



# Guaranteed Debt Report

---

# 2018

Sep – Dec

---

**MINISTRY OF ECONOMY**

Paulo Roberto Nunes Guedes

**SPECIAL SECRETARY OF FINANCE**

Waldery Rodrigues Júnior

**BRAZILIAN NATIONAL TREASURY SECRETARY**

Mansueto Facundo de Almeida

**BRAZILIAN NATIONAL TREASURY UNDERSECRETARIES**

José Franco Medeiros de Moraes  
Gildenora Batista Dantas Milhomem  
Lísio Fábio de Brasil Camargo  
Pedro Jucá Maciel  
Adriano Pereira de Paula  
Pricilla Maria Santana

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

Márcia Fernanda de Oliveira Tapajós

**Deputy Head: Public Debt Control, Payment**

Frederico Schettini Batista

**Debt Control and Guarantees Unit**

Marcelo Rocha Vitorino — Manager  
Daniel Klug Nogueira  
Juliana Torres da Paz  
Leandro Cesar Porrua  
Luís Alberto Beckman Meirelles  
Marcelo de Alencar Soares Viana

**Information:**

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

Secretaria do Tesouro Nacional (Brazilian National Treasury)  
Edifício Sede do Ministério da Fazenda, Esplanada dos Ministérios, Bloco P, 2º andar  
70048-900 - Brasília - DF

E-mail: [codiv.df.stn@tesouro.gov.br](mailto:codiv.df.stn@tesouro.gov.br)

Home Page: <http://www.tesouro.gov.br/en/homeen>

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

## CONTENTS

<b>1. FEDERAL GUARANTEES—OUTLOOK .....</b>	<b>3</b>
1.1. Introduction .....	3
1.2. Outstanding Guaranteed Debt .....	4
<b>2. GUARANTEED DEBT PROFILE .....</b>	<b>5</b>
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
<b>3. MATURITY PROFILE—GUARANTEED DEBT .....</b>	<b>13</b>
<b>4. AVERAGE TERM TO MATURITY (ATM) OF THE GUARANTEED DEBT .....</b>	<b>14</b>
<b>5. AVERAGE COST OF THE GUARANTEED DEBT .....</b>	<b>15</b>
<b>6. STATISTICS OF EXECUTED GUARANTEES .....</b>	<b>16</b>
<b>7. FISCAL RECOVERY REGIME (FRR) .....</b>	<b>17</b>
7.1. State of Rio de Janeiro (RJ) .....	17
7.1.1. Guaranteed Debt Profile .....	18
7.1.2. Profile by Creditor .....	18
7.1.3. Profile by Index .....	19
7.1.4. Maturity Profile until the end of the FRR .....	19
7.1.5. Total Maturity of the State of RJ's Guaranteed Debt .....	20
<b>ANNEX 1—HISTORICAL OUTSTANDING GUARANTEED DEBT .....</b>	<b>21</b>
<b>ANNEX 2—GUARANTEED DEBT PROFILE OF BRAZILIAN STATES .....</b>	<b>22</b>
<b>ANNEX 3—NEW GUARANTEED DEBT—2018 .....</b>	<b>36</b>

## 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 (Public Debt Undersecretariat—DMO), 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 inaugurates 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 designed to encompass more than 500 contracts with different characteristics. 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, and Article 40 of the Brazilian Fiscal Responsibility Law (FRL), federal guarantees can be classified in two categories. The first and 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, guarantees attached to credit loans can be classified as foreign or domestic, depending on the origin of the guaranteed debt.

By the end of 2018, the outstanding guaranteed debt amounted R\$ 258.23 bn. The domestic guaranteed debt reached R\$ 114.32 bn while the external guaranteed debt reached R\$ 143.91 bn.

All numbers published in this report, including the FX-rate used to compute the debt expressed in Brazilian reais (R\$), refer to December 31<sup>st</sup>, 2018.

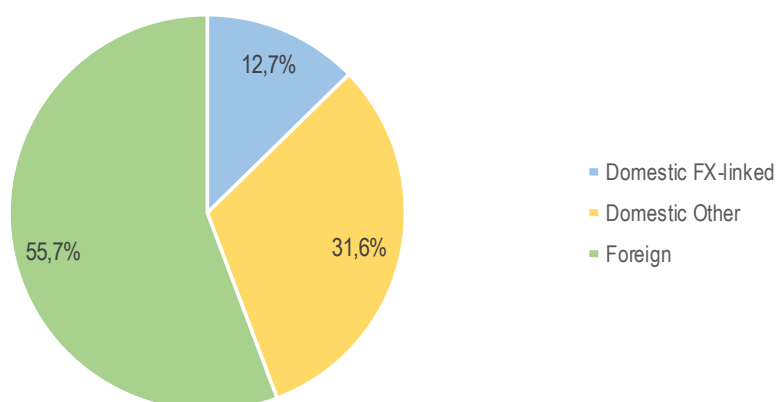
The outstanding guaranteed debt may increase due to the following factors: disbursement of existing contracts; contracting of new debt with disbursement; indexation of the domestic guaranteed debt, and FX-rate depreciation. Conversely, amortizations and FX-rate appreciation decrease the outstanding debt.

The table 1.1 below display the numbers as of 12/31/18.

**Table 1.1**  
Guaranteed Debt  
Profile

	(R\$ million)			
	Dec 2017	Apr 2018	Aug 2018	Dec 2018
<b>Domestic Guarantees</b>	<b>111,499.83</b>	<b>111,640.43</b>	<b>117,280.53</b>	<b>114,316.24</b>
FX-linked	29,407.33	30,962.87	35,870.95	32,781.52
Other	82,092.49	80,677.56	81,409.59	81,534.72
<b>Foreign Guarantees</b>	<b>121,849.11</b>	<b>127,883.23</b>	<b>153,102.96</b>	<b>143,910.31</b>
<b>Total</b>	<b>233,348.93</b>	<b>239,523.66</b>	<b>270,383.50</b>	<b>258,226.55</b>

**Graph 1.1**  
Guaranteed Debt  
Profile



## 2. GUARANTEED DEBT PROFILE

### 2.1. Creditors

Domestic guaranteed debt represents 44.3% of the total. External guaranteed debt totalled 55.7%. Federal banks are responsible for 95.9% (R\$ 109.68 bn) of the domestic credit, while, in the case of the external credit, multilateral organisms respond for 86.7% (R\$ 124.72 bn).

**Table 2.1**  
Guaranteed Debt  
Profile by Creditor

Creditor Classes	Outstanding (R\$ million)	(%)
<b>Domestic Creditors</b>	<b>114,316.24</b>	<b>44.3</b>
Federal Banks	109,682.23	42.5
Private Banks	4,634.02	1.8
<b>Foreign Creditors</b>	<b>143,910.31</b>	<b>55.7</b>
Multilateral Organisms	124,715.89	48.3
Private Banks	11,120.60	4.3
Government Agencies	8,073.82	3.1
<b>Total</b>	<b>258,226.55</b>	<b>100.0</b>

Domestically, BB, BNDES and CAIXA, represent 17.7%, 16.7% and 7.9% out of the total, respectively. As for external creditors, IBRD (WB) and IADB are the most representative, with 23.4% and 22.3% respectively.

