.a. cost of domestic debt, as can be seen on Table 5.1.

Table 5.1
Average Cost

Debtors	Outstanding (R\$ million)	Average Cost (% per annum)
Total	311,991.53	29.26
Domestic Guarantees	116,978.92	18.33
States	100,494.57	20.41
Municipalities	6,054.25	5.12
Federal Banks	4,919.52	5.93
Federal SOE	5,510.59	5.81
Foreign Guarantees	195,012.61	35.82
States	145,205.64	35.89
Municipalities	20,715.26	35.42
Federal Banks	15,879.58	35.50
Federal SOE	3,132.82	36.62
Controlled Entities	10,079.32	35.83

The higher cost observed for the foreign debt is almost totally explained by FX-rate variation during the last twelve months (32.20% for the rate USD/BRL from 08/31/2019 to 08/31/2020).

6. STATISTICS OF EXECUTED GUARANTEES

The Brazilian National Treasury monitors financial events related to the contracts guaranteed by the federal government, warning debtors about the need to fulfill their obligations and about the sanctions, penalties and other consequences of defaulting, according to the contracts and binding legislation. If the original debtor does not meet its obligations, the Treasury steps in as the guarantor and liquidates the obligations with the original creditor on the original debtor's behalf. While executing the guarantee, the Treasury triggers the collateral according to contractual terms, which include, besides the financial expenditure associated to the guarantee, fines, fees, interest, and other expenses as described in the contractual clauses.

From January to August 2020, the Treasury intervened and paid R\$ 6.29 bn of debts originally under the responsibility of states and municipalities. Since 2016, the total reached R\$ 25.90 bn.

Table 6.1
Guarantees
Executed

	(R\$ million)					
Debtor	2016	2017	2018	2019	Jan-Aug 2020	Total
States	2,361.87	4,031.34	4,805.60	8,350.24	6,258.38	25,807.43
Rio de Janeiro	2,227.32	3,989.45	4,027.89	4,042.60	2,162.87	16,450.14
Minas Gerais	0.00	0.00	553.15	3,307.90	2,308.06	6,169.11
Goiás	0.00	0.00	33.59	770.15	553.18	1,356.92
Pernambuco	0.00	0.00	0.00	0.00	354.85	354.85
Maranhão	0.00	0.00	0.00	0.00	280.16	280.16
Bahia	0.00	0.00	0.00	0.00	239.80	239.80
Rio Grande do Norte	0.00	0.00	0.00	139.41	97.28	236.69
Piauí	0.00	0.00	126.95	0.00	62.25	189.20
Amapá	0.00	0.00	0.00	90.18	82.26	172.44
Roraima	27.42	41.89	64.00	0.00	2.27	135.58
Mato Grosso	107.13	0.00	0.00	0.00	0.00	107.13
Tocantins	0.00	0.00	0.00	0.00	88.86	88.86
Mato Grosso do Sul	0.00	0.00	0.00	0.00	25.60	25.60
Paraíba	0.00	0.00	0.00	0.00	0.65	0.65
São Paulo	0.00	0.00	0.00	0.00	0.29	0.29
Municipalities	15.81	28.49	17.49	3.43	30.95	96.17
Natal – RN	10.93	28.49	17.49	0.00	4.50	61.41
Goiânia – GO	0.00	0.00	0.00	0.00	11.95	11.95
Chapecó – SC	2.27	0.00	0.00	0.00	3.76	6.03
Cachoeirinha – RS	1.45	0.00	0.00	1.83	2.54	5.82
Belford Roxo – RJ	1.17	0.00	0.00	1.59	1.99	4.75
Novo Hamburgo – RS	0.00	0.00	0.00	0.00	4.53	4.53
Rio Grande – RS	0.00	0.00	0.00	0.00	1.68	1.68
Total Paid	2,377.68	4,059.83	4,823.09	8,353.67	6,289.34	25,903.60

Due to legal injunctions obtained by some states in the Supreme Court, the federal government is prevented from executing the collaterals of their contracts. In addition, the execution of the collaterals of the state of Rio de Janeiro has been suspended by Complementary Law n. 159, of May 19, 2017, which established the Fiscal Recovery Regime (FRR).

Article 13 of the Ministry of Finance (MoF) Regulation n. 501, issued on 11/23/17, establishes penalties for the debtors that do not fulfill their original obligations. Hence, the following debtors are not entitled to contract new guaranteed debt until the end of the blocking period, displayed in the following tables:

Table 6.2

Blocking due to not performing loans: art. 13, I

Debtor	End of Period
Paraíba State*	04/22/2021
Roraima State	04/22/2021
Munic. of Rio Grande - RS	04/24/2021
Munic. of Goiânia - GO	04/28/2021
Munic. of Novo Hamburgo - RS	04/28/2021
Bahia State	04/28/2021
Munic. of Belford Roxo - RJ	04/28/2021
Tocantins State	05/12/2021
Munic. of Cachoeirinha - RS	05/14/2021
Goiás State	05/19/2021
Munic. of Natal - RN	05/22/2021
Amapá State	05/22/2021
Mato Grosso do Sul State	05/22/2021
São Paulo State	05/25/2021
Pernambuco State	05/28/2021
Piauí State	05/28/2021
Munic. of Chapecó - SC	06/30/2021
Maranhão State	08/19/2021
Rio Grande do Norte State	08/21/2021
Minas Gerais State	08/27/2021

*The blocking was suspended due to legal injunctions obtained in the Supreme Court.

Table 6.3

Blocking due to delays: art. 13, II

Debtor	End of Period
Sergipe State	11/15/2020

The State of Rio de Janeiro, though fit to be included in the penalties above, is entitled to contract new guaranteed debt by the terms of art. 11, § 1, of Complementary Law n. 159, issued on May 19th, 2017 (FRR).

