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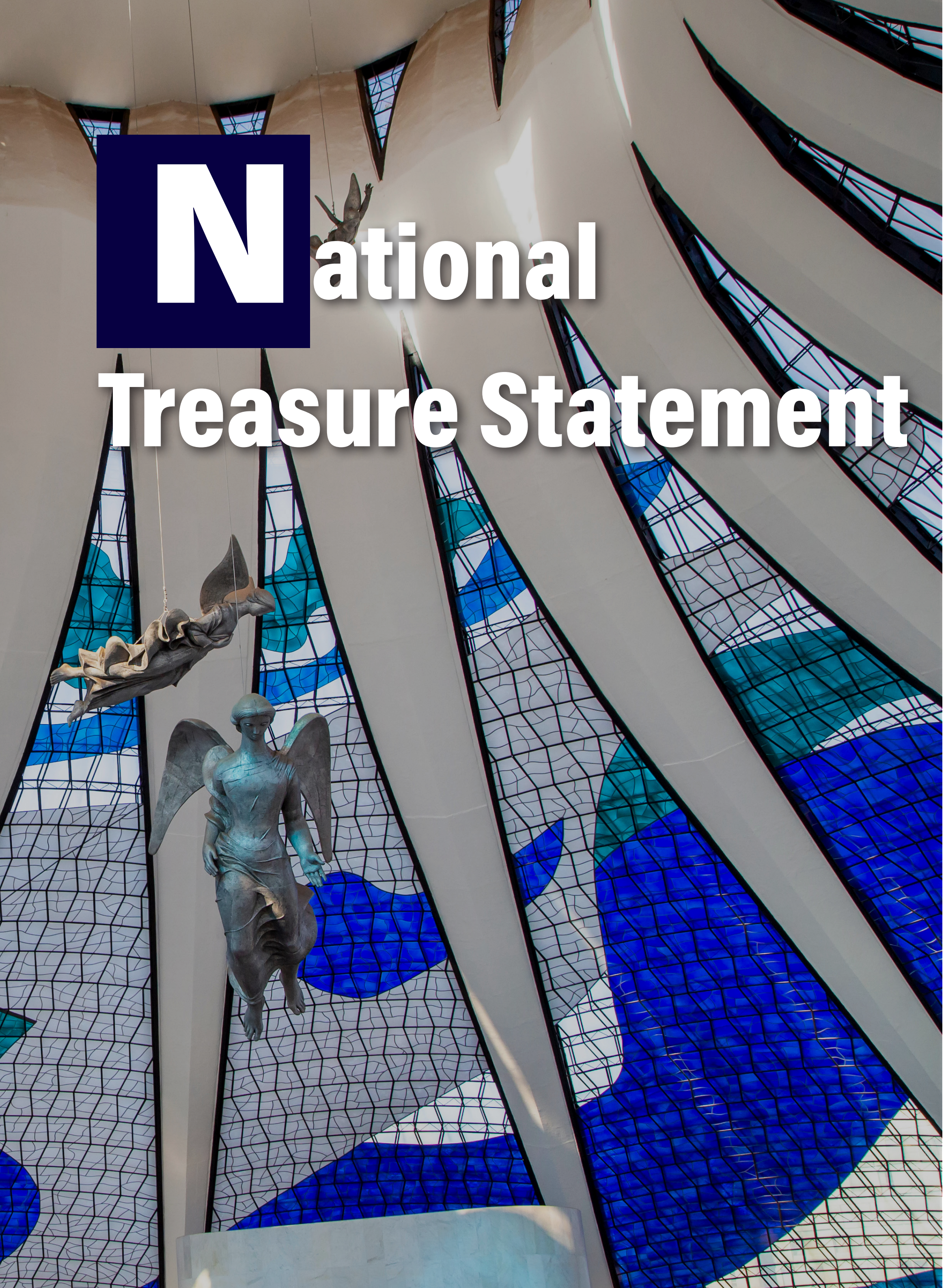
National Treasure Statement