**Table 2.2**  
Guaranteed Debt  
Profile:  
Largest Creditors

Creditors	Outstanding (R\$ million)	(%)
<b>Domestic Creditors</b>	<b>114,316.24</b>	<b>44.3</b>
BB	45,730.54	17.7
BNDES	43,118.22	16.7
CAIXA	20,369.70	7.9
Other	5,097.79	2.0
<b>Foreign Creditors</b>	<b>143,910.31</b>	<b>55.7</b>
WB	60,381.06	23.4
IADB	57,537.57	22.3
CAF	5,189.96	2.0
Other	20,801.72	8.1
<b>Total</b>	<b>258,226.55</b>	<b>100.0</b>

## 2.2. Debtors

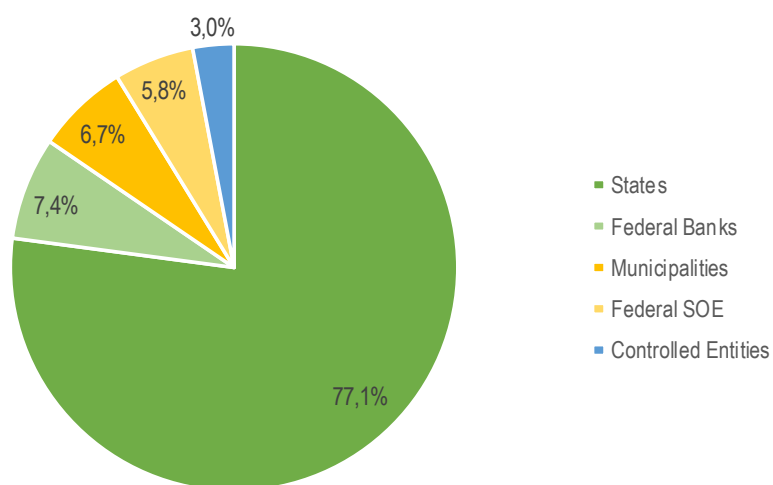
Regarding debtors, state governments are the most representative, with 77.1% (R\$ 199.09 bn) out of the total. Banks and municipalities represent 7.4% and 6.7% respectively. Federal SOE hold only 5.8% (R\$ 14.90 bn) and controlled entities, 3.0% (R\$ 7.73 bn).

**Table 2.3**  
Guaranteed Debt  
Profile by Debtor

Debtors	Outstanding (R\$ million)	(%)
States	199,093.74	77.1
Federal Banks	19,169.65	7.4
Municipalities	17,333.00	6.7
Federal SOE <sup>a</sup>	14,902.07	5.8
Controlled Entities	7,728.09	3.0
<b>Total</b>	<b>258,226.55</b>	<b>100.0</b>

<sup>a</sup> 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 Treasury<sup>1</sup>. The largest debtor is Rio de Janeiro State, with 14.3% of all guaranteed loans, followed by São Paulo and Minas Gerais.

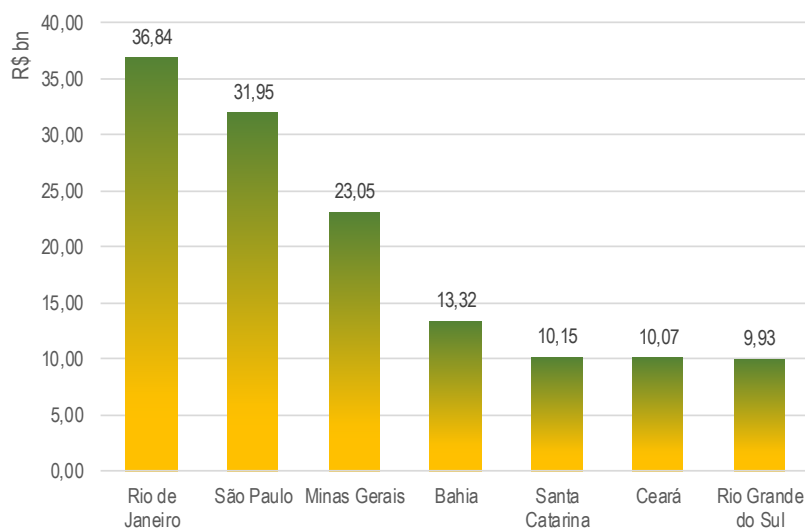
**Table 2.4**  
Guaranteed Debt  
Profile: Largest States

Debtors—States	CAPAG <sup>a</sup>	Outstanding (R\$ million)	(%)
Rio de Janeiro	D	36,837.34	14.3
Sao Paulo	B	31,953.32	12.4
Minas Gerais	-	23,046.66	8.9
Bahia	C	13,324.13	5.2
Santa Catarina	C	10,153.69	3.9
Ceara	B	10,067.90	3.9
Rio Grande do Sul	D	9,929.85	3.8
Other <sup>b</sup>		63,780.84	24.7
<b>Total</b>		<b>199,093.74</b>	<b>77.1</b>

<sup>a</sup> 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.

<sup>b</sup> Annex 2 shows these data for all 27 states.

**Graph 2.2**  
Guaranteed Debt  
Profile: Largest States



<sup>1</sup> 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.



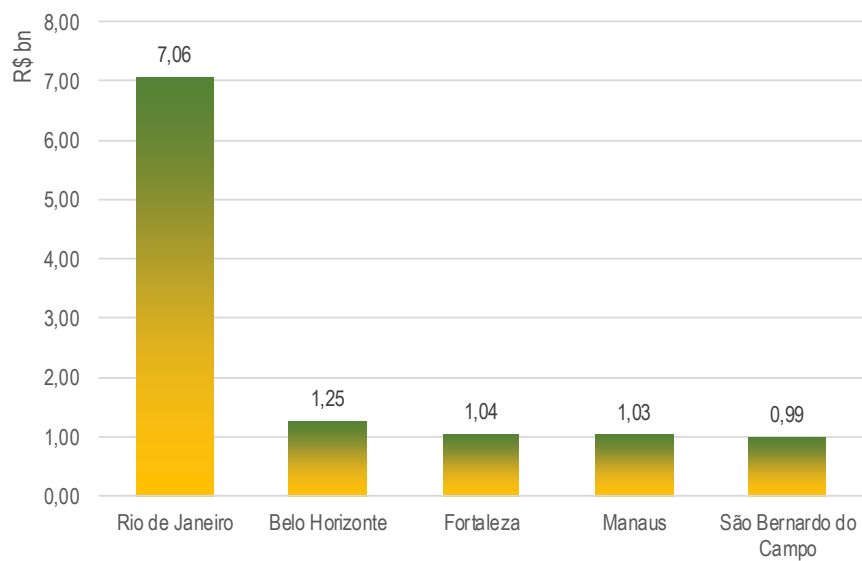
### 2.2.2. Municipalities

The city of Rio de Janeiro holds R\$ 7.06 bn, the largest amount among municipalities, equivalent to 2.7% of all guaranteed loans. Table 2.5 shows the top 5 cities.

