



# Annual Debt Report – ADR 2024

## Annual Borrowing Plan – ABP 2025

## Budgetary expenses financed by issuance proceeds are below the forecasted amount

Net Borrowing Requirements (BRL billion)					
	Executed 2024	=	Forecast ABP	=	Difference
FPD Maturities	1,552.4		1,462.5		90.0
External Debt	26.4		23.2		
Domestic Debt	1,432.3		1,337.8		
Central Bank Interest Charges*	93.7		101.4		
+ Primary Expenditures (except Debt)	112.3		214.2		-101.9
+ Guarantees Honored	11.5		13.1		-1.6
= Budget Revenues	329.1		262.4		66.7
Non-earmarked Revenues	4.4		179.7		
Earmarked Revenues for Debt	324.7		82.6		
= Net Borrowing Requirements	1,347.1		1,427.4		-80.3

## Liquidity reserve remained above prudential level

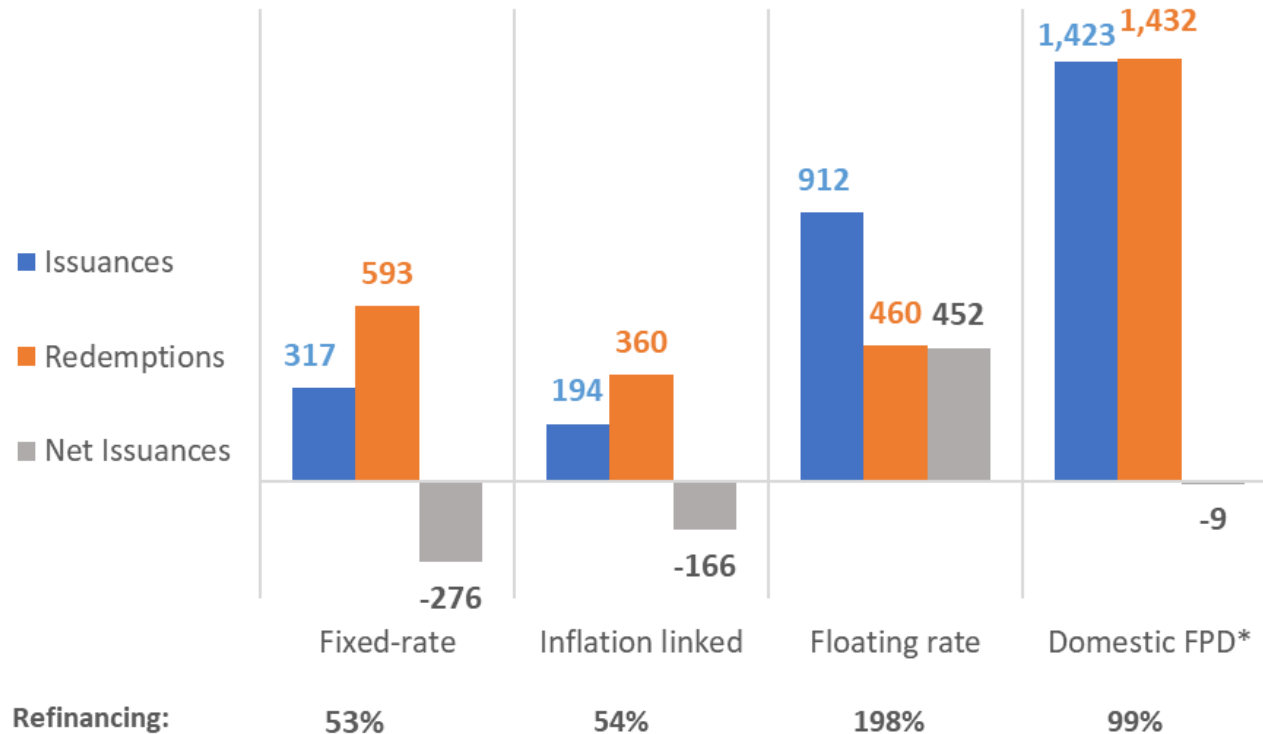
Evolution of the liquidity reserve and coverage months of the DFPD



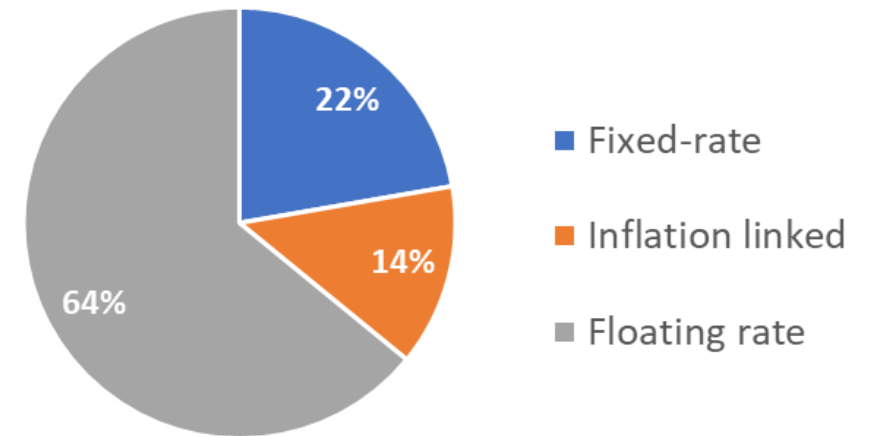
- The liquidity reserve remained in comfortable levels in 2024, guaranteeing the National Treasury **greater flexibility to adjust the issuance strategy to market conditions**.
- By the end of the year, the debt's liquidity reserve reached around **7% of GDP** (BRL 860 billion), **above its prudential level**, which corresponds to 3 months of maturity of this debt.
- This reserve is enough to **cover the entire first semester** (BRL 816,2 bi, in market), which includes the largest portion of DFPD's maturity in 2025.