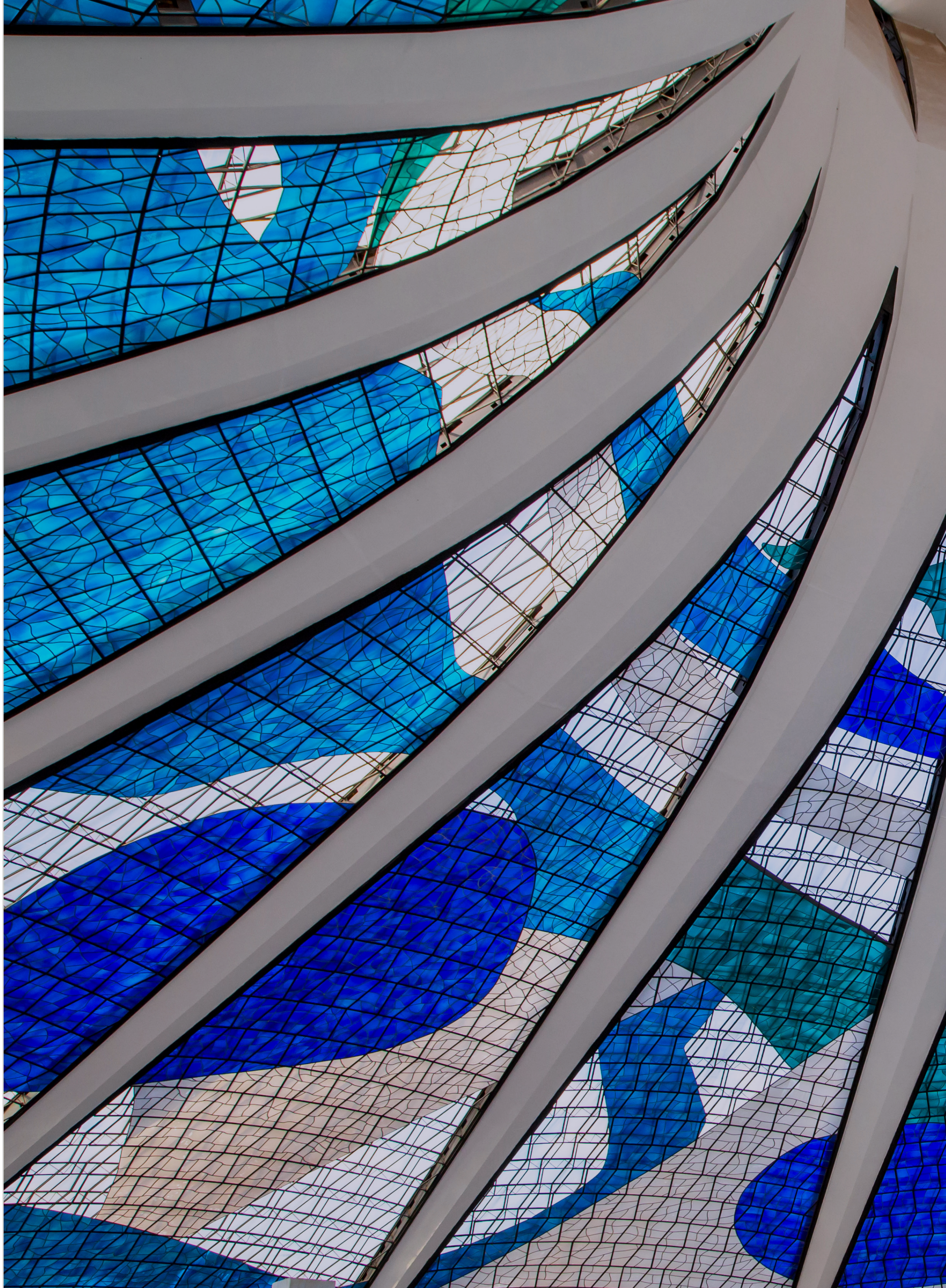
It is with great pleasure that the National Treasury Secretariat announces the release of the 25th Annual Borrowing Plan (ABP). The consolidation of this document reflects a continuous process of transparency and institutional communication with society, presenting the objectives, guidelines, and limits for the Federal Public Debt management strategy over the years.

Over time, these documents reinforce the understanding that institutional progress, such as economic reforms aimed to increase productivity and the fiscal consolidation process, are essential for the sound management of public debt.

In this context, significant legislative progress was made in 2024 with the implementation of tax reform, and the Brazilian economic activity growth has confirmed the economy's greater resilience—an outcome of reforms accumulated in recent years. As a result, since 2023, the three main rating agencies have upgraded Brazil's credit rating, and notably, last year, Moody's raised Brazil's rating to a level just below investment grade.

While there has been notable progress in the economic and fiscal consolidation agenda, the macroeconomic and financial landscape still demands caution. In the last months of 2024, local and international uncertainties increased, leading to a rise in the term structure of interest rates and a depreciation of the Brazilian currency. For 2025, a reduction in these uncertainties is expected, which could have positive effects on financial market volatility. However, attention must remain focused on the potential impacts from changes in US foreign policy and the slowdown in the Chinese economy. In Brazil, there is encouraging news regarding economic growth and a robust labor market. At the same time, above-target inflation and rising market expectations have demanded a monetary tightening cycle by the Central Bank. On the fiscal front, the government has made efforts to strengthen the fiscal framework, ensuring the sustainability of public debt.

The 2025 ABP is launched in this context, addressing the challenge of adjusting the debt composition by increasing the share of fixed-rate and inflation-linked bonds, while reducing floating-rate bond share and extending maturities. The National Treasury emphasizes that these changes in composition are guidelines to be achieved gradually over the medium term, avoiding unnecessary pressure on financial market conditions. Moreover, to ensure continued credit rating improvements and to accelerate the Federal Public Debt indicators' convergence towards an optimal composition of indexers and maturities, it is essential to deepen economic reforms and strengthen fiscal consolidation.



1 Introduction

The ABP publication is an essential tool for aligning the expectations of market participants and society, presenting "the guidelines, the annual strategy for the domestic and external debt for which the Federal Government is responsible in the market and the reference limits for the main indicators at the end of the year", as defined in item I of Article 14 of STN/MF Ordinance No. 559 of April 5, 2024.

The financing strategy presented in the 2025 ABP is guided by the objective of debt management, as defined in the sole paragraph of Article 2 of STN/MF Ordinance No. 559:

> "The objective of the Federal Public Debt is to efficiently meet the financing needs of the Federal Government at the lowest cost over the long term, while maintaining a prudent level of risk, and also contributing to the proper functioning of the Brazilian public debt market."

Besides this, the 2025 ABP adopts a set of general guidelines, as illustrated in Figure 1.

Figure 1. Guidelines for the FPD's Management

- Gradual replacement of floating-rate bonds with fixed-rate and inflation-linked bonds
- Smoothing the maturity structure, with special attention to debt maturing in the short term
- Increase of the outstanding average maturity
- Development of the yield curve and incentive to liquidity of federal government bonds in the secondary market
- Diversification and broadening of the investor base
- Maintenance of liquidity reserve above its prudent level

In addition to this introduction, the document is divided into four chapters. Chapter 2 presents a summary of the macroeconomic scenarios and financing needs envisaged in this ABP. Chapter 3 then provides an overview of the public debt issuance strategy for 2025. The expected results for the ABP indicators in 2025 are detailed in Chapter 4, which also deals with the medium-term indications for the composition and maturity structure of the ABP. Finally, Chapter 5 presents the final remarks.