7. FISCAL RECOVERY REGIME (FRR)

Complementary Law n. 159, issued on May 19th, 2017, disciplined the fiscal recovery plan for states under fiscal disarray. By the terms of that law, a set of measures must be taken by the states to adjust their fiscal side. These include privatization of local SOE's, social security reform, reduction of tax benefits, reduction of payroll, and so on.

Besides that, under the FRR, the Treasury will concede the extraordinary waiver of the debt held by the government (as the creditor) for up to 36 months. In case of an extension of the FRR, the payments will restart progressively and linearly until it reaches the full values of the debt by the end of the FRR regime.

Also, during the FRR, the state is entitled to apply for new guaranteed debt as long as the loans are directed to restructure debt with the financial system, to finance the reduction in the payroll, to build IT systems for payroll control, to finance arrears and other finalities described in that law and in recovery plan.

Finally, if the state defaults under the FRR, the Treasury is impaired to recover the collaterals embedded in the contracts. Eventual guarantees executed by the Treasury will be monitored and accounted for and capitalized according to the original financial conditions, and the total amount will be charged against the FRR beneficiary when the period is due.

It is important to highlight that the obligations resulting from the FRR are included in the Annual Borrowing Plan of the federal government².

More details on the FRR are available at <http://www.tesourotransparente.gov.br/temas/estados-e-municipios/regime-de-recuperacao-fiscal-rrf>.

7.1. State of Rio de Janeiro (RJ)

Since the state of Rio de Janeiro entered the FRR, as of September 5th, 2017, the Treasury, as a guarantor, has been liquidating the guaranteed debts of the State with the financial system. Nonetheless, the Treasury has been prevented to immediately recover the values in conformity with the collateral agreements. As mentioned above, the values are being controlled and will be recovered in the future as defined by the FRR law. As it follows, this report will shed some light on the guaranteed debt of the participants of the FRR, represented by the state of Rio de Janeiro so far.

Note that, for a complete assessment of the state of Rio de Janeiro and a more comprehensive risk analysis, one must consider the full indebtedness level of the entity. Its total debt is composed by the debt with the Treasury, the non-guaranteed debt with the financial system and the guaranteed debt³, the latter one being the object of this report.

² See <https://www.tesourotransparente.gov.br/publicacoes/annual-borrowing-plan-abp-ingles/>.

³ See <https://www.tesourotransparente.gov.br/publicacoes/boletim-de-financas-dos-entes-subnacionais/>.

7.1.1. Guaranteed Debt Profile

The state of Rio de Janeiro guaranteed debt reached R\$ 43.29 bn, which represents 13.9% of total guaranteed debt. This is broken-down in foreign and domestic debt, as shown in Table 7.1. The table also shows the domestic debt linked to FX-rate.

Table 7.1
RJ — Guaranteed
Debt Profile

(R\$ million)	
	Aug 2020
Domestic Guarantees	26,088.37
FX-linked	14,206.62
Other	11,881.75
Foreign Guarantees	17,198.36
Total	43,286.73

7.1.2. Profile by Creditor

Table 7.2 shows the guaranteed debt profile of the state of Rio de Janeiro according to its creditors.

Table 7.2
RJ — Guaranteed
Debt Profile
by Creditor

Creditors	Outstandig (R\$ million)	(%)
Domestic Guarantees	26,088.37	60.3
BB	13,212.43	30.5
BNDES	6,459.21	14.9
BNP	3,564.27	8.2
CAIXA	1,674.64	3.9
Crédit Suisse	1,177.81	2.7
Foreign Guarantees	17,198.36	39.7
IBRD (WB)	12,387.51	28.6
CAF	1,927.74	4.5
AFD	1,888.62	4.4
IADB	994.49	2.3
Total	43,286.73	100.0

7.1.3. Profile by Index

One of the risks associated to guaranteed debt of the state of Rio de Janeiro can be assessed by the numbers shown in Table 7.3.

Table 7.3
RJ — Guaranteed
Debt Profile by Index

Indices Applied on Principal	Total Principal		Fixed-rate Interests		Variable-rate Interests	
	(R\$ million)	(%)	(R\$ million)	(%)	(R\$ million)	(%)
FX-linked	31,404.98	72.6	3,613.08	8.3	27,791.90	64.2
IPCA (inflation)	2,521.45	5.8	2,521.45	5.8	0.00	0.0
SELIC rate	1,411.22	3.3	1,411.22	3.3	0.00	0.0
TJLP	5,718.07	13.2	0.00	0.0	5,718.07	13.2
TR	331.00	0.8	331.00	0.8	0.00	0.0
Non-indexed	1,900.00	4.4	0.00	0.0	1,900.00	4.4
Total	43,286.73	100.0	7,876.76	18.2	35,409.97	81.8

7.1.4. Maturity Profile until the end of the FRR

Table 7.4 shows the guaranteed debt maturity for the state of Rio de Janeiro up to 2023 (estimated date to end the extended FRR). The values include principal and interest estimates as of August 31st, 2020.