**Table 2.5**  
Guaranteed Debt  
Profile:  
Largest Municipalities

Debtors—Municipalities	Outstanding (R\$ million)	(%)
Rio de Janeiro	7,060.62	2.7
Belo Horizonte	1,251.09	0.5
Fortaleza	1,044.74	0.4
Manaus	1,031.39	0.4
Sao Bernardo do Campo	986.17	0.4
Other	5,958.99	2.3
<b>Total</b>	<b>17,333.00</b>	<b>6.7</b>

**Graph 2.3**  
Guaranteed Debt  
Profile:  
Largest Municipalities



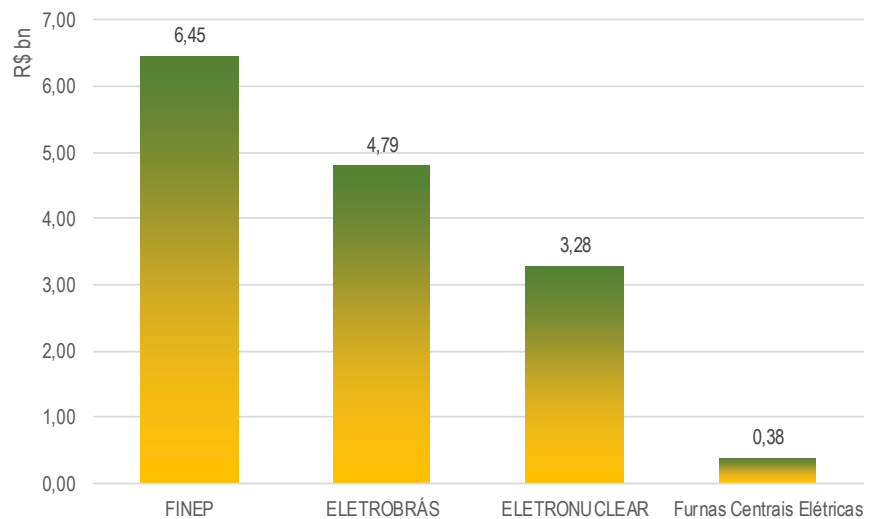
### 2.2.3. Federal State-Owned Enterprises (SOE)

Among SOE, FINEP responds for 2.5% (R\$ 6.45 bn) of the total debt guaranteed by the federal government, followed by ELETROBRAS, with 1.9% (R\$ 4.79 bn).

**Table 2.6**  
Guaranteed Debt  
Profile: Largest SOE

Debtors—SOE	Outstanding (R\$ million)	(%)
FINEP	6,452.77	2.5
ELETROBRAS	4,791.77	1.9
ELETRONUCLEAR	3,277.28	1.3
Furnas Centrais Eletricas	380.26	0.1
<b>Total</b>	<b>14,902.07</b>	<b>5.8</b>

**Graph 2.4**  
Guaranteed Debt  
Profile: Largest SOE



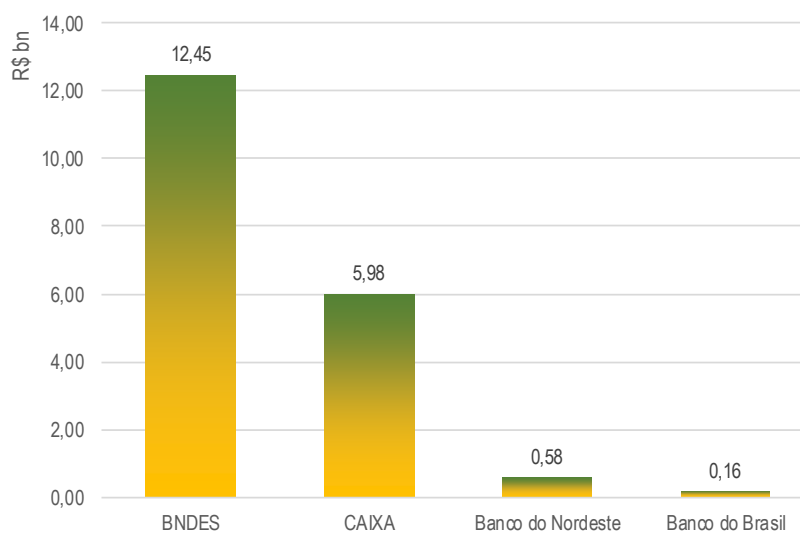
### 2.2.4. Federal Banks

Federal Banks hold R\$ 19.17 bn in guaranteed debt. BNDES and CAIXA are on the top, with 4.8% (R\$ 12.45 bn) e 2.3% (R\$ 5.98 bn) of the total guaranteed amount, respectively.

**Table 2.7**  
Guaranteed Debt  
Profile:  
Largest Fed. Banks

Debtors—Federal Banks	Outstanding (R\$ million)	(%)
BNDES	12,448.92	4.8
CAIXA	5,984.83	2.3
Banco do Nordeste	576.15	0.2
Banco do Brasil	159.75	0.1
<b>Total</b>	<b>19,169.65</b>	<b>7.4</b>

**Graph 2.5**  
Guaranteed Debt  
Profile:  
Largest Fed. Banks



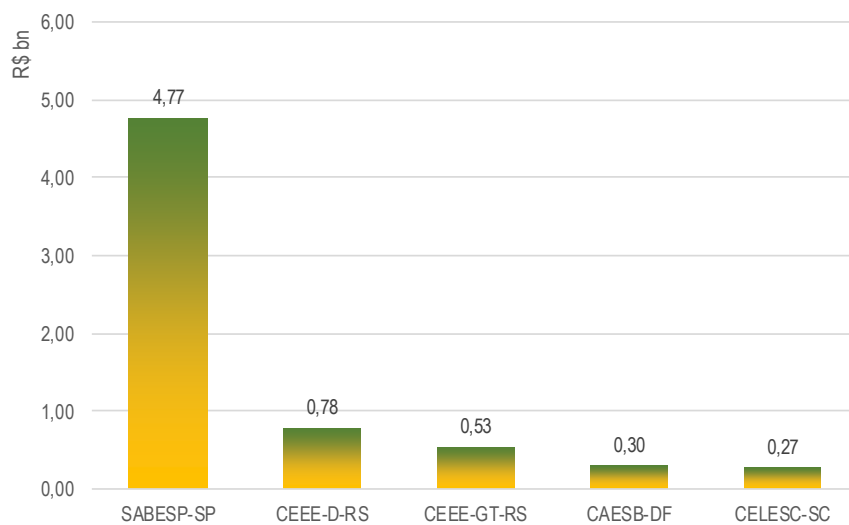
### 2.2.5. Controlled Entities

Controlled entities (subnational SOE, usually public utility companies) represent 3.0% (R\$ 7.73 bn) out of the total guaranteed debt. SABESP-SP and CEEE-D-RS are the most important with R\$ 4.77 bn and R\$ 0.78 bn, respectively.

**Table 2.8**  
Guaranteed Debt  
Profile: Largest  
Controlled Entities

Debtors—Controlled Entities	Outstanding (R\$ million)	(%)
SABESP-SP	4,766.96	1.8
CEEE-D-RS	778.64	0.3
CEEE-GT-RS	533.36	0.2
CAESB-DF	298.40	0.1
CELESC-SC	272.69	0.1
Other	1,078.05	0.4
<b>Total</b>	<b>7,728.09</b>	<b>3.0</b>

**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 financial 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	176,691.83	68.4	20,336.98	7.9	156,354.85	60.5
IPCA (inflation)	2,820.50	1.1	2,820.50	1.1	0.00	0.0
SELIC	1,405.42	0.5	1,405.42	0.5	0.00	0.0
TJLP <sup>a</sup>	54,637.25	21.2	0.00	0.0	54,637.25	21.2
TR	2,769.09	1.1	2,769.09	1.1	0.00	0.0
Non-indexed	19,902.47	7.7	5,392.79	2.1	14,509.67	5.6
<b>Total</b>	<b>258,226.55</b>	<b>100.0</b>	<b>32,724.78</b>	<b>12.7</b>	<b>225,501.77</b>	<b>87.3</b>

<sup>a</sup> 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% ceiling, 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. On the other hand, the only kind of guaranteed debt where the debtor knows exactly what would be the future payments in advance is the non-indexed principal with fixed-rate interest, in this case, 2.1% of the total guaranteed debt. This example would be analogous to a fixed rate security outstanding in the market.