2 Macroeconomic Scenarios and Borrowing Requirements

2.1 Macroeconomic Scenarios

The 2025 ABP was drawn up considering an external scenario of a strengthening dollar and rising yield curves, driven by Donald Trump's victory in the US presidential elections. Although no recession is expected in the US, the monetary easing cycle should end in 2027, with the baseline interest rate reaching 3.0%. The Chinese economy is expected to maintain an average growth of 4%, without a sharp slowdown. The scenario also considers geopolitical tensions and economic protectionism on a moderate scale. These factors, combined with a strong dollar and high foreign interest rates, may put pressure on prices and interest rates in Brazil.

In the domestic scenario, expectations for 2025 reflect recent economic dynamism, supported by a robust labor market and the implementation of the consumption tax reform. However, above-potential activity and currency depreciation could raise inflation, requiring a longer monetary tightening cycle. The evolution of fiscal perception is a decisive factor in the unfolding of this outlook.

Alternative scenarios consider a more turbulent external environment, with a slowdown in US growth in the short term, requiring more intense interest rate cuts in 2025 and 2026. The Chinese economy would slow to an average growth of 3.0% in 2026 and 2027, in addition to the persistence of geopolitical tensions and increased protectionism.

In a challenging external scenario, the domestic economy would face less dynamism and moments of instability, accompanied by a deterioration in financial indicators, such as the yield curve and exchange rates. This context would result in greater inflationary pressure and would demand more pronounced monetary tightening and a higher neutral interest rate. Additionally, a more unfavorable fiscal perception on the part of market agents could have a negative impact on financial variables.

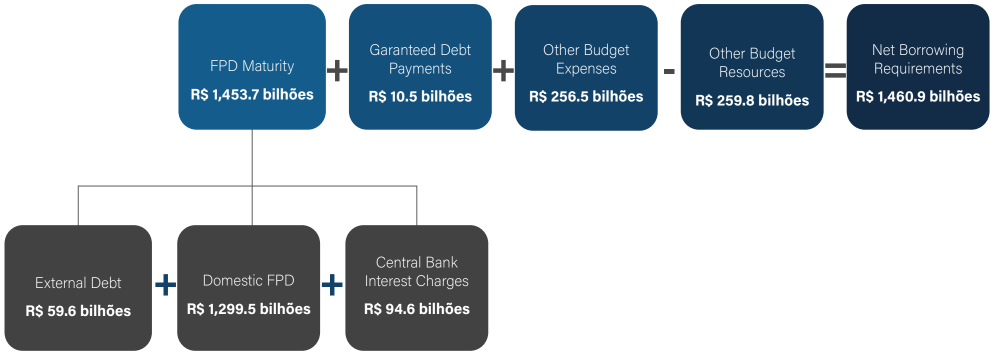
On the other hand, the 2025 ABP also considers an optimistic domestic scenario, marked by an appreciation in the exchange rate, better inflation expectations, and a lower need for monetary tightening. The economy would maintain strong growth, driven by consumption tax reform and favorable economic-financial conditions.

Extreme scenarios, while relevant for further analysis, are not used as a basis for defining the core elements of the borrowing strategy and the limits of the 2025 ABP.

2.2 Borrowing Requirements In 2025

In 2025, the Federal Government's net borrowing requirements are estimated at BRL1,460.9 billion[1], as detailed in Figure 2 and explained in the methodological appendix. The main factor is the FPD maturity, estimated at BRL1,453.7 billion.

Figure 2. Borrowing requirement in 2025 (BRL billion)



Source: National Treasury and SOF

Of the total FPD maturity, BRL 1,359.1 billion corresponds to market debt, while BRL94.6 billion held in the Central Bank's bonds portfolio, which, by law, cannot be refinanced. The majority refers to the Domestic Federal Public Debt (DFPD) held by the market (BRL1,299.5 billion), with a predominance of fixed-rate bonds (44.3%), as shown in Table 1. The largest concentrations of maturities occur in January and September (Figure 3). Of the total, BRL1,126.2 billion (83%) corresponds to the principal payment, and BRL232.9 billion (17%) to the interest payment.

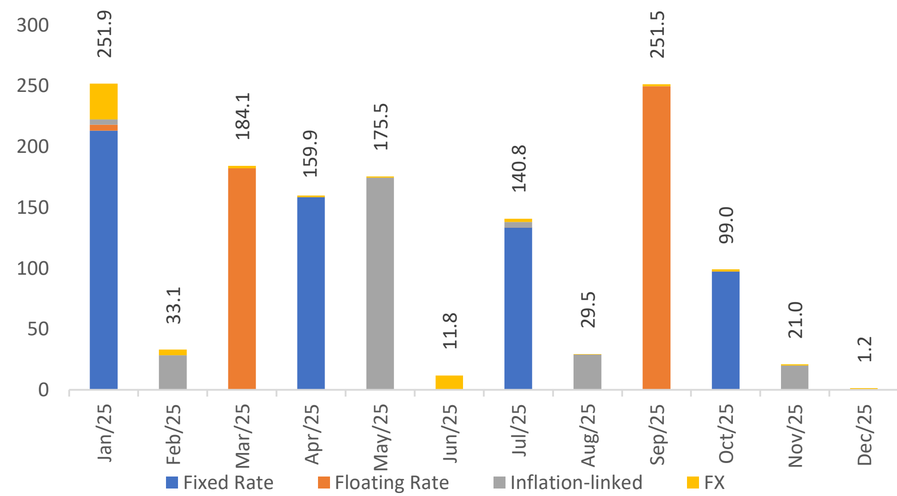
[1] This value should not necessarily be seen as the volume of bond issuance to be carried out throughout the year, given that the Treasury still has the debt liquidity reserve. The amount to be issued may be equal, lower or higher, depending on debt management in light of market conditions throughout the year. Complementary Law No. 101/2000, Art. 29.

