



TESOURO NACIONAL

2025

December

Engagement with CRAs– The Brazilian Experience

Debt Management Office
Middle-Office
Institutional Relations (GERIN/COGEP)

Engagement with CRAs – The Brazilian Experience

Overview of Brazil's Federal Public Debt

Public Debt Institutional Structure

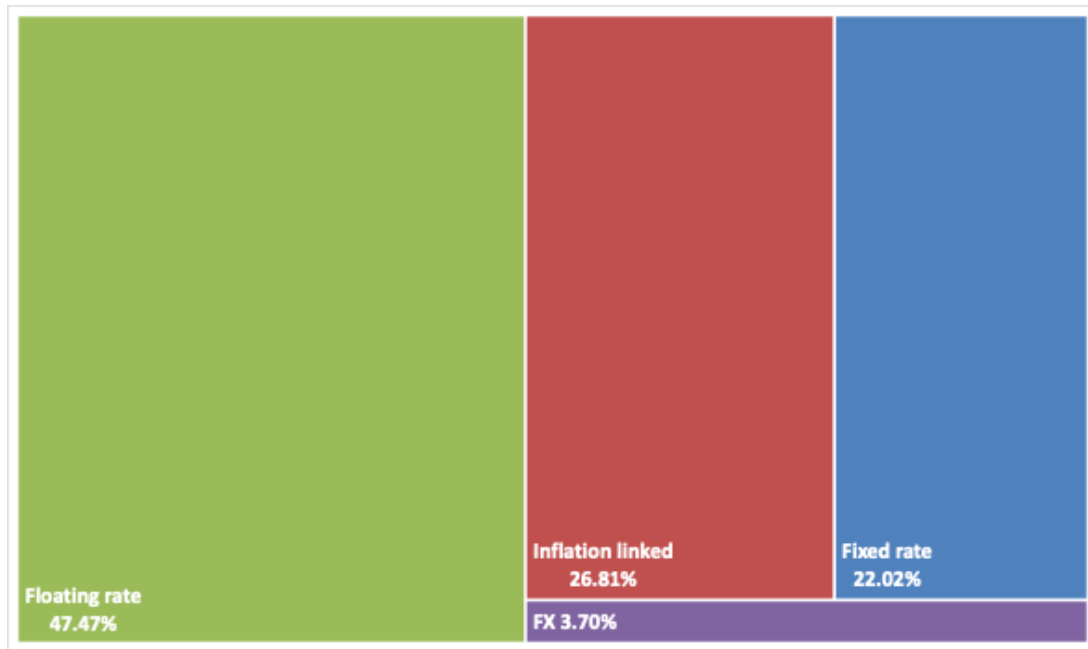
Investor Relations Unit and Credit Rating
Agencies

Conclusion

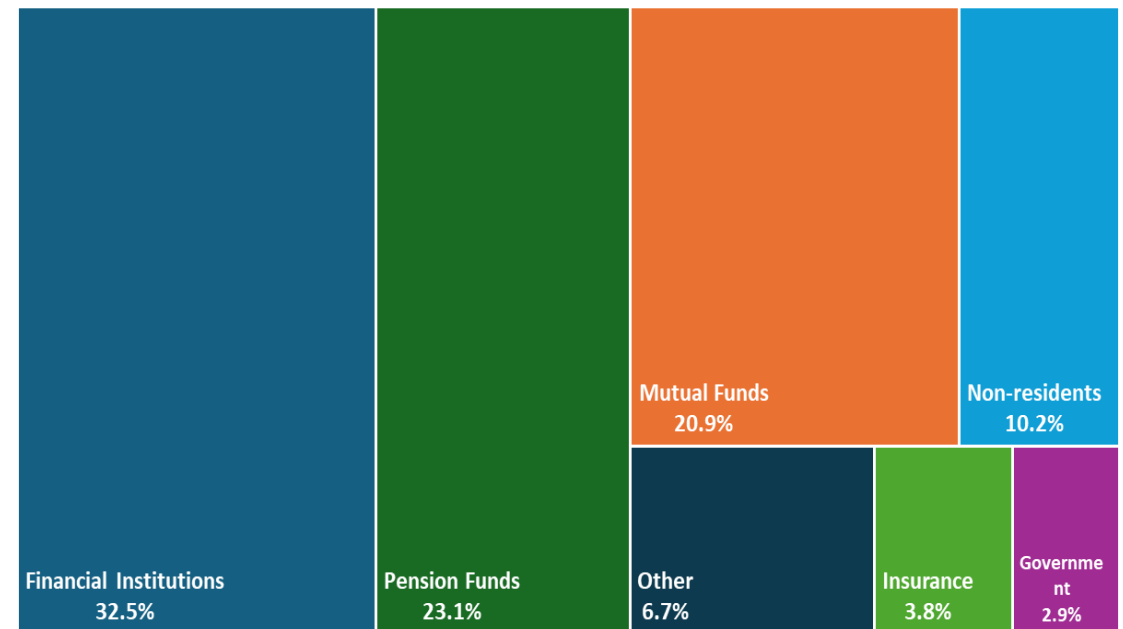
Overview of Brazil's Federal Public Debt (FPD)