### 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 December 31<sup>st</sup>, 2018, 8.5% 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	21.35	7.7	25.35	9.2	20.94	7.6	21.11	7.7	19.44	7.1	167.58	60.8
Municipalities	2.01	9.0	1.95	8.7	1.88	8.4	1.82	8.2	1.77	7.9	12.86	57.7
Federal Banks	2.76	11.5	2.44	10.1	2.23	9.3	2.39	10.0	2.29	9.5	11.94	49.7
Federal SOE	2.90	14.6	3.16	15.9	2.95	14.9	2.32	11.7	1.39	7.0	7.13	35.9
Controlled Entities	0.98	10.6	0.78	8.4	0.68	7.4	0.68	7.4	0.64	6.9	5.51	59.4
<b>Total</b>	<b>29.99</b>	<b>8.5</b>	<b>33.68</b>	<b>9.6</b>	<b>28.68</b>	<b>8.2</b>	<b>28.34</b>	<b>8.1</b>	<b>25.54</b>	<b>7.3</b>	<b>205.02</b>	<b>58.4</b>

## 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 7.99 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)
<b>Total</b>	<b>258,226.55</b>	<b>7.99</b>
<b>Domestic Guarantees</b>	<b>114,316.24</b>	<b>7.45</b>
States	91,437.62	8.03
Municipalities	3,881.80	5.38
Federal Banks	6,081.52	5.67
Federal SOE	12,706.18	4.90
Controlled Entities	209.13	0.46
<b>Foreign Guarantees</b>	<b>143,910.31</b>	<b>8.41</b>
States	107,656.12	8.58
Municipalities	13,451.20	8.54
Federal Banks	13,088.13	6.83
Federal SOE	2,195.89	10.41
Controlled Entities	7,518.96	7.84

## 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 December 31<sup>st</sup>, 2018, the average cost of the guaranteed debt portfolio reached 16.82% per annum. This is an average of the 20.47% p.a. cost of foreign debt and the 12.21% 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)
<b>Total</b>	<b>258,226.55</b>	<b>16.82</b>
<b>Domestic Guarantees</b>	<b>114,316.24</b>	<b>12.21</b>
States	91,437.62	13.48
Municipalities	3,881.80	7.32
Federal Banks	6,081.52	6.58
Federal SOE	12,706.18	7.15
Controlled Entities	209.13	19.40
<b>Foreign Guarantees</b>	<b>143,910.31</b>	<b>20.47</b>
States	107,656.12	20.61
Municipalities	13,451.20	20.48
Federal Banks	13,088.13	20.77
Federal SOE	2,195.89	18.15
Controlled Entities	7,518.96	18.66

The higher cost observed for the foreign debt is almost totally explained by FX-rate variation during the last twelve months (17.13% for the rate USD/BRL from 12/31/2017 to 12/31/2018).



## 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.

In 2018, the Treasury intervened and paid R\$ 4.82 bn of debts originally under the responsibility of states and municipalities.

**Table 5.1**  
Guarantees  
Executed

	(R\$ million)		
Debtor	2016	2017	2018
<b>States</b>	<b>2,361.86</b>	<b>4,031.31</b>	<b>4,805.60</b>
Rio de Janeiro	2,227.32	3,989.42	4,027.89
Minas Gerais	0.00	0.00	553.15
Piauí	0.00	0.00	126.95
Roraima	27.42	41.89	64.00
Goiás			33.59
Mato Grosso	107.13	0.00	0.00
<b>Municipalities</b>	<b>15.81</b>	<b>28.49</b>	<b>17.49</b>
Natal - RN	10.92	28.49	17.49
Chapeco - SC	2.27	0.00	0.00
Cachoeirinha - RS	1.45	0.00	0.00
Belford Roxo - RJ	1.17	0.00	0.00
<b>Total Paid</b>	<b>2,377.67</b>	<b>4,059.80</b>	<b>4,823.09</b>

Article 13, topics I and II, of the MoF Regulation n. 501, issued on 11/23/17, establishes penalties for the debtors that do not fulfill their original obligations. Hence, the following are not entitled to contract new guaranteed debt until the end of the freezing period, displayed in the table below:

**Table 5.2**  
Freezing due to not  
performing loans:  
art. 13, I

Debtor	End of Freezing Period
Goiás State	09/11/2019
Minas Gerais State	08/08/2019
Piauí State	09/13/2019
Roraima State	12/12/2019
Municipality of Natal - RN	12/28/2019

**Table 5.3**  
Freezing due to  
delays: art. 13, II

Debtor	End of Freezing Period
Acre State	06/15/2019
Goiás State	06/17/2019
Minas Gerais State	06/20/2019
Piauí State	03/15/2019
Rio Grande do Norte State	06/17/2019
Roraima State	06/26/2019
Munic. of Chapeco - SC	10/26/2019
Munic. of Cachoeirinha - RS	04/20/2019

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 19<sup>th</sup>, 2017, which defines the Fiscal Recovery Regime (FRR) for states and the Federal District.

## 7. FISCAL RECOVERY REGIME (FRR)

Complementary Law n. 159, issued on May 19<sup>th</sup>, 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 the same law and 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 had been included in the National Treasury funding needs since the 2018 Annual Borrowing Plan<sup>2</sup>.

More details on the FRR are available at <http://www.tesouro.fazenda.gov.br/rff>.

### 7.1. State of Rio de Janeiro (RJ)

Since the state of RJ entered the FRR, as of September 5<sup>th</sup>, 2017, the Treasury, as a guarantor, has been liquidating the guaranteed States' debt with the financial system. Nonetheless, it 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 RJ so far.

Note that, for a complete assessment of the state of RJ and a more comprehensive risk analysis, one must consider the full indebtedness level of the entity<sup>3</sup>. Its total debt is composed by the debt with the Treasury, the non-guaranteed debt with the financial system and the guaranteed debt, the latter one being the object of this report.

---

<sup>2</sup> See <http://www.tesouro.gov.br/fr/web/stn/annual-borrowing-plan>

<sup>3</sup> See <https://www.tesouro.fazenda.gov.br/-/boletim-de-financas-dos-entes-subnacionais>

### 7.1.1. Guaranteed Debt Profile

The state of RJ guaranteed debt reached R\$ 36.84 bn, about 14.27% 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)	
	Dec 2018
<b>Domestic Guarantees</b>	<b>23,632.00</b>
FX-linked	11,141.11
Other	12,490.88
<b>Foreign Guarantees</b>	<b>13,205.35</b>
<b>Total</b>	<b>36,837.34</b>

### 7.1.2. Profile by Creditor

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

**Table 7.2**  
RJ — Guaranteed  
Debt Profile  
by Creditor

Creditors	Outstandig (R\$ million)	(%)
<b>Domestic Guarantees</b>	<b>23,632.00</b>	<b>64.2</b>
BB	10,696.07	29.0
BNDES	6,841.84	18.6
BNP	3,076.90	8.4
CAIXA	1,840.07	5.0
Crédit Suisse	1,177.12	3.2
<b>Foreign Guarantees</b>	<b>13,205.35</b>	<b>35.8</b>
BIRD	9,184.37	24.9
CAF	1,659.76	4.5
AFD	1,452.18	3.9
BID	879.05	2.4
JICA	29.99	0.1
<b>Total</b>	<b>36,837.34</b>	<b>100.0</b>