## Market issuances in an amount close to the value of debt maturities in 2024

Net issuance and refinancing percentage by indexer of DFPD

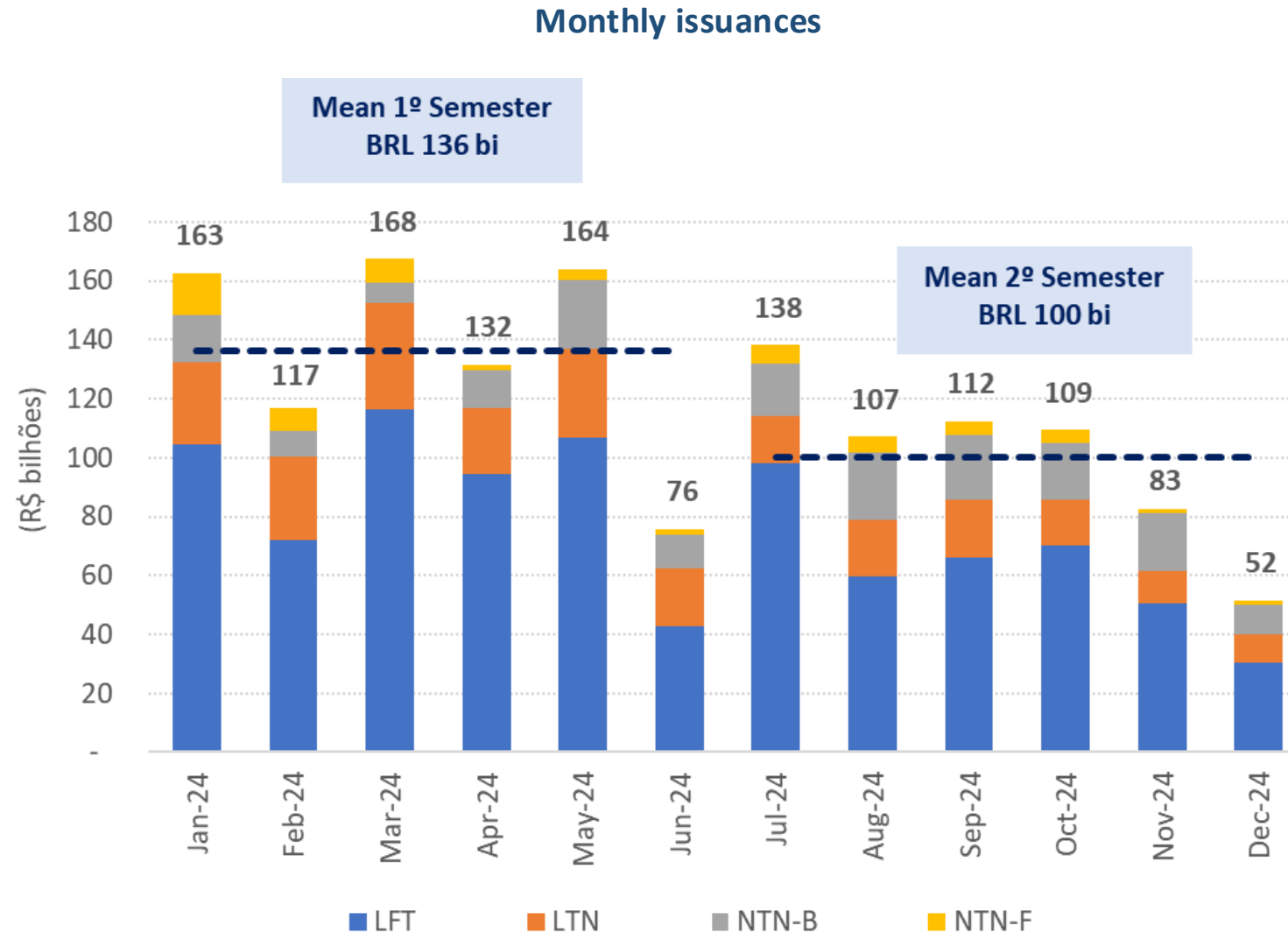


Profile of the DFPD issuances



\* Only issuances and redemptions that impact liquidity are considered.