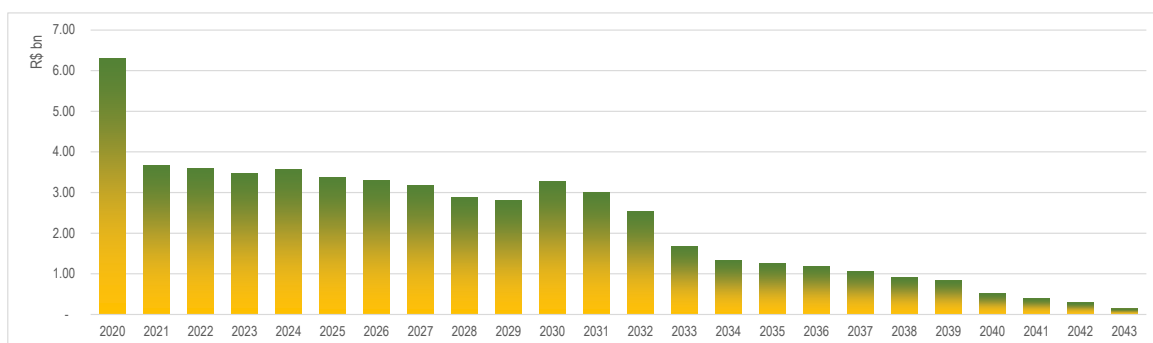
Table 7.4
RJ — Maturity during
the FRR

Debt Profile	2020		2021		2022		2023	
	(R\$ bn)	(%)	(R\$ bn)	(%)	(R\$ bn)	(%)	(R\$ bn)	(%)
Domestic	5.75	16.1	2.53	7.1	2.46	6.9	2.39	6.7
FX-linked	5.27	14.8	1.45	4.1	1.41	4.0	1.37	3.8
Other	0.48	1.3	1.07	3.0	1.05	2.9	1.02	2.9
Foreign	0.54	2.9	1.15	6.1	1.13	6.0	1.08	5.8
Total	6.29	11.5	3.68	6.7	3.59	6.6	3.48	6.4

7.1.5. Total Maturity of the State of Rio de Janeiro's Guaranteed Debt

The full maturity of the guaranteed debt of the State of Rio de Janeiro is displayed in the Graph 7.1. The values include principal and interest estimated as of August 31st, 2020, until July 2043, when the last installment is currently contracted with the entity.

Graph 7.1
RJ- Total Maturity
up to 2043



That 2020 peak is caused by the maturity of a loan signed between the State of Rio de Janeiro and BNP Paribas, as much as R\$ 2.90 bn. This contract was authorized within the FRR as Rio de Janeiro State gave as collateral the revenue expected from the privatization of CEDAE (Rio de Janeiro's water and sanitation company). This is a bullet contract, which means that there is a single payment of interest and principal in the maturity date (December 2020) currently projected in R\$ 4.49 bn.

8. ANNEX 1—HISTORICAL OUTSTANDING GUARANTEED DEBT

	(R\$ billion)								
	2012	2013	2014	2015	2016	2017	2018	2019	Aug 2020
Domestic Guarantees	22.59	52.71	80.60	112.30	111.09	111.50	114.32	109.30	116.98
States	13.23	39.93	61.88	81.80	81.26	84.71	91.44	90.91	100.49
Municipalities	0.00	0.03	1.54	3.55	3.98	3.91	3.88	4.86	6.05
Federal Banks	4.87	5.63	7.30	7.47	7.07	6.54	6.08	5.37	4.92
Federal SOE	2.08	5.63	8.46	17.77	17.68	15.95	12.71	8.16	5.51
Controlled Entities	2.41	1.49	1.42	1.72	1.10	0.38	0.21	0.00	0.00
Foreign Guarantees	48.64	56.09	70.18	110.61	103.76	121.85	143.91	146.62	195.01
States	29.23	35.74	47.65	77.83	75.49	91.24	107.66	109.59	145.21
Municipalities	4.94	5.56	6.97	10.57	10.71	11.05	13.45	14.62	20.72
Federal Banks	11.69	12.13	12.56	16.54	12.24	12.60	13.09	12.30	15.88
Federal SOE	0.92	1.02	1.28	1.83	1.62	1.35	2.20	2.37	3.13
Controlled Entities	1.86	1.64	1.71	3.84	3.71	5.60	7.52	7.75	10.08
Total	71.23	108.80	150.77	222.91	214.85	233.35	258.23	255.92	311.99

9. ANNEX 2—GUARANTEED DEBT PROFILE OF BRAZILIAN STATES

The following pages show the guaranteed debt of Brazilian states. Note that, for a complete assessment of the subnational government debt and a more comprehensive risk analysis, one must consider the full indebtedness level of each entity⁴. Their total debt is composed by the debt with the Treasury, the non-guaranteed debt with the financial system and the guaranteed debt, object of this report.

ACRE		(R\$ million)	CAPAG B
Total Guaranteed Debt		3,052.93	
Domestic		598.92	
FX-linked		0.00	
Other		598.92	
Foreign		2,454.01	
ATM		9.20 years	
Average cost		29.85% per annum	
Maturity Profile		(R\$ million)	
Up to 12 months	234.45	6.6%	
1 to 2 years	243.08	6.8%	
2 to 3 years	222.24	6.3%	
3 to 4 years	218.31	6.1%	
4 to 5 years	214.13	6.0%	
More than 5 years	2,426.11	68.2%	
DEBT CONTRACTED IN 2020			
Contract	Signing Date	Contracted Amount	
MoF Regulation n. 501/2017			
There is no eligibility impairment to apply for federal guarantees			

ALAGOAS		(R\$ million)	CAPAG B
Total Guaranteed Debt		3,201.91	
Domestic		1,110.01	
FX-linked		0.00	
Other		1,110.01	
Foreign		2,091.90	
ATM		7.81 years	
Average cost		24.54% per annum	
Maturity Profile		(R\$ million)	
Up to 12 months	229.44	6.2%	
1 to 2 years	264.61	7.1%	
2 to 3 years	272.57	7.3%	
3 to 4 years	272.07	7.3%	
4 to 5 years	269.38	7.2%	
More than 5 years	2,419.21	64.9%	
DEBT CONTRACTED IN 2020			
Contract	Signing Date	Contracted Amount	
BB - 2020168	04/07/2020	R\$ 300.000.000,00	
CAIXA - 20200170	04/08/2020	R\$ 177.000.000,00	
CFA011220 - CFA011218	05/06/2020	US\$ 136.230.000,00	
MoF Regulation n. 501/2017			
There is no eligibility impairment to apply for federal guarantees			

⁴ See <https://www.tesourotransparente.gov.br/publicacoes/boletim-de-financas-dos-entes-subnacionais/>.