### 7.1.3. Profile by Index

One of the risks associated to the state of RJ's guaranteed debt 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	24,346.46	66.1	2,988.80	8.1	21,357.66	58.0
IPCA (inflation)	2,558.03	6.9	2,558.03	6.9	0.00	0.0
SELIC rate	1,398.80	3.8	1,398.80	3.8	0.00	0.0
TJLP	6,273.10	17.0	0.00	0.0	6,273.10	17.0
TR	360.96	1.0	360.96	1.0	0.00	0.0
Non-indexed	1,900.00	5.2	0.00	0.0	1,900.00	5.2
<b>Total</b>	<b>36,837.34</b>	<b>100.0</b>	<b>7,306.59</b>	<b>19.8</b>	<b>29,530.75</b>	<b>80.2</b>

### 7.1.4. Maturity Profile until the end of the FRR

Table 7.4 shows the guaranteed debt maturity for the state of RJ up to 2023 (estimated date to end the extended FRR). The values include principal and interest estimates as of December 31<sup>st</sup>, 2018.

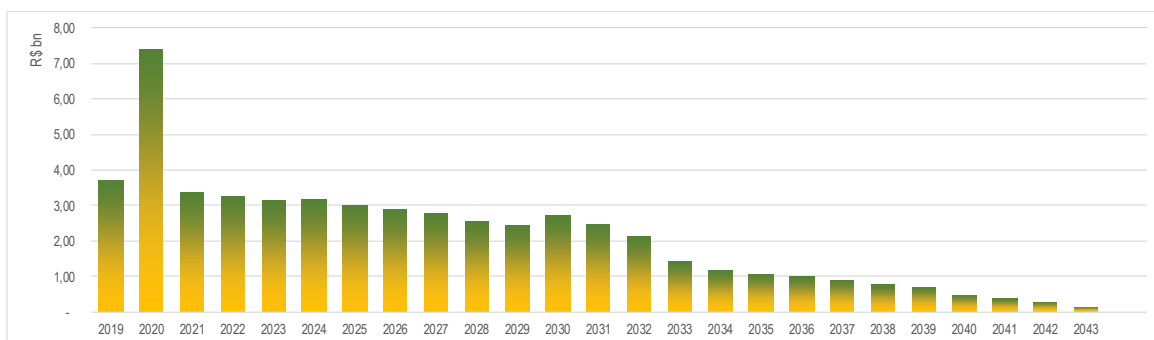
**Tabela 7.4**  
RJ — Maturity during  
the FRR

Debt Profile	2019		2020		2021		2022		2023	
	(R\$ bn)	(%)	(R\$ bn)	(%)	(R\$ bn)	(%)	(R\$ bn)	(%)	(R\$ bn)	(%)
<b>Domestic</b>	<b>2.55</b>	<b>7.1</b>	<b>6.33</b>	<b>17.6</b>	<b>2.32</b>	<b>6.4</b>	<b>2.25</b>	<b>6.2</b>	<b>2.18</b>	<b>6.0</b>
FX-linked	1.30	3.6	5.18	14.4	1.22	3.4	1.17	3.3	1.13	3.1
Other	1.24	3.4	1.15	3.2	1.10	3.1	1.08	3.0	1.05	2.9
<b>Foreign</b>	<b>1.15</b>	<b>6.6</b>	<b>1.06</b>	<b>6.2</b>	<b>1.04</b>	<b>6.0</b>	<b>1.01</b>	<b>5.9</b>	<b>0.97</b>	<b>5.6</b>
<b>Total</b>	<b>3.69</b>	<b>6.9</b>	<b>7.39</b>	<b>13.9</b>	<b>3.36</b>	<b>6.3</b>	<b>3.26</b>	<b>6.1</b>	<b>3.14</b>	<b>5.9</b>

### 7.1.5. Total Maturity of the State of RJ's Guaranteed Debt

The full maturity of the State of RJ's guaranteed debt is displayed in the graph 7.1. The values include principal and interest estimated as of December 31<sup>st</sup>, 2018, 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 RJ and BNP Paribas, as much as R\$ 2.9 bn. This is a bullet contract, which means that there is a single payment of interest and principal in the maturity date—December 2020.

## ANNEX 1—HISTORICAL OUTSTANDING GUARANTEED DEBT

(R\$ billion)

	2012	2013	2014	2015	2016	2017	2018
<b>Domestic Guarantees</b>	<b>22.59</b>	<b>52.71</b>	<b>80.60</b>	<b>112.30</b>	<b>111.09</b>	<b>111.50</b>	<b>114.32</b>
States	13.23	39.93	61.88	81.80	81.26	84.71	91.44
Municipalities	0.00	0.03	1.54	3.55	3.98	3.91	3.88
Federal Banks	4.87	5.63	7.30	7.47	7.07	6.54	6.08
Federal SOE	2.08	5.63	8.46	17.77	17.68	15.95	12.71
Controlled Entities	2.41	1.49	1.42	1.72	1.10	0.38	0.21
<b>Foreign Guarantees</b>	<b>48.64</b>	<b>56.09</b>	<b>70.18</b>	<b>110.61</b>	<b>103.76</b>	<b>121.85</b>	<b>143.91</b>
States	29.23	35.74	47.65	77.83	75.49	91.24	107.66
Municipalities	4.94	5.56	6.97	10.57	10.71	11.05	13.45
Federal Banks	11.69	12.13	12.56	16.54	12.24	12.60	13.09
Federal SOE	0.92	1.02	1.28	1.83	1.62	1.35	2.20
Controlled Entities	1.86	1.64	1.71	3.84	3.71	5.60	7.52
<b>Total</b>	<b>71.23</b>	<b>108.80</b>	<b>263.82</b>	<b>222.91</b>	<b>214.85</b>	<b>233.35</b>	<b>258.23</b>

## 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 entity<sup>4</sup>. 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.

<b>ACRE</b>		(R\$ million)	<b>CAPAG B</b>
<b>Total Guaranteed Debt</b>		<b>2,447.45</b>	
<b>Domestic</b>		<b>626.67</b>	
FX-linked		0.00	
Other		626.67	
<b>Foreign</b>		<b>1,820.77</b>	
<b>ATM</b>		10.11 years	
<b>Average cost</b>		16.94% per annum	
<b>Maturity Profile</b>		(R\$ million)	
Up to 12 months	215.60	6.2%	
1 to 2 years	217.60	6.3%	
2 to 3 years	212.72	6.2%	
3 to 4 years	226.96	6.6%	
4 to 5 years	209.11	6.0%	
More than 5 years	2,375.59	68.7%	
<b>DEBT CONTRACTED IN 2018</b>			
<b>Contract</b>	<b>Signing Date</b>	<b>Contracted Amount</b>	
-	-	-	
<b>MoF Regulation n. 501/2017</b>			
Impaired until 06/15/2019 (art. 13, II)			