## Stronger issuances in the first half of 2024 strengthened the liquidity reserve





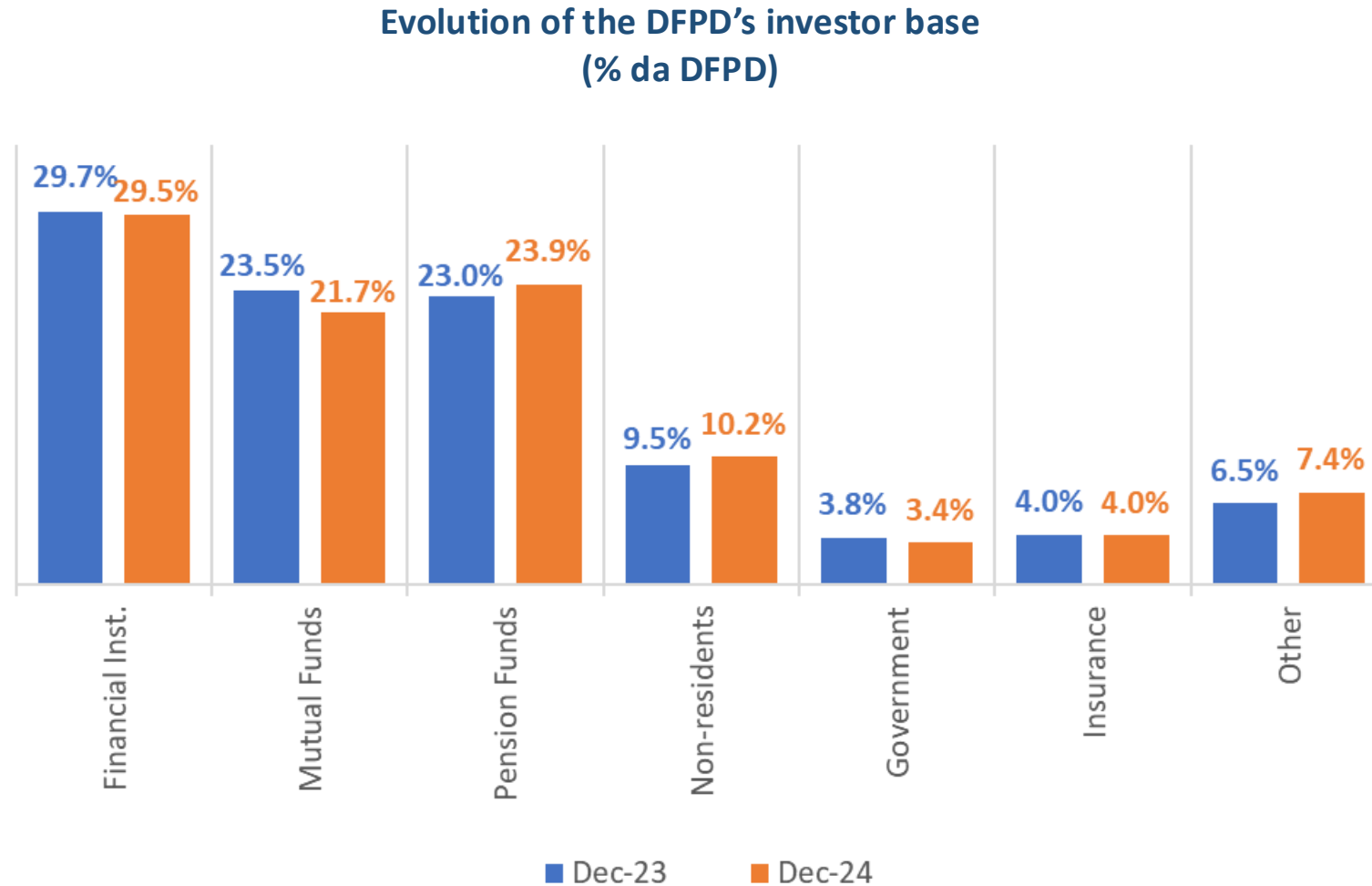
## Extraordinary Actions – December 2024

Summary of Extraordinary Buy-and-Sell Auctions (BRL million)

Bonds	Buyback	Issuance	Net
NTN-F	1,974.08	0.00	1,974.08
LTN	6,390.39	0.00	6,390.39
NTN-B	1,087.43	368.73	718.70
<b>Total</b>	<b>9,451.90</b>	<b>368.73</b>	<b>9,083.17</b>

- In December 2024, in response to increased market volatility, the National Treasury adjusted its government bond issuance strategy and conducted **extraordinary buy-and-sell auctions** from December 18th to 20th. These actions aimed to increase liquidity and support the government bond market's price formation mechanism.
- The result of these operations was **a net redemption of BRL 9.1 billion**.