Table 1. Estimated FPD maturity in the market for 2025 (BRL billion and % of the total)

Type	FPD		Domestic FPD		External FPD	
	BRL billion	% of the total	BRL billion	% of the total	BRL billion	% of the total
Fixed Rate	602.3	44.3%	601.8	46.3%	0.5	0.8%
Floating Rate	437.6	32.2%	437.6	33.7%	0.0	0.0%
Inflation-linked	259.5	19.1%	259.5	20.0%	0.0	0.0%
FX	59.7	4.4%	0.6	0.0%	59.1	99.2%
Total	1,359.1	100.0%	1,299.5	100.0%	59,6	100.0%

Source: National Treasury

Figure 3. Estimated FPD maturity in market for 2025 (BRL billion)



Source: National Treasury. Position as of 12/31/2024, does not include the effect of maturities of bond issues that will occur throughout 2025.

The 2025 budget foresees BRL256.5 billion in resources from government bond issues for budgetary expenses, not related to FPD maturity, of which BRL167.2 billion will be allocated to Social Security Benefits. In addition, BRL245.0 billion depends on the approval of supplementary credits by the National Congress, according to the

Golden Rule (art. 167, item III, of the Federal Constitution)[2].

To reduce the financing need, the 2025 budget foresees BRL259.8 billion in revenues not from government bond issues for the payment of FPD, as shown in Figure 2. These sources include: (i) BRL93.8 billion in revenues linked to FPD and (ii) BRL166.0 billion in free sources, without specific allocation.

Debt management relies on a liquidity reserve of BRL 860.1 billion, sufficient to cover the next 6.2 months of DFPD maturities and Central Bank portfolio charges. As a policy, the Treasury seeks to ensure that at least 3 months of maturities are available, which has proven effective in periods of greater volatility. The net financing requirement, therefore, does not directly correspond to the volume of bond issuances, since the amount to be issued may vary according to market conditions throughout the year

[2] See item "golden rule and conditional expenses", in the methodological annex, for more details.

3 Borrowing Strategy

The government bond issuance strategy for 2025 aims to meet financing needs and maintain an adequate liquidity buffer, aligning with the objectives of FPD management (see Section 1) and prevailing macroeconomic and market conditions.

3.1 Domestic Debt

The National Treasury's financing strategy includes the issuance of fixed-rate bonds (LTN, zero-coupon bonds, and NTN-F, bonds with semiannual interest coupons), aligned with the guidelines to change the FPD composition to increase the share of these bonds in the medium term. LTN, notable in the secondary market due to their liquidity, will have maturities ranging from 6 to 72 months, with predefined maturity dates outlined in quarterly schedules. NTN-F will be issued with maturities in 2031 and 2035, corresponding to terms of 7 and 10 years, respectively, contributing to debt maturity extension.

NTN-B bonds, with longer maturities, also follow the guidelines to extend the FPD's average maturity, positively impacting its indicators. These bonds will be issued at six points on the yield curve, with maturities ranging from 3 to 40 years.

Meanwhile, LFT bonds, with floating interest rates, remain essential for FPD financing, especially in risk-averse scenarios, enabling higher average maturities compared to fixed-rate bonds.

Weekly auctions will be held as follows: NTN-B and LFT on Tuesdays, and fixed-rate bonds on Thursdays. Maturity dates will be determined on the auction day, according to the quarterly issuance schedule to be released. The National Treasury may adjust its strategy based on market conditions.

3.2 External Debt

In addition to the general FPD guidelines, there are specific External Federal Public Debt (EFPD) guidelines.

Figure 4. External debt management guidelines

EFPD strategy prioritizes the issuance of benchmark bonds in US dollars (USD) to maintain an efficient sovereign yield curve, guaranteeing a sound price-making mechanism and adequate liquidity levels. In addition to benefitting the Republic issuances, this curve is also relevant for the external issuance of the Brazilian corporate sector, increasing and diversifying the country's investor base.

The current planning includes the maintenance of this approach, with the introduction of sustainable issuances[3] as additional instruments to setting sovereign yield curve benchmarks. Complementarily, the National Treasury may implement liability management operations to optimize sovereign yield curve efficiency.

[3] Learn more about the sustainable bonds of the Federative Republic of Brazil at: https://www.gov.br/tesouronacional/en/federal-public-debt/sustainable-bonds/sustainable-bonds-home?set_language=en

4 Expected Results

4.1 The FPD In The Short Term (2025)

Table 2 presents the expected results for the FPD indicators at the end of 2025, highlighting the indicative limits for the nominal FPD outstanding, composition, and maturity structure. These limits are based on the economic scenarios and borrowing requirements outlined in Section 2, in addition to the financing strategy detailed in Section 3.