- December/2024: R\$ 7.31 trillion (around 75% of GGGD and 62% of GDP)
- September/2025: R\$ 8.12 trillion (around 83% of GGGD) -> 96% of debt denominated in local currency

Federal Public Debt (FPD) - Composition



Investor base for the DFPD



Overview of Brazil's Federal Public Debt (FPD)

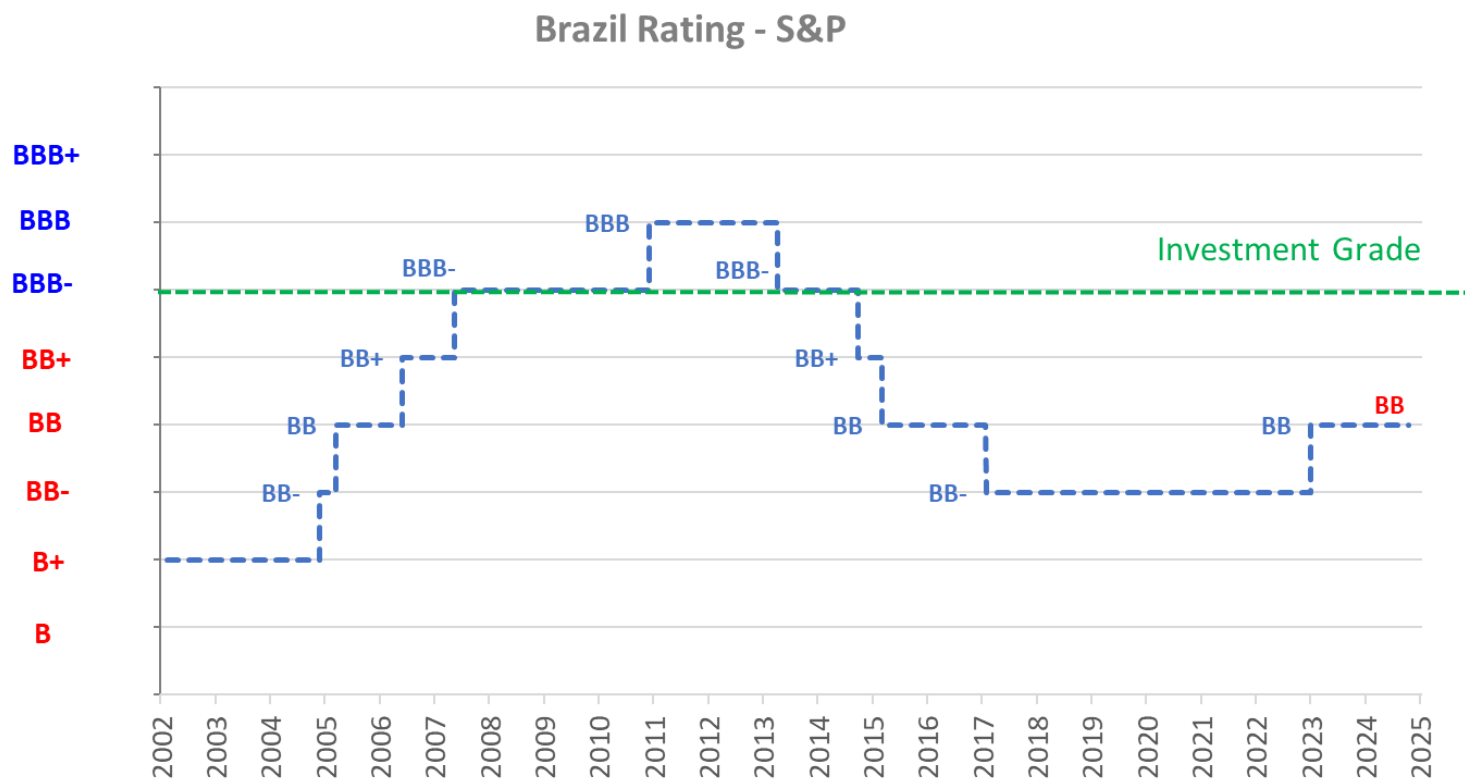
Indicators	dec/23	dec/24	Sep/25	ABP 2025 ranges	
				Min	Max
Stock of marketable FPD* (BRL billion)					
	6,520.3	7,316.1	8,122.0	8,500.00	8,800.00
FPD Profile (%)					
Fixed-Rate	26.5	22.0	22.0	19.0	23.0
Inflation-Linked	29.8	27.0	26.8	24.0	28.0
Floating-Rate	39.7	46.3	47.5	48.0	52.0
FX	4.1	4.8	3.7	3.0	7.0
FPD Maturity Structure					
Percentage Maturing in 12 Months (%)	20.1	17.9	18.6	16.0	20.0
Average Maturity (years)	4.0	4.0	4.2	3.8	4.2

*It includes domestic (BRL 7,820.48 bn – sep25) and external debt (BRL 301.53 bn – sep25) managed by the National Treasury.