<b>ALAGOAS</b>		(R\$ million)	<b>CAPAG B</b>
<b>Total Guaranteed Debt</b>		<b>2,358.32</b>	
<b>Domestic</b>		<b>716.68</b>	
FX-linked		1.57	
Other		715.11	
<b>Foreign</b>		<b>1,641.64</b>	
<b>ATM</b>		9.44 years	
<b>Average cost</b>		15.78% per annum	
<b>Maturity Profile</b>		(R\$ million)	
Up to 12 months	188.32	5.6%	
1 to 2 years	192.92	5.8%	
2 to 3 years	188.89	5.7%	
3 to 4 years	219.65	6.6%	
4 to 5 years	211.11	6.3%	
More than 5 years	2,337.18	70.0%	
<b>DEBT CONTRACTED IN 2018</b>			
<b>Contract</b>	<b>Signing Date</b>	<b>Contracted Amount</b>	
BB – 2018031	08/13/2018	R\$ 300,000,000.00	
<b>MoF Regulation n. 501/2017</b>			
There is no eligibility impairment to apply for federal guarantees			

<sup>4</sup> See <https://www.tesouro.fazenda.gov.br/-/boletim-de-financas-dos-entes-subnacionais>

**AMAPA**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>1,587.28</b>	<b>CAPAG B</b>
<b>Domestic</b>	<b>1,586.08</b>	
FX-linked	0.00	
Other	1,586.08	
<b>Foreign</b>	<b>1.20</b>	

**ATM** 7.60 years  
**Average cost** 7.16% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	211.03	8.7%
1 to 2 years	202.41	8.4%
2 to 3 years	195.41	8.1%
3 to 4 years	188.26	7.8%
4 to 5 years	181.11	7.5%
More than 5 years	1,438.14	59.5%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**AMAZONAS**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>5,310.41</b>	<b>CAPAG B</b>
<b>Domestic</b>	<b>1,627.02</b>	
FX-linked	0.00	
Other	1,627.02	
<b>Foreign</b>	<b>3,683.39</b>	

**ATM** 7.80 years  
**Average cost** 17.54% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	606.49	8.7%
1 to 2 years	592.67	8.5%
2 to 3 years	571.75	8.2%
3 to 4 years	553.50	7.9%
4 to 5 years	534.33	7.6%
More than 5 years	4,140.46	59.2%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees



**BAHIA**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>13,324.13</b>	<b>CAPAG C</b>
<b>Domestic</b>	<b>3,736.67</b>	
FX-linked	1,541.71	
Other	2,194.96	
<b>Foreign</b>	<b>9,587.46</b>	

**ATM** 9.16 years  
**Average cost** 18.76% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	1,261.40	6.9%
1 to 2 years	1,255.60	6.9%
2 to 3 years	1,240.98	6.8%
3 to 4 years	1,297.11	7.1%
4 to 5 years	1,290.32	7.1%
More than 5 years	11,892.71	65.2%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**CEARA**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>10,067.90</b>	<b>CAPAG B</b>
<b>Domestic</b>	<b>2,913.82</b>	
FX-linked	113.94	
Other	2,799.88	
<b>Foreign</b>	<b>7,154.08</b>	

**ATM** 8.86 years  
**Average cost** 16.52% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	963.63	7.1%
1 to 2 years	944.72	6.9%
2 to 3 years	923.19	6.8%
3 to 4 years	1,010.66	7.4%
4 to 5 years	988.82	7.2%
More than 5 years	8,836.16	64.7%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount
CAIXA - 20180022	07/24/2018	R\$ 90,000,000.00
CAIXA - 20180028	08/30/2018	R\$ 392,685,323.26
BID4436/OC-BR	10/17/2018	US\$ 70,000,000.00

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**DISTRITO FEDERAL**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>2,173.65</b>	<b>CAPAG</b> <b>C</b>
<b>Domestic</b>	<b>1,269.93</b>	
FX-linked	568.62	
Other	701.31	
<b>Foreign</b>	<b>903.72</b>	

**ATM** 6.27 years  
**Average cost** 19.39% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	298.73	10.2%
1 to 2 years	323.75	11.1%
2 to 3 years	315.18	10.8%
3 to 4 years	295.10	10.1%
4 to 5 years	270.35	9.2%
More than 5 years	1,423.54	48.6%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**ESPIRITO SANTO**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>4,723.12</b>	<b>CAPAG</b> <b>A</b>
<b>Domestic</b>	<b>3,616.69</b>	
FX-linked	0.00	
Other	3,616.69	
<b>Foreign</b>	<b>1,106.43</b>	

**ATM** 8.76 years  
**Average cost** 8.93% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	384.47	5.5%
1 to 2 years	528.34	7.6%
2 to 3 years	503.03	7.2%
3 to 4 years	503.55	7.2%
4 to 5 years	487.73	7.0%
More than 5 years	4,578.73	65.5%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount
CAIXA - 20180025	08/24/2018	R\$ 905,518,225.03

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**GOIAS**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>9,187.37</b>	<b>CAPAG</b> <b>C</b>
<b>Domestic</b>	<b>9,147.72</b>	
FX-linked	2,291.10	
Other	6,856.62	
<b>Foreign</b>	<b>39.65</b>	

**ATM** 7.02 years  
**Average cost** 11.37% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	1,181.63	8.7%
1 to 2 years	1,218.28	9.0%
2 to 3 years	1,186.25	8.8%
3 to 4 years	1,155.20	8.5%
4 to 5 years	1,124.44	8.3%
More than 5 years	7,653.88	56.6%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

Impaired until 09/11/2019 (art. 13, I)
--

**MARANHAO**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>5,032.65</b>	<b>CAPAG</b> <b>C</b>
<b>Domestic</b>	<b>3,260.81</b>	
FX-linked	0.00	
Other	3,260.81	
<b>Foreign</b>	<b>1,771.84</b>	

**ATM** 5.74 years  
**Average cost** 12.38% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	814.26	11.7%
1 to 2 years	813.64	11.6%
2 to 3 years	809.55	11.6%
3 to 4 years	869.98	12.5%
4 to 5 years	859.09	12.3%
More than 5 years	2,818.58	40.4%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees
--

**MATO GROSSO** (R\$ million)

<b>Total Guaranteed Debt</b>	<b>3,151.48</b>	<b>CAPAG</b> <b>C</b>
<b>Domestic</b>	<b>2,020.03</b>	
FX-linked	0.00	
Other	2,020.03	
<b>Foreign</b>	<b>1,131.45</b>	

**ATM** 5.23 years  
**Average cost** 13.68% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	622.35	14.3%
1 to 2 years	634.71	14.6%
2 to 3 years	627.95	14.5%
3 to 4 years	668.60	15.4%
4 to 5 years	289.63	6.7%
More than 5 years	1,494.73	34.5%

**DEBT CONTRACTED IN 2018**

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)

<b>Total Guaranteed Debt</b>	<b>2,036.64</b>	<b>CAPAG</b> <b>C</b>
<b>Domestic</b>	<b>786.95</b>	
FX-linked	0.00	
Other	786.95	
<b>Foreign</b>	<b>1,249.69</b>	

**ATM** 8.14 years  
**Average cost** 15.15% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	193.46	7.1%
1 to 2 years	226.61	8.3%
2 to 3 years	257.86	9.4%
3 to 4 years	264.30	9.7%
4 to 5 years	251.42	9.2%
More than 5 years	1,539.01	56.3%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**MINAS GERAIS**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>23,046.66</b>	<b>CAPAG</b>
<b>Domestic</b>	<b>9,510.58</b>	<b>-</b>
FX-linked	8,042.41	
Other	1,468.17	
<b>Foreign</b>	<b>13,536.08</b>	