Table 2. Reference Limits for the FPD in 2025

Statistics	2024	Reference limits to 2024	
		Minimum	Maximum
Outstanding debt (BRL billion)			
FPD	7,316.1	8,100.0	8,500.0
Composition (%)			
Fixed rate	22.0	19.0	23.0
Inflation-linked	27.0	24.0	28.0
Floating rate	46.3	48.0	52.0
FX	4.8	3.0	7.0
Maturing structure			
% maturing 12 months	17.9	16.0	20.0
Average maturity (years)	4.0	3.8	4.2

Source: National Treasury

The expected range for the FPD outstanding balance at the end of 2025 takes into account the appropriation of interest, the effects of the macroeconomic scenario on the remuneration factors of the bonds and the result of the balance between planned issuances and redemptions for the year. The upper limit allows for more issuances than redemptions, that is a refinancing percentage above 100% in the year, according to favorable market conditions, which strengthens the debt liquidity reserve.

The base scenario for 2025 indicates a drop in the share of fixed-rate and inflation-linked bonds, with an increase in floating-rate bonds. Depending on market conditions, however, the established limits allow for the rise of both fixed-rate and inflation-linked bonds.

The concentration of short-term debt maturities must remain close to that recorded at the end of 2024, with the base scenario indicating that 18% of the FPD maturing in 12 months at the end of 2025. The average maturity[4] of the FPD also remains stable, although it is desirable to extend its maturity over the medium term by increasing the issuance of longer-term bonds, such as NTN-F and NTN-B, in addition to the 48- and 72-month LTN.

[4] For international comparisons, we recommend using the FPD average life indicator. For further information, see methodological annex.

4.2 Long-term optimal debt composition

The guidelines for the composition and maturity structure of the FPD (see Section 1) are reflected in the quantitative references for the desired long-term composition of the FPD, or benchmark, as shown in Table 3, considering the composition indicators, average maturity, and maturity concentration.

Table 3. Expected long-term FPD composition (in 2035)

Statistics	Benchmark		Intervals	
	Composition (% of FPD)	Average Maturity (years)	Composition (% of FPD)	Average Matu (years)
Indexer				
Fixed rate	35	3.0	± 2.0	± 0.3
Inflation-linked	35	7.5	± 2.0	± 0.5
Floating rate	23	3.5	± 2.0	± 0.3
Exchange rate	7	7.5	± 2.0	± 0.5
Maturity Structure				
FPD average maturity		5.0		± 0.5
12-Month Maturity Share	20		± 2.0	

Source: National Treasury

Adjusting the FPD composition to the benchmark requires increasing the share of fixed-rate and inflation-linked instruments while reducing the proportion of floating-rate bonds. However, this adjustment must take place in a scenario that also allows for an extension of maturities, especially for fixed-rate bonds.

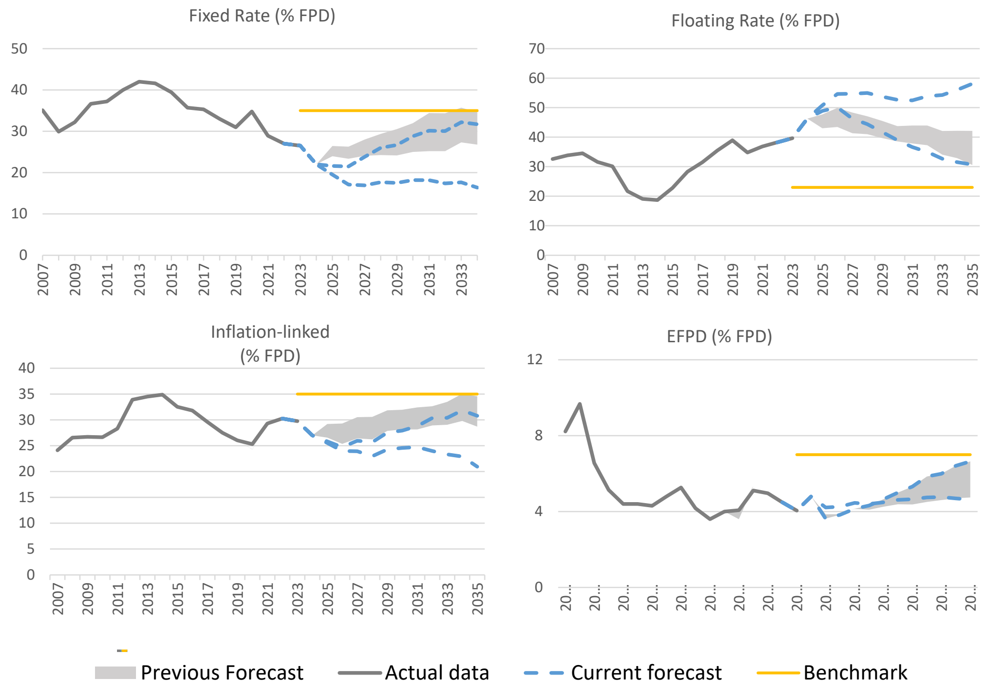
In recent years, the FPD has seen a higher share of floating-rate bonds (especially LFT) due to risk aversion and uncertainty, particularly regarding long-term fixed-rate or inflation-linked instruments. In this scenario, LFT have the advantage of a longer average issuance maturity compared to the average maturity of the FPD stock, contributing to the dynamics of this indicator and helping to avoid an increased concentration of short-term debt.

The benchmark sets a global average maturity of 5 years for the FPD. Extending the FPD from the current 4 years toward this target depends on lengthening the maturities of each group of instruments within the debt composition. This objective should be achieved gradually, without putting pressure on the financial conditions for debt financing. Additionally, the desired percentage of debt maturing within 12 months, as defined in the benchmark, is 20% of the FPD, a level close to the current values of this indicator.

4.3 The Medium-Term Outline for the FPD

This section shows the convergence path of the short-term FPD indicators (section 4.1) towards the benchmark portfolio (section 4.2), projecting its development over the next few years. Projections up to 2035 indicate an increase in the debt share with floating interest rates in the early years, especially in more conservative scenarios. This trend should be reversed, however, so that by the end of the simulation period the debt composition will be close to the benchmark, considering indexes and maturities, although full convergence is not expected. The increase in the share of LFTs in 2024, stronger than previously projected, should lengthen the time needed to reach the benchmark.