AMAPÁ

(R\$ million)

Total Guaranteed Debt	1,416.11
Domestic	1,416.11
FX-linked	0.00
Other	1,416.11
Foreign	0.00

**CAPAG
Suspended**Awaiting further
information**ATM**

6.78 years

Average cost

6.30% per annum

Maturity Profile

(R\$ million)

Up to 12 months	183.72	9.3%
1 to 2 years	177.69	9.0%
2 to 3 years	171.83	8.7%
3 to 4 years	165.91	8.4%
4 to 5 years	159.69	8.1%
More than 5 years	1,114.32	56.5%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 05/22/2021 (art. 13, I)

AMAZONAS

(R\$ million)

Total Guaranteed Debt	6,944.92
Domestic	1,823.13
FX-linked	0.00
Other	1,823.13
Foreign	5,121.79

CAPAG**B****ATM**

7.14 years

Average cost

27.54% per annum

Maturity Profile

(R\$ million)

Up to 12 months	654.11	8.7%
1 to 2 years	632.57	8.4%
2 to 3 years	623.12	8.3%
3 to 4 years	613.73	8.1%
4 to 5 years	578.83	7.7%
More than 5 years	4,453.00	58.9%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

There is no eligibility impairment to apply for federal guarantees

BAHIA

(R\$ million)

Total Guaranteed Debt	17,601.77	CAPAG C
Domestic	4,030.78	
FX-linked	1,938.06	
Other	2,092.72	
Foreign	13,570.98	

ATM

8.37 years

Average cost

32.35% per annum

Maturity Profile

(R\$ million)

Up to 12 months	1,403.61	7.0%
1 to 2 years	1,391.64	6.9%
2 to 3 years	1,448.73	7.2%
3 to 4 years	1,442.19	7.2%
4 to 5 years	1,442.47	7.2%
More than 5 years	12,915.96	64.4%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 04/28/2021 (art. 13, I)

CEARÁ

(R\$ million)

Total Guaranteed Debt	14,605.52	CAPAG B
Domestic	4,384.51	
FX-linked	131.56	
Other	4,252.95	
Foreign	10,221.01	

ATM

8.14 years

Average cost

26.63% per annum

Maturity Profile

(R\$ million)

Up to 12 months	1,135.17	6.8%
1 to 2 years	1,244.18	7.4%
2 to 3 years	1,284.06	7.7%
3 to 4 years	1,281.98	7.7%
4 to 5 years	1,270.79	7.6%
More than 5 years	10,520.95	62.9%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount
BB - 2020176	05/13/2020	R\$ 800.000.000,00

MoF Regulation n. 501/2017

There is no eligibility impairment to apply for federal guarantees

DISTRITO FEDERAL

(R\$ million)

Total Guaranteed Debt	2,830.20	CAPAG C
Domestic	1,511.02	
FX-linked	798.99	
Other	712.04	
Foreign	1,319.17	

ATM

5.82 years

Average cost

30.15% per annum

Maturity Profile

(R\$ million)

Up to 12 months	349.04	10.6%
1 to 2 years	403.76	12.3%
2 to 3 years	371.73	11.3%
3 to 4 years	354.23	10.8%
4 to 5 years	290.33	8.8%
More than 5 years	1,521.81	46.2%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

There is no eligibility impairment to apply for federal guarantees

ESPÍRITO SANTO

(R\$ million)

Total Guaranteed Debt	5,302.05	CAPAG A
Domestic	3,766.26	
FX-linked	0.00	
Other	3,766.26	
Foreign	1,535.79	

ATM

7.79 years

Average cost

14.26% per annum

Maturity Profile

(R\$ million)

Up to 12 months	547.24	7.9%
1 to 2 years	530.17	7.6%
2 to 3 years	524.48	7.6%
3 to 4 years	519.72	7.5%
4 to 5 years	506.78	7.3%
More than 5 years	4,314.97	62.2%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

There is no eligibility impairment to apply for federal guarantees

GOIÁS

(R\$ million)

Total Guaranteed Debt	9,222.86	CAPAG C
Domestic	9,169.96	
FX-linked	2,982.84	
Other	6,187.12	
Foreign	52.91	

ATM

6.21 years

Average cost

18.84% per annum

Maturity Profile

(R\$ million)

Up to 12 months	1,225.17	10.1%
1 to 2 years	1,197.41	9.9%
2 to 3 years	1,170.55	9.7%
3 to 4 years	1,143.49	9.5%
4 to 5 years	1,114.97	9.2%
More than 5 years	6,254.43	51.7%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 05/19/2021 (art. 13, I)

MARANHÃO

(R\$ million)

Total Guaranteed Debt	4,963.26	CAPAG C
Domestic	3,278.60	
FX-linked	0.00	
Other	3,278.60	
Foreign	1,684.66	

ATM

4.90 years

Average cost

17.46% per annum

Maturity Profile

(R\$ million)

Up to 12 months	1,000.91	15.9%
1 to 2 years	1,039.23	16.6%
2 to 3 years	1,064.52	17.0%
3 to 4 years	459.24	7.3%
4 to 5 years	443.20	7.1%
More than 5 years	2,271.12	36.2%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 08/19/2021 (art. 13, I)

MATO GROSSO

(R\$ million)

Total Guaranteed Debt	3,144.05	CAPAG C
Domestic	1,779.78	
FX-linked	0.00	
Other	1,779.78	
Foreign	1,364.27	