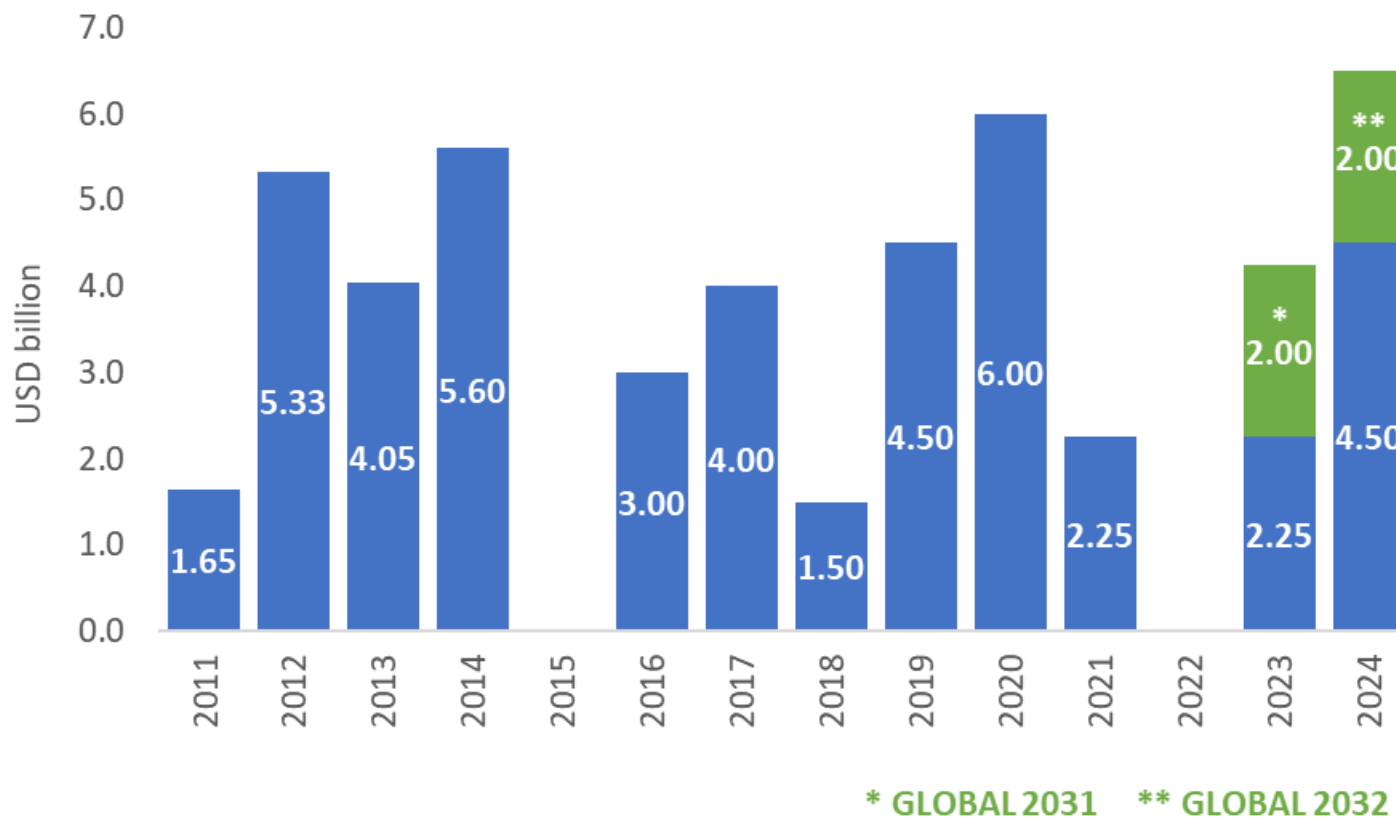
## Investor base remains diversified, with an increase in pension funds and non-resident groups