Figure 5. FPD Composition – Medium-Term Forecast - % of FPD

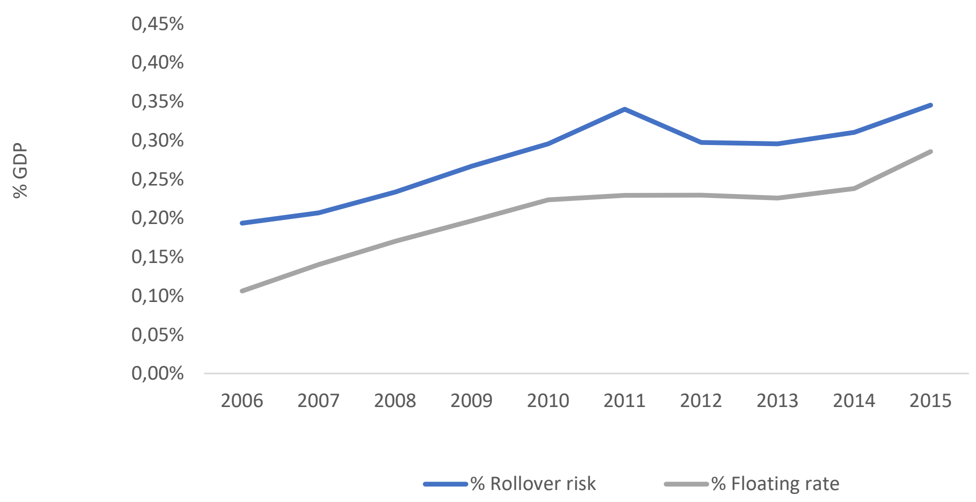


Source: National Treasury

The composition of the FPD is the most immediate indicator of market risk (refers to methodological annex), directly influencing the stock's sensitivity to changes in the cost of issuing government bonds, whether due to variations in the basic interest rate, exchange rates or inflation.

A higher share of LFT in the debt stock increases exposure to interest rates changes, as shown in Figure 6. Although the percentage of floating-rate debt has increased interest rate sensitivity in recent years, reaching the highest recent value in the series, considering sensitivity based on the refixing debt percentage (which combines LFT and short-term debt), the increase in this sensitivity is comparable to 2020 levels, when there was a significant issuance of short-term fixed-rate bonds and a lower share of LFT. This indicates that reducing the share of floating-rate bonds is desirable but will only have an impact on interest rate sensitivity if it is feasible to increase issuance of longer-term bonds.

Figure 6. Sensitivity of FPD/GDP to interest rate shocks

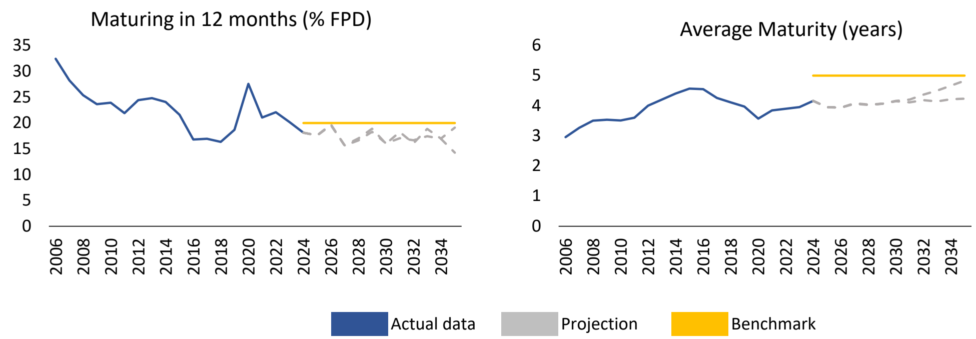


Source: National Treasury

In contrast to the recent increase in the percentage of floating-rate bonds, the average FPD maturity and the concentration of short-term debt have been kept at levels favorable to the management of refinancing risk, which is directly related to the maturity structure, in addition to maintaining an adequate liquidity reserve. It is worth noting that improving the debt profile depends not only on the composition by indexes, but also on smoothing out maturities.

The projections in Figure 7 show that the percentage of FPD maturing in 12 months should remain stable at around 20% in the coming years, with small variations reflecting the dynamics of maturities concentrated in specific years. In addition, to mitigate refinancing risk, the National Treasury maintains a high liquidity reserve, with cash equivalent to about 7.3% of GDP at the end of 2024, ensuring flexibility to make debt expenditures and manage volatile moments in the financial markets, if necessary.