ATM

7.44 years

Average cost

20.44% per annum

Maturity Profile

(R\$ million)

Up to 12 months	408.33	10.6%
1 to 2 years	418.45	10.9%
2 to 3 years	383.05	9.9%
3 to 4 years	307.71	8.0%
4 to 5 years	237.35	6.2%
More than 5 years	2,102.26	54.5%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

There is no eligibility impairment to apply for federal guarantees

MATO GROSSO DO SUL

(R\$ million)

Total Guaranteed Debt	2,406.42	CAPAG C
Domestic	649.42	
FX-linked	0.00	
Other	649.42	
Foreign	1,757.01	

ATM

7.18 years

Average cost

27.29% per annum

Maturity Profile

(R\$ million)

Up to 12 months	281.00	10.3%
1 to 2 years	278.99	10.2%
2 to 3 years	277.44	10.2%
3 to 4 years	146.78	5.4%
4 to 5 years	116.45	4.3%
More than 5 years	1,629.32	59.7%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 05/22/2021 (art. 13, I)

MINAS GERAIS

(R\$ million)

Total Guaranteed Debt	28,096.61	CAPAG D
Domestic	11,437.53	
FX-linked	10,018.82	
Other	1,418.71	
Foreign	16,659.08	

ATM

6.98 years

Average cost

36.81% per annum

Maturity Profile

(R\$ million)

Up to 12 months	3,074.43	9.4%
1 to 2 years	2,993.52	9.1%
2 to 3 years	2,906.51	8.8%
3 to 4 years	2,778.18	8.5%
4 to 5 years	2,672.01	8.1%
More than 5 years	18,472.32	56.2%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 08/27/2021 (art. 13, I)

PARÁ

(R\$ million)

Total Guaranteed Debt	2,952.68	CAPAG B
Domestic	1,273.69	
FX-linked	0.00	
Other	1,273.69	
Foreign	1,678.99	

ATM

6.87 years

Average cost

22.38% per annum

Maturity Profile

(R\$ million)

Up to 12 months	327.10	9.8%
1 to 2 years	325.46	9.7%
2 to 3 years	331.04	9.9%
3 to 4 years	324.97	9.7%
4 to 5 years	273.14	8.2%
More than 5 years	1,758.69	52.7%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount
CAIXA - 20200154	03/04/2020	R\$ 537.322.634,96

MoF Regulation n. 501/2017

There is no eligibility impairment to apply for federal guarantees

PARAÍBA

(R\$ million)

Total Guaranteed Debt	1,478.40
Domestic	977.17
FX-linked	0.00
Other	977.17
Foreign	501.23

CAPAG**B****ATM**

7.32 years

Average cost

17.17% per annum

Maturity Profile

(R\$ million)

Up to 12 months	194.28	9.5%
1 to 2 years	221.07	10.8%
2 to 3 years	183.18	9.0%
3 to 4 years	161.78	7.9%
4 to 5 years	156.93	7.7%
More than 5 years	1,124.28	55.1%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 04/22/2021 (art. 13, I)

The blocking was suspended due to legal injunctions obtained in the Supreme Court.

PARANÁ

(R\$ million)

Total Guaranteed Debt	4,114.95
Domestic	999.09
FX-linked	0.00
Other	999.09
Foreign	3,115.86

CAPAG**B****ATM**

7.62 years

Average cost

27.01% per annum

Maturity Profile

(R\$ million)

Up to 12 months	341.58	7.1%
1 to 2 years	391.71	8.1%
2 to 3 years	381.63	7.9%
3 to 4 years	365.15	7.5%
4 to 5 years	372.82	7.7%
More than 5 years	2,988.81	61.7%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount
BID4632/OC-BR	04/16/2020	US\$ 118.370.000,00

MoF Regulation n. 501/2017

There is no eligibility impairment to apply for federal guarantees

PERNAMBUCO

(R\$ million)

Total Guaranteed Debt	11,620.72	CAPAG C
Domestic	1,628.18	
FX-linked	172.27	
Other	1,455.90	
Foreign	9,992.55	

ATM

9.09 years

Average cost

31.70% per annum

Maturity Profile

(R\$ million)

Up to 12 months	928.37	7.1%
1 to 2 years	943.03	7.3%
2 to 3 years	913.73	7.0%
3 to 4 years	818.70	6.3%
4 to 5 years	768.90	5.9%
More than 5 years	8,636.12	66.4%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 05/28/2021 (art. 13, I)

PIAUÍ

(R\$ million)

Total Guaranteed Debt	5,022.82	CAPAG C
Domestic	1,849.80	
FX-linked	1,001.81	
Other	847.98	
Foreign	3,173.02	

ATM

6.91 years

Average cost

31.53% per annum

Maturity Profile

(R\$ million)

Up to 12 months	485.31	8.3%
1 to 2 years	497.32	8.5%
2 to 3 years	499.32	8.6%
3 to 4 years	482.33	8.3%
4 to 5 years	474.92	8.2%
More than 5 years	3,388.54	58.2%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 05/28/2021 (art. 13, I)

RIO DE JANEIRO

(R\$ million)

Total Guaranteed Debt	43,286.73	CAPAG D
Domestic	26,088.37	
FX-linked	14,206.62	
Other	11,881.75	
Foreign	17,198.36	

ATM

7.74 years

Average cost

29.67% per annum

Maturity Profile

(R\$ million)

Up to 12 months	8,269.26	15.2%
1 to 2 years	3,633.63	6.7%
2 to 3 years	3,536.59	6.5%
3 to 4 years	3,608.66	6.6%
4 to 5 years	3,447.16	6.3%
More than 5 years	32,050.67	58.8%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impairment not applied according to FRR (LC 159/2017)