**ATM** 7.77 years  
**Average cost** 21,07% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	2,640.93	8.5%
1 to 2 years	2,565.51	8.3%
2 to 3 years	2,482.94	8.0%
3 to 4 years	2,457.78	7.9%
4 to 5 years	2,338.63	7.5%
More than 5 years	18,500.49	59.7%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

Impaired until 08/08/2019 (art. 13, I)
--

**PARA**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>2,163.56</b>	<b>CAPAG</b>
<b>Domestic</b>	<b>1,229.28</b>	<b>B</b>
FX-linked	0.00	
Other	1,229.28	
<b>Foreign</b>	<b>934.28</b>	

**ATM** 6.69 years  
**Average cost** 12.93% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	335.71	11.8%
1 to 2 years	300.67	10.5%
2 to 3 years	259.93	9.1%
3 to 4 years	252.69	8.8%
4 to 5 years	245.18	8.6%
More than 5 years	1,461.72	51.2%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees
--

**PARAIBA**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>1,432.36</b>	<b>CAPAG B</b>
<b>Domestic</b>	<b>1,052.22</b>	
FX-linked	0.00	
Other	1,052.22	
<b>Foreign</b>	<b>380.14</b>	

**ATM** 8.30 years  
**Average cost** 10.26% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	195.94	8.8%
1 to 2 years	189.62	8.5%
2 to 3 years	183.04	8.2%
3 to 4 years	223.20	10.0%
4 to 5 years	150.01	6.7%
More than 5 years	1,283.52	57.7%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**PARANA**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>2,784.25</b>	<b>CAPAG B</b>
<b>Domestic</b>	<b>939.55</b>	
FX-linked	0.00	
Other	939.55	
<b>Foreign</b>	<b>1,844.70</b>	

**ATM** 7.91 years  
**Average cost** 15.59% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	250.25	6.5%
1 to 2 years	275.23	7.1%
2 to 3 years	287.71	7.4%
3 to 4 years	347.53	9.0%
4 to 5 years	311.49	8.1%
More than 5 years	2,394.09	61.9%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**PERNAMBUCO**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>9,209.69</b>	<b>CAPAG</b> <b>C</b>
<b>Domestic</b>	<b>1,686.88</b>	
FX-linked	149.66	
Other	1,537.22	
<b>Foreign</b>	<b>7,522.81</b>	

**ATM** 9.93 years  
**Average cost** 18.01% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	862.64	6.9%
1 to 2 years	854.59	6.8%
2 to 3 years	834.37	6.7%
3 to 4 years	881.00	7.0%
4 to 5 years	793.52	6.3%
More than 5 years	8,271.30	66.2%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**PIAUI**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>3,994.23</b>	<b>CAPAG</b> <b>C</b>
<b>Domestic</b>	<b>1,634.79</b>	
FX-linked	770.43	
Other	864.35	
<b>Foreign</b>	<b>2,359.44</b>	

**ATM** 7.67 years  
**Average cost** 17.95% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	423.09	7.8%
1 to 2 years	431.15	7.9%
2 to 3 years	419.04	7.7%
3 to 4 years	442.08	8.1%
4 to 5 years	420.94	7.7%
More than 5 years	3,309.94	60.8%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount
CAIXA - 20180001	01/29/2018	R\$ 315,000,000.00

**MoF Regulation n. 501/2017**

Impaired until 09/13/2019 (art. 13, I)

**RIO DE JANEIRO**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>36,837.34</b>	<b>CAPAG D</b>
<b>Domestic</b>	<b>23,632.00</b>	
FX-linked	11,141.11	
Other	12,490.88	
<b>Foreign</b>	<b>13,205.35</b>	

**ATM** 8.75 years  
**Average cost** 17.83% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	3,697.74	6.9%
1 to 2 years	7,397.34	13.9%
2 to 3 years	3,363.51	6.3%
3 to 4 years	3,263.03	6.1%
4 to 5 years	3,148.74	5.9%
More than 5 years	32,416.49	60.8%

**DEBT CONTRACTED IN 2018**

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)

<b>Total Guaranteed Debt</b>	<b>1,352.23</b>	<b>CAPAG C</b>
<b>Domestic</b>	<b>586.68</b>	
FX-linked	41.53	
Other	545.16	
<b>Foreign</b>	<b>765.54</b>	

**ATM** 9.05 years  
**Average cost** 15.36% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	190.70	10.2%
1 to 2 years	159.09	8.5%
2 to 3 years	130.62	7.0%
3 to 4 years	126.84	6.8%
4 to 5 years	123.04	6.6%
More than 5 years	1,141.48	61.0%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

Impaired until 06/17/2019 (art. 13, II)
---



**RIO GRANDE DO SUL**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>9,929.85</b>	<b>CAPAG D</b>
<b>Domestic</b>	<b>1,461.27</b>	
FX-linked	0.00	
Other	1,461.27	
<b>Foreign</b>	<b>8,468.58</b>	

**ATM** 9.15 years  
**Average cost** 18.32% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	766.65	5.9%
1 to 2 years	781.74	6.1%
2 to 3 years	798.98	6.2%
3 to 4 years	861.76	6.7%
4 to 5 years	949.91	7.4%
More than 5 years	8,740.29	67.8%

**DEBT CONTRACTED IN 2018**

<b>Contract</b>	<b>Signing Date</b>	<b>Contracted Amount</b>

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**RONDONIA**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>355.24</b>	<b>CAPAG B</b>
<b>Domestic</b>	<b>333.34</b>	
FX-linked	0.00	
Other	333.34	
<b>Foreign</b>	<b>21.90</b>	

**ATM** 6.47 years  
**Average cost** 8.09% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	57.86	11.3%
1 to 2 years	55.54	10.9%
2 to 3 years	52.13	10.2%
3 to 4 years	38.94	7.6%
4 to 5 years	37.41	7.3%
More than 5 years	268.94	52.7%

**DEBT CONTRACTED IN 2018**

<b>Contract</b>	<b>Signing Date</b>	<b>Contracted Amount</b>

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**RORAIMA**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>749.76</b>	<b>CAPAG</b> <b>C</b>
<b>Domestic</b>	<b>749.76</b>	
FX-linked	0.00	
Other	749.76	
<b>Foreign</b>	<b>0.00</b>	

**ATM** 7.74 years  
**Average cost** 7.07% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	98.29	8.6%
1 to 2 years	94.95	8.3%
2 to 3 years	91.63	8.0%
3 to 4 years	88.37	7.7%
4 to 5 years	84.98	7.4%
More than 5 years	687.74	60.0%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

Impaired until 12/12/2019 (art. 13, I)
--

**SANTA CATARINA**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>10,153.69</b>	<b>CAPAG</b> <b>C</b>
<b>Domestic</b>	<b>6,732.35</b>	
FX-linked	1,353.92	
Other	5,378.43	
<b>Foreign</b>	<b>3,421.34</b>	

**ATM** 7.37 years  
**Average cost** 15.51% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	1,275.42	8.7%
1 to 2 years	1,448.21	9.9%
2 to 3 years	1,473.31	10.0%
3 to 4 years	1,460.93	10.0%
4 to 5 years	933.31	6.4%
More than 5 years	8,071.80	55.0%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees
--

**SAO PAULO**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>31,953.32</b>	<b>CAPAG B</b>
<b>Domestic</b>	<b>8,664.75</b>	
FX-linked	6,024.20	
Other	2,640.55	
<b>Foreign</b>	<b>23,288.57</b>	