Figure 7. FPD maturity structure – medium-term projections



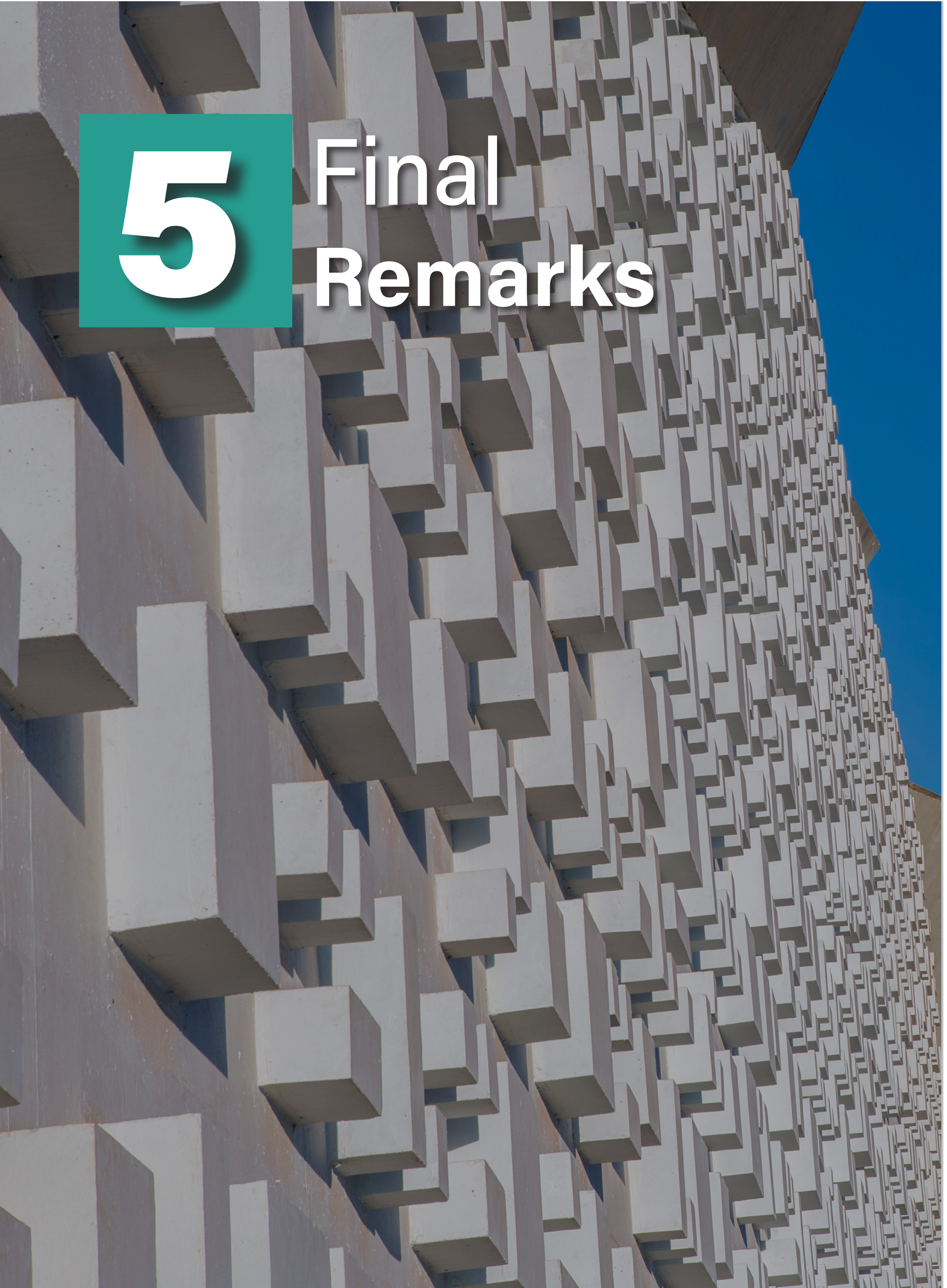
Source: National Treasury

The average FPD maturity should remain at around 4 years in the coming periods, with the possibility of lengthening at the end of the trajectory, getting closer to the benchmark. This depends on the improvement of macroeconomic and fiscal conditions, allowing the issuance of more long-term bonds instead of short-term bonds and LFT.

The main challenge to raising the average maturity is lengthening the fixed-rate portfolio, which should reach 3 years, from levels below 2 years. It is also expected that the maturities of the other instruments (floating, inflation-linked and exchange rates) will increase, but in a way that is compatible with the historical levels of these indicators.

In summary, the main challenge for the medium-term financing strategy is to overcome the restrictions on demand for longer-term bonds, which depends on investors' perception of fiscal risk. This perception is related to progress in fiscal consolidation, which is essential for Brazil to achieve investment grade status and attract non-resident investors, who favor lengthening the debt. The change in the composition of the FPD towards the benchmark depends on this improvement.

5 Final Remarks



The 2025 ABP was developed based on a challenging international scenario, characterized by the appreciation of the US dollar and high interest rates, alongside a domestic landscape that reflects both optimism and challenges, such as progress in the regulatory framework of the tax reform and its benefits for economic dynamics, as well as the need to contain inflationary pressures. The evolution of fiscal perception is a decisive factor in shaping the scenarios for the execution of this ABP.

The ABP is designed to meet the Federal Government’s financing needs through bond issuances, following guidelines aimed at improving debt composition, reducing exposure to floating-rate bonds, and enhancing the maturity and duration profile. In the short term, it may be necessary to maintain higher interest rate exposure to sustain a healthier maturity structure, a trend observed in recent years. Reversing this scenario should be a gradual process in the coming years.

The convergence of debt composition and maturity structure toward long-term targets depends on macro-fiscal conditions that support economic growth and fiscal consolidation. These factors are essential for the success of a financing strategy that places greater emphasis on issuing fixed-rate and inflation-linked bonds in the domestic market.

Methodological Annex

Federal Public Debt

The Federal Public Debt (FPD) corresponds to the sum of the Domestic Federal Public Debt – DFPD - and the External Federal Public Debt - EFPD, the latter being subdivided into bonds and contracts. The statistics presented in this document refer exclusively to the debt held by the public and do not take into account the portion of the DFPD held by the Central Bank.

Information on this debt can be found in the annexes to the FPD Monthly reports at https://www.gov.br/tesouronacional/pt-br/divida-publica-federal/publicacoes-da-divida.