RIO GRANDE DO NORTE

(R\$ million)

Total Guaranteed Debt	1,944.49	CAPAG C
Domestic	493.80	
FX-linked	48.33	
Other	445.47	
Foreign	1,450.69	

ATM

9.60 years

Average cost

20.29% per annum

Maturity Profile

(R\$ million)

Up to 12 months	183.28	8.1%
1 to 2 years	160.14	7.1%
2 to 3 years	157.03	6.9%
3 to 4 years	153.70	6.8%
4 to 5 years	130.54	5.8%
More than 5 years	1,487.15	65.5%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 08/21/2021 (art. 13, I)

RIO GRANDE DO SUL

(R\$ million)

Total Guaranteed Debt	12,739.15
Domestic	1,354.64
FX-linked	0.00
Other	1,354.64
Foreign	11,384.51

CAPAG**D****ATM**

8.13 years

Average cost

31.91% per annum

Maturity Profile

(R\$ million)

Up to 12 months	813.23	5.9%
1 to 2 years	930.66	6.7%
2 to 3 years	1,017.86	7.4%
3 to 4 years	1,082.07	7.8%
4 to 5 years	1,188.65	8.6%
More than 5 years	8,814.11	63.7%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

There is no eligibility impairment to apply for federal guarantees

RONDÔNIA

(R\$ million)

Total Guaranteed Debt	314.91
Domestic	287.43
FX-linked	0.00
Other	287.43
Foreign	27.49

CAPAG**A****ATM**

5.92 years

Average cost

8.99% per annum

Maturity Profile

(R\$ million)

Up to 12 months	52.82	12.7%
1 to 2 years	41.71	10.0%
2 to 3 years	37.32	8.9%
3 to 4 years	36.02	8.6%
4 to 5 years	34.67	8.3%
More than 5 years	214.83	51.5%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

There is no eligibility impairment to apply for federal guarantees

RORAIMA

(R\$ million)

Total Guaranteed Debt	679.63	CAPAG C
Domestic	679.63	
FX-linked	0.00	
Other	679.63	
Foreign	0.00	

ATM

6.90 years

Average cost

6.29% per annum

Maturity Profile

(R\$ million)

Up to 12 months	87.38	9.2%
1 to 2 years	84.53	8.9%
2 to 3 years	81.73	8.6%
3 to 4 years	78.97	8.3%
4 to 5 years	75.98	8.0%
More than 5 years	541.65	57.0%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 04/22/2021 (art. 13, I)

SANTA CATARINA

(R\$ million)

Total Guaranteed Debt	10,965.90	CAPAG C
Domestic	7,142.29	
FX-linked	1,768.99	
Other	5,373.31	
Foreign	3,823.60	

ATM

6.46 years

Average cost

22.42% per annum

Maturity Profile

(R\$ million)

Up to 12 months	1,559.40	11.6%
1 to 2 years	1,664.64	12.4%
2 to 3 years	1,273.60	9.5%
3 to 4 years	923.10	6.9%
4 to 5 years	898.68	6.7%
More than 5 years	7,142.47	53.1%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

There is no eligibility impairment to apply for federal guarantees

SÃO PAULO

(R\$ million)

Total Guaranteed Debt	43,015.22
Domestic	10,811.29
FX-linked	7,659.88
Other	3,151.42
Foreign	32,203.93

CAPAG**B****ATM**

7.94 years

Average cost

34.82% per annum

Maturity Profile

(R\$ million)

Up to 12 months	3,877.02	8.0%
1 to 2 years	3,786.27	7.8%
2 to 3 years	3,445.75	7.1%
3 to 4 years	3,390.12	7.0%
4 to 5 years	3,328.96	6.9%
More than 5 years	30,765.61	63.3%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 05/25/2021 (art. 13, I)

SERGIPE

(R\$ million)

Total Guaranteed Debt	1,907.60
Domestic	650.60
FX-linked	0.00
Other	650.60
Foreign	1,257.00

CAPAG**C****ATM**

9.14 years

Average cost

26.05% per annum

Maturity Profile

(R\$ million)

Up to 12 months	160.88	7.0%
1 to 2 years	153.62	6.6%
2 to 3 years	155.60	6.7%
3 to 4 years	147.27	6.4%
4 to 5 years	139.10	6.0%
More than 5 years	1,557.41	67.3%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 11/15/2020 (art. 13, II)

TOCANTINS

(R\$ million)

Total Guaranteed Debt	2,868.40	CAPAG C
Domestic	1,302.56	
FX-linked	670.86	
Other	631.70	
Foreign	1,565.84	

ATM

6.77 years

Average cost

31.20% per annum

Maturity Profile

(R\$ million)

Up to 12 months	365.64	11.1%
1 to 2 years	288.78	8.8%
2 to 3 years	281.66	8.6%
3 to 4 years	255.24	7.8%
4 to 5 years	229.94	7.0%
More than 5 years	1,870.08	56.8%

DEBT CONTRACTED IN 2020

Contract	Signing Date	Contracted Amount

MoF Regulation n. 501/2017

Impaired until 05/12/2021 (art. 13, I)

10. ANNEX 3 — NEW GUARANTEED DEBT — 2020

The tables below show the new contracts of guaranteed debt signed during 2020. In all, 64 contracts of domestic guarantees (4 with states and 60 with municipalities) and 7 contracts of foreign guarantees (2 with states, 4 with municipalities and 1 with federal bank) were celebrated.