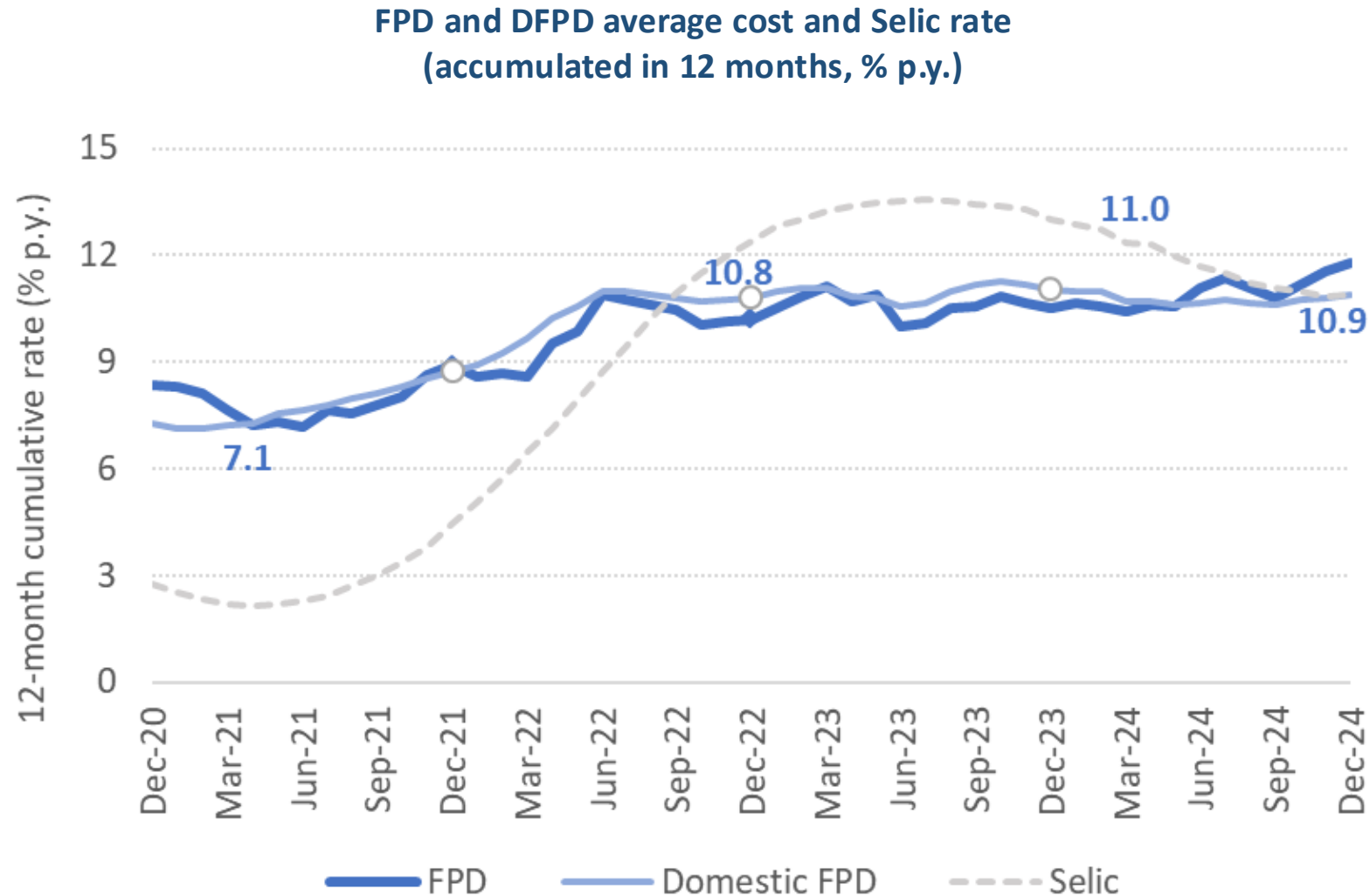
# The Brazilian National Treasury issues a record volume in the international market in 2024

External Federal Public Debt bond issuances  
(USD billion, current values)



- In January 2024, the National Treasury issued USD 4.5 billion in a dual tranche operation: a **new 10-year benchmark** maturing in 2034, and a **new 30-year benchmark** maturing in 2054.
- Continuing with sustainable issuances, the National Treasury issued USD 2.0 billion with a new 7-year benchmark: the **GLOBAL 2032**, issued in June 2024.

## A diversified debt structure mitigates the effects of the monetary cycle



## The FPD indicators remained within the revised limits of the 2024 ABP

Indicators	2023	2024	Original 2024 ABP Range		Revised 2024 ABP Range	
			Minimum	Maximum	Minimum	Maximum
Outstanding Volume (BRL billion)						
FPD	6,520.3	7,316.1	7,000.0	7,400.0	7,000.0	7,400.0
Composition (%)						
Fixed-rate	26.5	22.0	24.0	28.0	22.0	26.0
Inflation-linked	29.8	27.0	27.0	31.0	25.0	29.0
Floating-rate	39.7	46.3	40.0	44.0	43.0	47.0
FX	4.1	4.8	3.0	7.0	3.0	7.0
Maturity Structure						
% maturing in 12 months	20.1	17.9	17.0	21.0	17.0	21.0
Average maturity	4.0	4.0	3.8	4.2	3.8	4.2

- The year was marked by an increase in the share of floating-rate in the FPD composition
- Reduction in the concentration of short-term maturities (% maturing in 12 months)

# Tesouro Direto Performance in 2024



The Tesouro Direto Financial Education Olympics, whose goal is to provide students with fundamental knowledge about personal finance, investments, and economics.

OLITEF had 545,394 students participating from 6,561 schools across the country, figures that make it the largest financial education Olympics in the country in its first edition.



Platform for supporting and investing in impact-driven businesses, primarily focused on financial education. The 40 selected proposals, in the categories of Acceleration, Open Innovation and Creation, received support through specialized guidance and access to capital, in the amount of BRL 5.2 million for impact-driven businesses that have developed solutions for financial education, vocational education, inclusive education or socio-environmental solutions.



TD Garantia allows for the use of bonds traded through “Tesouro Direto” to be used as bilateral guarantee in financial transactions such as rental contracts or credit operations. In practice, this new functionality has the potential to reduce the cost of a range of financial transactions.

## Gift Cards



The Gift Card enables money to be sent as gifts to friends and family, who can redeem it by investing in any of the available government bonds. In addition to being a practical and secure financial gift option, this initiative strengthens the goals of the “Tesouro Direto” Program of fostering the culture of financial planning and offering accessible, safe, and profitable investment options for Brazilians.