Guaranteed Debt

The amounts earmarked for the payment of non-performing guaranteed debt mainly refer to payment flows in contracts of states defaulting on debts guaranteed by the federal government, which have adhered or may accede to the Fiscal Recovery Regime – FRR (Complementary Law no. 159, of 2017). The budget forecast for non-performing guaranteed debt includes a margin to ensure execution of guarantees of non-performing guaranteed debt from states whose collaterals are not recovered due to judicial injunctions.

Borrowing Requirement

The federal government's borrowing requirement is made up of expenditure on FPD maturities, expenditure on guarantees for credit operations by sub-national entities, and other budget expenditures to be paid with the revenues from government bond issuance. The concept of net borrowing needs subtracts from this amount the budget resources not originating from the issuance of government bonds, but that will be used to pay off the public debt.

The concept of borrowing requirement used in the ABP follows budgetary logic and therefore takes into account only revenues received in the current year. Thus, by design, revenues arising from financial surpluses generated in previous years, which constitute cash available to pay debt, are not included in the calculation of the net borrowing requirement. This prevents the same revenue from being included in the estimate for more than one year if it is not used in the planned year, which would distort the historical analysis. The ex-post view, which is presented in the Annual Debt Report, takes into account the financial surplus actually used in the year, so that the ex-post net result shows the amount of expenditure that has been paid out with resources of bond issuances, regardless of the variation in cash available.

The cash available for debt payment makes up the liquidity reserve, also known as the debt cushion, which is an important tool for managing public debt and, therefore, must be preserved. For this reason, the borrowing requirement indicator should not be seen as the volume of bond issuances to be issued during the year, but rather as the amount that should be issued in order to keep stable the liquidity reserve level.

Refinancing Percentage

The refinancing percentage corresponds to the ratio of debt issuances to debt redemption (multiplied by 100) over a given period, where redemption includes both the amounts of principal and interest. When the percentage of debt refunding is 100%, that is, the National Treasury issues the same amount of debt maturing in the market, the evolution of the debt outstanding is given by its average cost. However, if market conditions are favorable, the National Treasury can issue more debt than the amount maturing, resulting in a refinancing percentage of more than 100% of the debt maturing in the period.

Note that the increase in the outstanding FPD due to percentage of debt refinancing above 100%, when associated with the strengthening of the debt cash flow, has a neutral effect on General Government Gross Debt (GGGD) and Public Sector Net Debt (PSND), as it reduces the volume of central bank repo operations. In other words, net issuances or redemptions of FPD bonds in the market lead to a change in the structure of central government debt between the National Treasury and the Central Bank, without changing its total volume.

Percentage Maturing In 12 Months

The percentage maturing in 12 months indicates the concentration of debt maturing in the short term, corresponding to the FPD outstanding share maturing within that period.

Outstanding Average Maturity

The outstanding average maturity reflects the average time remaining for redemptions, which are weighted by the present values of principal and interest flows.

Average Maturity And Average Life

In contrast to the average maturity, which includes both principal and interest flows in its calculation, the average life indicates only the remaining term of the public debt principal. The latter, adopted by many countries as the only indicator of the maturity of their debt, is often compared with the average term calculated by Brazil and published in its Monthly Reports, Annual Borrowing Plan and Annual Report. Just to qualify the difference in perception of refinancing risk that results from using the average life instead of the average maturity, the average life of the FPD reached 5.4 years in December 2024, compared to 4.0 years for the average maturity. Despite the difference between these indicators, Brazil continues to use the latter as it believes that this indicator more accurately captures the risks to which the FPD is exposed. In addition, it continues to use the average maturity indicator in its reports only to allow analysts and investors to compare Brazilian debt indicators with those of other countries that use this indicator.

Golden Rule And Conditional Spending

According to article 22 of the Budget Guidelines Law of 2025 (Law nº 15.080, of December 30th, 2024), in verbis:

“Art. 22 - The 2025 Budget Bill and the respective Law may contain revenues from credit operations and primary current expenditure programs, the execution of which is subject to the approval of the National Congress by an absolute majority, according to the provisions of item III of the caput of art. 167 of the Constitution, except for the hypothesis provided for in paragraph 3 of this article”.

The amount of these conditional expenses and, therefore, the financing needs estimated in this Annual Borrowing Plan (ABP), may be reduced during the financial year if there is a financial surplus or excess collection in the sources of funds, as provided for in paragraph 3 of the aforementioned article, in verbis:

“Paragraph 3 The amounts referred to in Paragraph 1 may be reduced as a result of the replacement of the conditioned source of funds by other sources, subject to the provisions of subsection “a” of clause III of Paragraph 1 of Article 49, including that relating to the credit operation already authorized and which has been made available by a previous change in the source of funds, without prejudice to the provisions of Article 61”

Liquidity Reserve

The Union’s cash availabilities are part of the Treasury’s Single Account, and the debt liquidity reserve is a subset of this Account. These availabilities are classified into budgetary sources, according to their origin, of which two groups make up the liquidity reserve, namely: (a) sources from issuing government bonds, which originate from raising funds on the market through securities debt; and (b) sources exclusively for debt repayment, according to specific legislation for each source (return on credit operations for financial institutions and regional governments, for example).

Market Risk

Market risk refers to the possibility of an increase in outstanding debt due to fluctuations in components of the cost of government bonds, namely changes in the basic interest rate, the exchange rate or inflation rate.

Refinancing Risk

Refinancing risk represents for the National Treasury the possibility of higher issuance costs due to adverse financial conditions when financing the maturing debt or, in extreme cases, the inability to raise funds to pay its obligations. The refinancing risk will be higher in case of higher debt percentage maturing within 12 months and shorter outstanding debt average maturity.