Domestic Contract	Debtor	Signing Date	Contracted Amount
CAIXA - 20200154	State of Pará (PA)	03/04/2020	R\$ 537,322,634.96
CAIXA - 20200162	Munic. of Ubaíra (BA)	03/04/2020	R\$ 8,000,000.00
CAIXA - 20200174	Munic. of Jiquiriçá (BA)	03/04/2020	R\$ 5,500,000.00
CAIXA - 20200152	Munic. of Boa Vista (RR)	03/06/2020	R\$ 32,000,000.00
CAIXA - 20200191	Munic. of Roca Sales (RS)	03/09/2020	R\$ 2,500,000.00
CAIXA - 20200226	Munic. of Barrocas (BA)	03/09/2020	R\$ 9,080,000.00
BB - 2020156	Munic. of Criciúma (SC)	03/11/2020	R\$ 15,000,000.00
BB - 2020158	Munic. of Criciúma (SC)	03/11/2020	R\$ 30,000,000.00
CAIXA - 20200160	Munic. of Piraquara (PR)	03/18/2020	R\$ 25,000,000.00
CAIXA - 20200150	Munic. of Muriaé (MG)	03/19/2020	R\$ 50,000,000.00
CAIXA - 20200187	Munic. of Água Doce (SC)	03/23/2020	R\$ 5,000,000.00
CAIXA - 20200166	Munic. of Serafina Corrêa (RS)	03/30/2020	R\$ 2,372,684.96
BB - 2020168	State of Alagoas (AL)	04/07/2020	R\$ 300,000,000.00
CAIXA - 20200170	State of Alagoas (AL)	04/08/2020	R\$ 177,000,000.00
CAIXA - 20200180	Munic. of Candeias (BA)	04/08/2020	R\$ 45,500,000.00
CAIXA - 20200218	Munic. of Pinheiro Preto (SC)	04/13/2020	R\$ 1,900,000.00
CAIXA - 20200164	Munic. of Barração (PR)	04/16/2020	R\$ 3,300,000.00
CAIXA - 20200172	Munic. of Doutor Pedrinho (SC)	04/17/2020	R\$ 2,500,000.00
CAIXA - 20200185	Munic. of Ituiutaba (MG)	04/17/2020	R\$ 22,000,000.00
CAIXA - 20200230	Munic. of Ponte Nova (MG)	04/28/2020	R\$ 28,500,000.00
CAIXA - 20200178	Munic. of Pomerode (SC)	04/29/2020	R\$ 15,000,000.00
BB - 2020176	State of Ceará (CE)	05/13/2020	R\$ 800,000,000.00
BB - 2020195	Munic. of São Bernardo do Campo (SP)	05/14/2020	R\$ 378,000,000.00
BB - 2020201	Munic. of Osasco (SP)	05/14/2020	R\$ 296,000,000.00
BB - 2020205	Munic. of Santa Rosa (RS)	05/14/2020	R\$ 7,000,000.00
BB - 2020213	Munic. of Linhares (ES)	05/14/2020	R\$ 90,000,000.00
CAIXA - 20200182	Munic. of Guarda-Mor (MG)	05/15/2020	R\$ 4,500,000.00
CAIXA - 20200197	Munic. of Santa Helena (SC)	05/20/2020	R\$ 1,500,000.00
CAIXA - 20200209	Munic. of Itá (SC)	05/21/2020	R\$ 2,000,000.00
BB - 2020189	Munic. of Aracati (CE)	05/22/2020	R\$ 23,544,000.00
CAIXA - 20200028	Munic. of Ponte Serrada (SC)	05/26/2020	R\$ 3,000,000.00
CAIXA - 20200026	Munic. of Curitiba (PR)	06/03/2020	R\$ 250,000,000.00
BB - 2020203	Munic. of Manaus (AM)	06/05/2020	R\$ 300,000,000.00
CAIXA - 20200216	Munic. of Paty do Alferes (RJ)	06/10/2020	R\$ 1,500,000.00
BB - 2020220	Munic. of Itatiaia (RJ)	06/12/2020	R\$ 30,000,000.00
CAIXA - 20200050	Munic. of Itapipoca (CE)	06/15/2020	R\$ 30,000,000.00
BB - 2020193	Munic. of Jaraguá do Sul (SC)	06/18/2020	R\$ 60,000,000.00
CAIXA - 20200052	Munic. of Maringá (PR)	06/18/2020	R\$ 26,200,000.00
CAIXA - 20200199	Munic. of Camocim (CE)	06/18/2020	R\$ 21,000,000.00
CAIXA - 20200224	Munic. of São Caetano do Sul (SP)	06/18/2020	R\$ 54,000,000.00
CAIXA - 20200228	Munic. of Maratá (RS)	06/19/2020	R\$ 2,400,000.00
CAIXA - 20200034	Munic. of Goioerê (PR)	06/23/2020	R\$ 10,000,000.00