New Investment Limits: (1) Minimum: 1% price of bond (there is no longer the R\$30 restriction) and (2) Maximum: R\$2 million per month (prior R\$ 1 million)

# Tesouro Direto Evolution in 2024



RendA+



BRL 3.74 billion

Educa+



118,000 investors

No more  
semiannual  
custody fee charge



TESOURO DIRETO  
CLOSED 2024 WITH  
MORE THAN  
BRL 156 BILLION IN  
OUTSTANDING  
VOLUME

**YoY**

45.6%

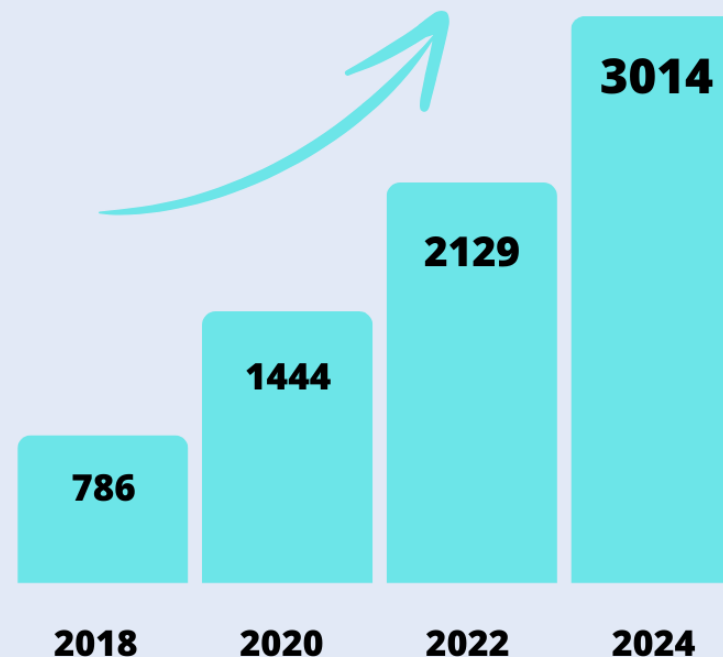
INCREASE  
IN  
SALES.

22%

RISE IN  
OUTSTANDING  
SECURITIES AND  
ACTIVE INVESTORS.

No. of TD Investors

In Thousands





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**Annual Borrowing Plan – ABP 2025**



## FPD management objective: balance between cost and risk

### Objective

The objective of the Federal Public Debt management is to efficiently supply the federal government's borrowing needs at the **lowest cost in the long term**, while maintaining **prudent levels of risk** and, additionally, seeking to contribute to the proper functioning of the Brazilian public bond market.

### Guidelines

Gradual replacement of floating-rate bonds by fixed-rate and inflation-linked bonds

Smooth the maturity structure, with special attention given to debt maturing in the short term

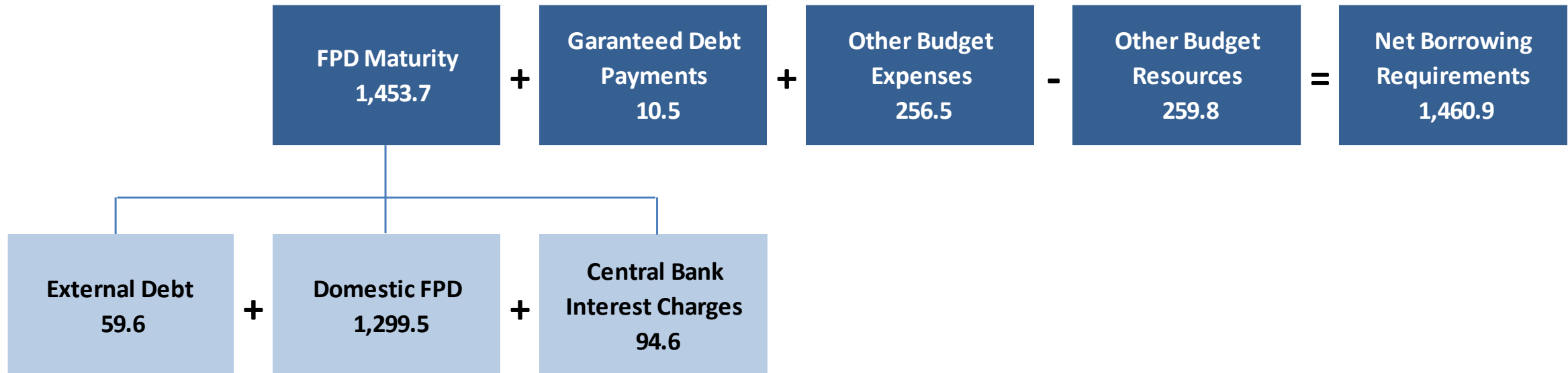
Increase in the average maturity of the outstanding debt