**ATM** 8.64 years  
**Average cost** 19.72% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	3,163.60	7.4%
1 to 2 years	3,220.25	7.6%
2 to 3 years	3,144.58	7.4%
3 to 4 years	3,025.14	7.1%
4 to 5 years	2,832.46	6.6%
More than 5 years	27,232.71	63.9%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount
SANTANDER - 2018015	06/22/2018	R\$ 250,000,000.00

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**SERGIPE**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>1,575.71</b>	<b>CAPAG C</b>
<b>Domestic</b>	<b>689.77</b>	
FX-linked	0.00	
Other	689.77	
<b>Foreign</b>	<b>885.94</b>	

**ATM** 9.68 years  
**Average cost** 14.46% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	184.18	8.0%
1 to 2 years	162.17	7.1%
2 to 3 years	135.37	5.9%
3 to 4 years	147.49	6.4%
4 to 5 years	142.27	6.2%
More than 5 years	1,518.49	66.3%

**DEBT CONTRACTED IN 2018**

Contract	Signing Date	Contracted Amount

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees

**TOCANTINS**

(R\$ million)

<b>Total Guaranteed Debt</b>	<b>2,155.44</b>	<b>CAPAG</b> <b>C</b>
<b>Domestic</b>	<b>1,225.29</b>	
FX-linked	532.19	
Other	693.11	
<b>Foreign</b>	<b>930.15</b>	

**ATM** 7.65 years  
**Average cost** 18.61% per annum  
**Maturity Profile** (R\$ million)

Up to 12 months	261.43	8.7%
1 to 2 years	261.96	8.7%
2 to 3 years	252.81	8.4%
3 to 4 years	244.27	8.1%
4 to 5 years	235.55	7.8%
More than 5 years	1,750.78	58.2%

**DEBT CONTRACTED IN 2018**

<b>Contract</b>	<b>Signing Date</b>	<b>Contracted Amount</b>

**MoF Regulation n. 501/2017**

There is no eligibility impairment to apply for federal guarantees
--

### ANNEX 3—NEW GUARANTEED DEBT—2018

Domestic Contract	Debtor	Signing Date	Contracted Amount
CAIXA - 20080001	Piauí State	01/29/2018	R\$ 315,000,000.00
SANTANDER - 2018015	Sao Paulo State	06/22/2018	R\$ 250,000,000.00
CAIXA - 20180022	Ceara State	07/24/2018	R\$ 90,000,000.00
SANTANDER - 2018018	Munic. Sao Paulo	08/09/2018	R\$ 30,000,000.00
SANTANDER - 2018020	Munic. São Paulo	08/09/2018	R\$ 200,000,000.00
BB - 2018031	Alagoas State	08/13/2018	R\$ 300,000,000.00
CAIXA - 20180025	Espirito Santo State	08/24/2018	R\$ 905,518,225.03
CAIXA - 20180028	Ceara State	08/30/2018	R\$ 392,685,323.26
CAIXA - 2018040	Munic. Morro Grande (SC)	10/23/2018	R\$ 2,191,559.47
BB - 2018036	Munic. Rio Branco (AC)	10/24/2018	R\$ 14,500,000.00
BB - 2018038	Munic. Manaus (AM)	10/31/2018	R\$ 100,000,000.00
CAIXA - 2018044	Munic. Morro da Fumaça (SC)	12/18/2018	R\$ 4,867,140.36

Foreign Contract	Debtor	Signing Date	Contracted Amount
CFA010352 - CFA010356	Munic. Fortaleza	06/04/2018	US\$ 83,250,000.00
BID4302/OC-BR	Munic. Salvador	06/26/2018	US\$ 67,500,000.00
BIRD8818-BR	Munic. Salvador	07/11/2018	US\$ 125,000,000.00
BID3708/OC-BR	Munic. Santo André	07/16/2018	US\$ 25,000,000.00
BID4358/OC-BR	FINEP	08/01/2018	US\$ 600,000,000.00
CFA010450	Munic. Hortolândia (SP)	09/05/2018	US\$ 42,000,000.00
Fonplata BRA-18/2017	Munic. Joinville (SC)	09/27/2018	US\$ 40,000,000.00
CFA010491 - CFA010502	Munic. Teresina (PI)	09/28/2018	US\$ 456,982,658.96
CFA010505	Munic. Sorocaba (SP)	10/09/2018	US\$ 70,000,000.00
BID4436/OC-BR	Ceará State	10/17/2018	US\$ 70,000,000.00
CFA010521 - CFA010552	Munic. Caucaia (CE)	10/17/2018	US\$ 80,000,000.00
Fonplata BRA-21/2018	Munic. Itajaí (SC)	10/30/2018	US\$ 62,500,000.00
BID4404/OC-BR	CELESC	10/31/2018	US\$ 276,051,000.00
CFA010569	Munic. Sobral (CE)	11/14/2018	US\$ 50,000,000.00
BID4445/OC-BR	Munic. Maracanaú (CE)	11/16/2018	US\$ 31,748,500.00
CFA010637 - CFA010639	Munic. Salvador (BA)	12/18/2018	US\$ 60,700,000.00
BID4444/OC-BR	Munic. João Pessoa (PB)	12/20/2018	US\$ 100,000,000.00
CFA010634	Munic. Maceió (AL)	12/20/2018	US\$ 70,000,000.00
CFA010641	Munic. Palmas (TO)	12/28/2018	US\$ 60,870,000.00

## GLOSSARY

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

**Creditor** — Financial Institution which funded some project.

**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 overseeing 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.

**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.

**Foreign Guarantees** — Guarantees associated to loans originally funded by foreign creditors.

**Government Agencies** — Type of Creditor defined by international public entities. The main ones are 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), IADB.

**Outstanding Guaranteed Debt** — Total disbursed netted out from the amortized Debt.

### Acronyms:

**AFD** - Agence Française de Développement (French Development Agency)

**BB** - Banco do Brasil (Bank of Brasil)

**BNB** - Banco do Nordeste (NW Development Bank)

**BNDES** - Banco Nacional do Desenvolvimento (Brazilian Development Bank)

**CAF** - Corporación Andina de Fomento (Andean Development Corporation)

**CAIXA** - Caixa Econômica Federal (Caixa Federal Bank)

**CEEE-D** - Companhia Estadual de Energia Elétrica – Distribuição (State Company – Electric Utility – Distribution)

**CEEE-GT** - Companhia Estadual de E.E. - Geração e Transmissão (State Company – Electric Utility – Generation and Transmission)

**CELPE** - Companhia Energética de Pernambuco (Pernambuco's Electric Power Utility Company)

**CESP** - Companhia Energética de São Paulo (São Paulo's Electric Power Utility Company)

**COPASA** - Companhia de Saneamento de Minas Gerais (Minas Gerais' Sanitation Company)

**DAEE** - Departamento de Águas e Energia Elétrica (Department of Water and Electric Power)

**FINEP** - Financiadora de Estudos e Projetos (Project and Studies Financing Corp)

**IADB** - Inter-American Development Bank

**IBRD (WB)** – International Bank for Reconstruction and Development (World Bank)

**JICA** - Japan International Cooperation Agency

**KfW** - Kreditanstalt für Wiederaufbau

**SABESP** - Companhia de Saneamento Básico do Estado de São Paulo (São Paulo's Sanitation Company)

**TBG** - Transportadora Brasileira Gasoduto Bolívia-Brasil S/A (Gasoduct Brasil-Bolivia Transportation)