Domestic Contract	Debtor	Signing Date	Contracted Amount
CAIXA - 20200041	Munic. of Caxias do Sul (RS)	06/23/2020	R\$ 17,950,000.00
BB - 2020207	Munic. of Pinhalzinho (SC)	06/26/2020	R\$ 4,500,000.00
CAIXA - 20200043	Munic. of Caxias do Sul (RS)	06/30/2020	R\$ 30,000,000.00
CAIXA - 20200039	Munic. of Abdon Batista (SC)	07/01/2020	R\$ 3,500,000.00
CAIXA - 20200048	Munic. of Nova Santa Rita (RS)	07/01/2020	R\$ 4,300,000.00
CAIXA - 20200080	Munic. of Jaguaré (ES)	07/01/2020	R\$ 7,000,000.00
CAIXA - 20200069	Munic. of Vargeão (SC)	07/07/2020	R\$ 2,500,000.00
CAIXA - 20200057	Munic. of Salvador do Sul (RS)	07/08/2020	R\$ 1,620,225.00
BB - 2020211	Munic. of Balneário Camboriú (SC)	07/15/2020	R\$ 85,000,000.00
CAIXA - 20200045	Munic. of Tapejara (RS)	07/15/2020	R\$ 6,000,000.00
CAIXA - 20200067	Munic. of Viçosa (MG)	07/15/2020	R\$ 7,500,000.00
CAIXA - 20200065	Munic. of Paranavaí (PR)	07/17/2020	R\$ 6,500,000.00
CAIXA - 20200107	Munic. of Capitólio (MG)	07/17/2020	R\$ 2,500,000.00
CAIXA - 20200222	Munic. of Timbó (SC)	07/21/2020	R\$ 10,000,000.00
CAIXA - 20200102	Munic. of Nova Alvorada do Sul (MS)	07/23/2020	R\$ 15,000,000.00
CAIXA - 20200084	Munic. of Carandaí (MG)	07/27/2020	R\$ 9,800,000.00
CAIXA - 20200078	Munic. of Capinzal (SC)	07/28/2020	R\$ 10,323,841.70
CAIXA - 20200088	Munic. of Barão (RS)	08/06/2020	R\$ 4,736,319.23
CAIXA - 20200095	Munic. of Nova Alvorada do Sul (MS)	08/06/2020	R\$ 6,500,000.00
CAIXA - 20200086	Munic. of Jandira (SP)	08/07/2020	R\$ 23,500,000.00
CAIXA - 20200125	Munic. of Monte Castelo (SC)	08/07/2020	R\$ 3,927,844.98
BB - 2020141	Munic. of Palmas (TO)	08/14/2020	R\$ 50,000,000.00

Foreign Contract	Debtor	Signing Date	Contracted Amount
Fonplata BRA-23/2019	Munic. of Ponta Porã (MS)	01/22/2020	US\$ 25,000,000.00
Fonplata BRA-17/2017	Munic. of Criciúma (SC)	02/13/2020	US\$ 17,250,000.00
BID4632/OC-BR	State of Paraná (PR)	04/16/2020	US\$ 118,370,000.00
CFA011220 - CFA011218	State of Alagoas (AL)	05/06/2020	US\$ 136,230,000.00
BID4691/OC-BR	Banco do Brasil S.A	05/27/2020	US\$ 600,000,000.00
AFD CBR 1070 01K	Munic. of Curitiba (PR)	08/26/2020	€ 38,141,124.00
Fonplata BRA-25/2020	Munic. of São G. Amarante (RN)	08/26/2020	US\$ 34,000,000.00

GLOSSARY

Definitions:

Amortization - Part of the installment referred to the debt principal, which leads to diminishing the outstanding debt.

Contracted Value - Value defined in the contract to execute a specific project. It does not necessarily affect the outstanding debt at once, as it depends on the pace of the disbursement.

Controlled Entities - Public companies or entities controlled by the State.

Credit Operations - Contract signed by which the creditor funds the debtor's project, and the guarantor backs-up the debt. The debtor is then obliged to amortize the values with time and interest agreed upon.

Creditor - Financial institution which funded some project.

Debtor - Entity beneficiary of the credit and underlying guarantee to execute the project according to contractual terms.

Disbursement - Financial outlay from the creditor to the debtor to execute the project.

Domestic Guarantees - Guarantees associated to credit operations originally funded domestically, regardless from the currency or index set in the contract.

Federal Banks - Federal Government owned banks such as Banco do Brasil, BNDES and CAIXA.

Foreign Guarantees - Guarantees associated to loans originally funded by foreign creditors.

Government Agencies - International public financial institutions such as AFD, JICA and KfW.

Guarantor - Entity responsible to fulfill a guarantee in case of a credit event. In this report, the Brazilian National Treasury.

Multilateral Organisms - Type of creditor defined by international entities. The main ones are IBRD (World Bank) and IADB.

Outstanding Guaranteed Debt - Total disbursed netted out from the amortized debt.

Private Banks - Private financial institutions, national or international, such as BNP Paribas S.A., Crédit Suisse Brasil, Bank of America and Crédit Suisse AG.

Acronyms:

AFD - Agence Française de Développement (French Development Agency)

BB - Banco do Brasil (Federal Bank)

BNB - Banco do Nordeste (Federal Bank)

BNDES - Banco Nacional do Desenvolvimento (Federal Bank)

BNP - BNP Paribas S.A. (Private Bank)

CAESB - Companhia de Saneamento Ambiental do Distrito Federal (Distrito Federal's water and sanitation company)

CAF - Corporación Andina de Fomento (Andean Development Corporation)

CAIXA - Caixa Econômica Federal (Federal Bank)

CEDAE - Companhia Estadual de Águas e Esgotos (Rio de Janeiro's water and sanitation company)

CEEE-D - Companhia Estadual de Energia Elétrica – Distribuição (Rio Grande do Sul's electric company - distribution)

CEEE-GT - Companhia Estadual de E.E. - Geração e Transmissão (Rio Grande do Sul's electric company - generation and transmission)

CELESC - Centrais Elétricas de Santa Catarina S.A. (Santa Catarina's electric company)

ELETRORÁS - Centrais Elétricas Brasileiras S.A. (Federal Government electric company)

ELETRONUCLEAR - Eletrobras Eletronuclear (Federal Government electric company)

FINEP - Financiadora de Estudos e Projetos (Funding Authority for Studies and Projects)

ITAU - Itaú Unibanco Holding S.A.

IADB - Inter-American Development Bank

IBRD/WB - International Bank for Reconstruction and Development/World Bank

JICA - Japan International Cooperation Agency

KfW - Kreditanstalt für Wiederaufbau

NDB - New Development Bank

SABESP - Companhia de Saneamento Básico do Estado de São Paulo (São Paulo's sanitation company)

SANTANDER - Banco Santander S.A. (Private Bank)