Incentive of the liquidity of federal government bonds in the secondary market

Diversification and broadening of the investor base

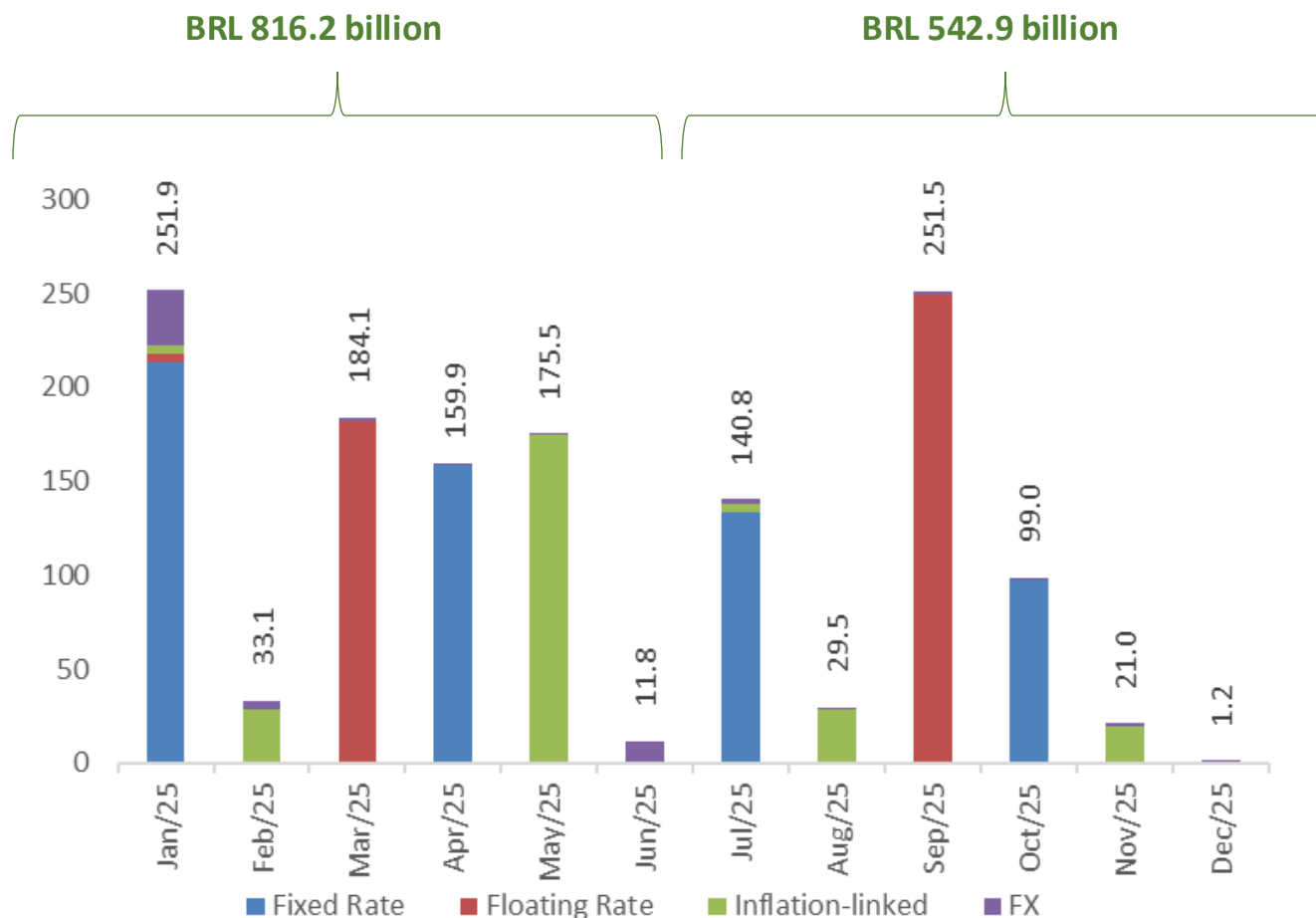
Maintenance of liquidity reserve above its prudent level

## Federal Government Borrowing Requirements for 2025



- Liquidity reserve of BRL 860 billion, 6.2 months of DFPD maturities and interest on the BCB's bonds
- The Treasury has foreign currency resources for the external debt maturities expected until the **end of 2025**.

## Maturities of the Public Debt Portfolio throughout the year



» Predominance of fixed-rate and floating-rate bonds

Type	FPD	
	BRL billion	% of the total
Fixed Rate	602.3	44.3%
Floating Rate	437.6	32.2%
Inflation-linked	259.5	19.1%
FX	59.7	4.4%
<b>Total</b>	<b>1,359.1</b>	<b>100.0%</b>

## Borrowing strategy for 2025

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- ❑ *The public debt issuance strategy for 2025 aims to meet financing needs and **maintain an adequate liquidity reserve**, aligning with the FPD management objectives and the macroeconomic and market conditions.*
- ❑ *2025 ABP accommodates an increase in both fixed-rate and inflation-linked bonds within FPD, in line with the medium-term guidelines for the FPD composition.*
- ❑ *LFTs, with floating interest rates, remain essential for financing the FPD, especially in risk-averse scenarios, allowing for longer average maturities compared to fixed-rate bonds.*
- ❑ ***Auction schedule** and **bond list** return to be published **quarterly**.*

## EFPD management

### EFPD strategy

The EFPD issuances strategy seeks maintaining **an efficient sovereign yield curve** with adequate pricing and liquidity. Furthermore, this curve functions as an important benchmark for **Brazilian corporate issuers seeking access to the international market**.

The current planning aims to **issue conventional and sustainable bonds**.

### Specific Guidelines

Creation and improvement of benchmarks in the yield curve

Possibility of external liability management operations

Monitoring of the External Contractual Debt

Improving and diversifying of the investor base

Support for national commitments to ecological transition

## 2025 ABP: expected results for FPD

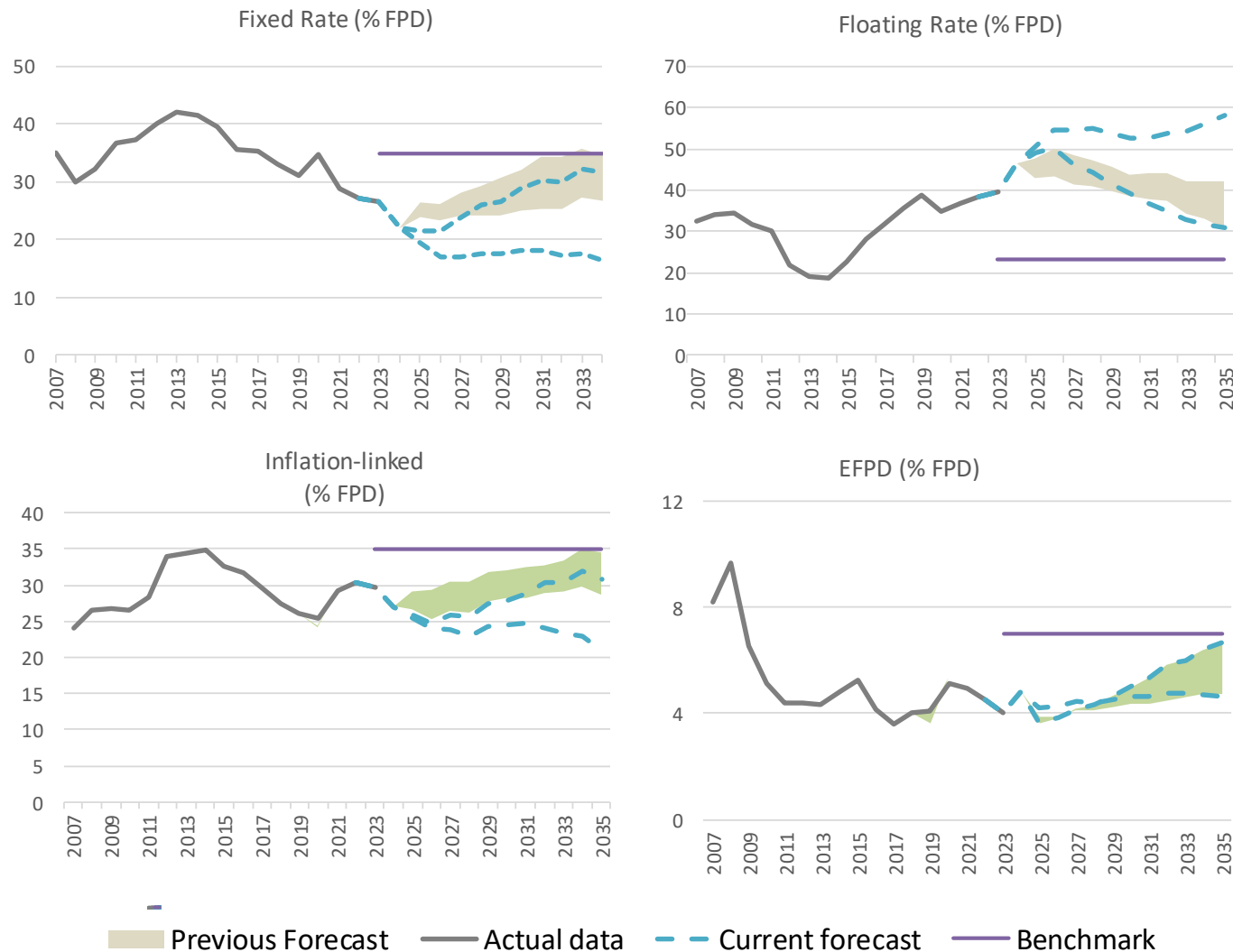
Statistics	2024	Reference limits to 2024	
		Minimum	Maximum
<b>Outstanding debt (BRL billion)</b>			
FPD	7,316.1	8,100.0	8,500.0
<b>Composition (%)</b>			
Fixed rate	22.0	19.0	23.0
Inflation-linked	27.0	24.0	28.0
Floating rate	46.3	48.0	52.0
FX	4.8	3.0	7.0
<b>Maturing structure</b>			
% maturing 12 months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

Source: National Treasury

- Expectation of increase in the share of floating-rate bonds.
- Possibility of a higher share of fixed-rate and inflation-linked bonds.
- Maturity structure with a low share of short-term debt.



# Increased share of fixed-rate bonds should be gradually achieved in the medium term



- The convergence to the optimal FPD composition should occur in a scenario that also allows FPD maturity extension, especially for fixed-rate bonds.
- Projections indicate an increase in the floating interest rates share in early years of the trajectory, but this trend is expected to reverse in the medium term.