Source: National Treasury (Annual Borrowing Plan 2025 and Monthly Debt Report)

Overview of Brazil's Federal Public Debt (FPD)

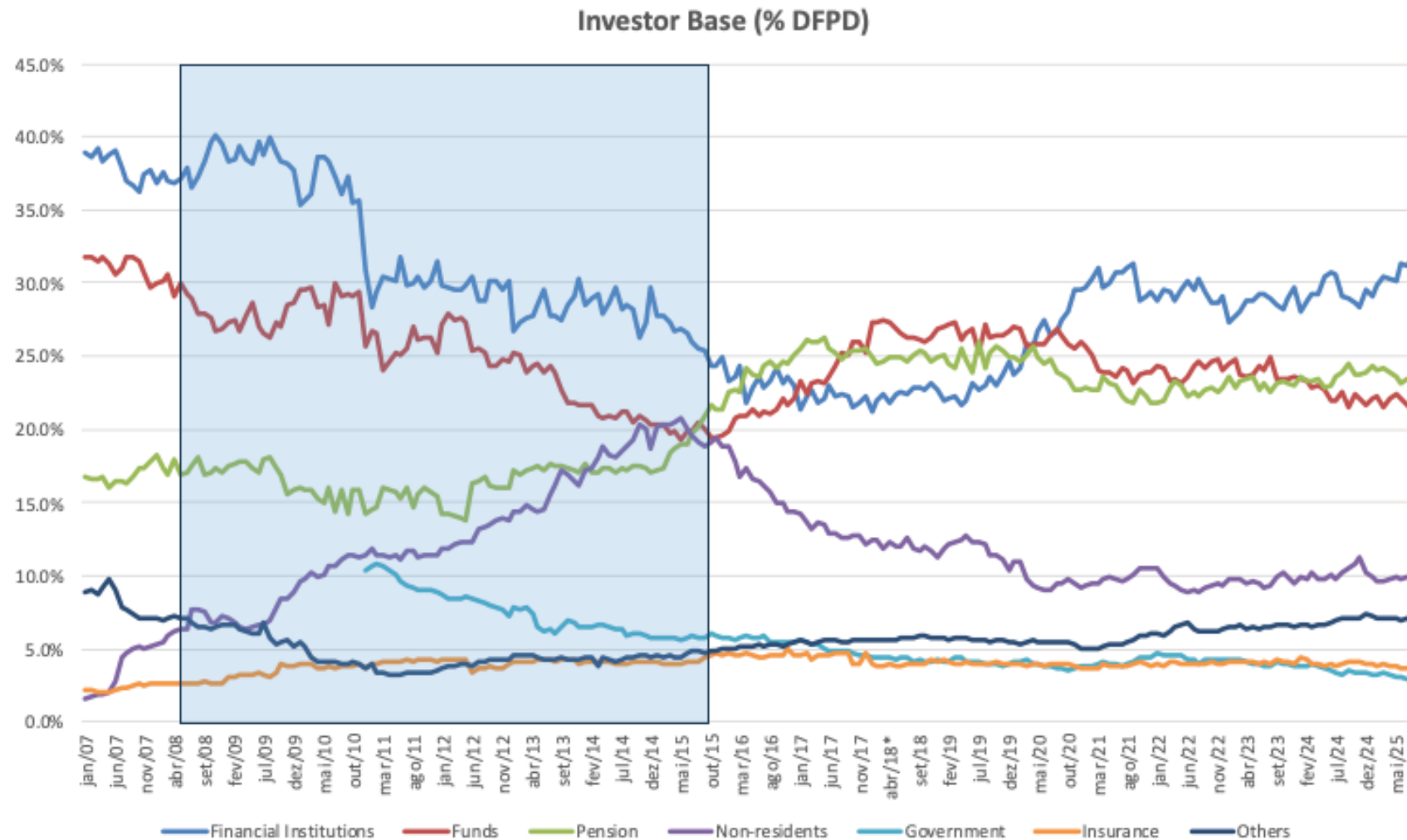
After reaching Investment Grade status beginning in 2008, Brazil had lost Investment Grade status by 2016 in all three agencies.



S&P Global Ratings	Fitch Ratings	Moody's
AAA	AAA	Aaa
AA+	AA+	Aa1
AA	AA	Aa2
AA-	AA-	Aa3
A+	A+	A1
A	A	A2
A-	A-	A3
BBB+	BBB+	Baa1
BBB	BBB	Baa2
BBB-	BBB-	Baa3
BB+	BB+	Ba1
BB	BB	Ba2
BB-	BB-	Ba3
B+	B+	B1
B	B	B2
B-	B-	B3
CCC+	CCC+	Caa1
CCC	CCC	Caa2
CCC-	CCC-	Caa3
CC	CC	Ca
C	C	Ca
RD	D	C

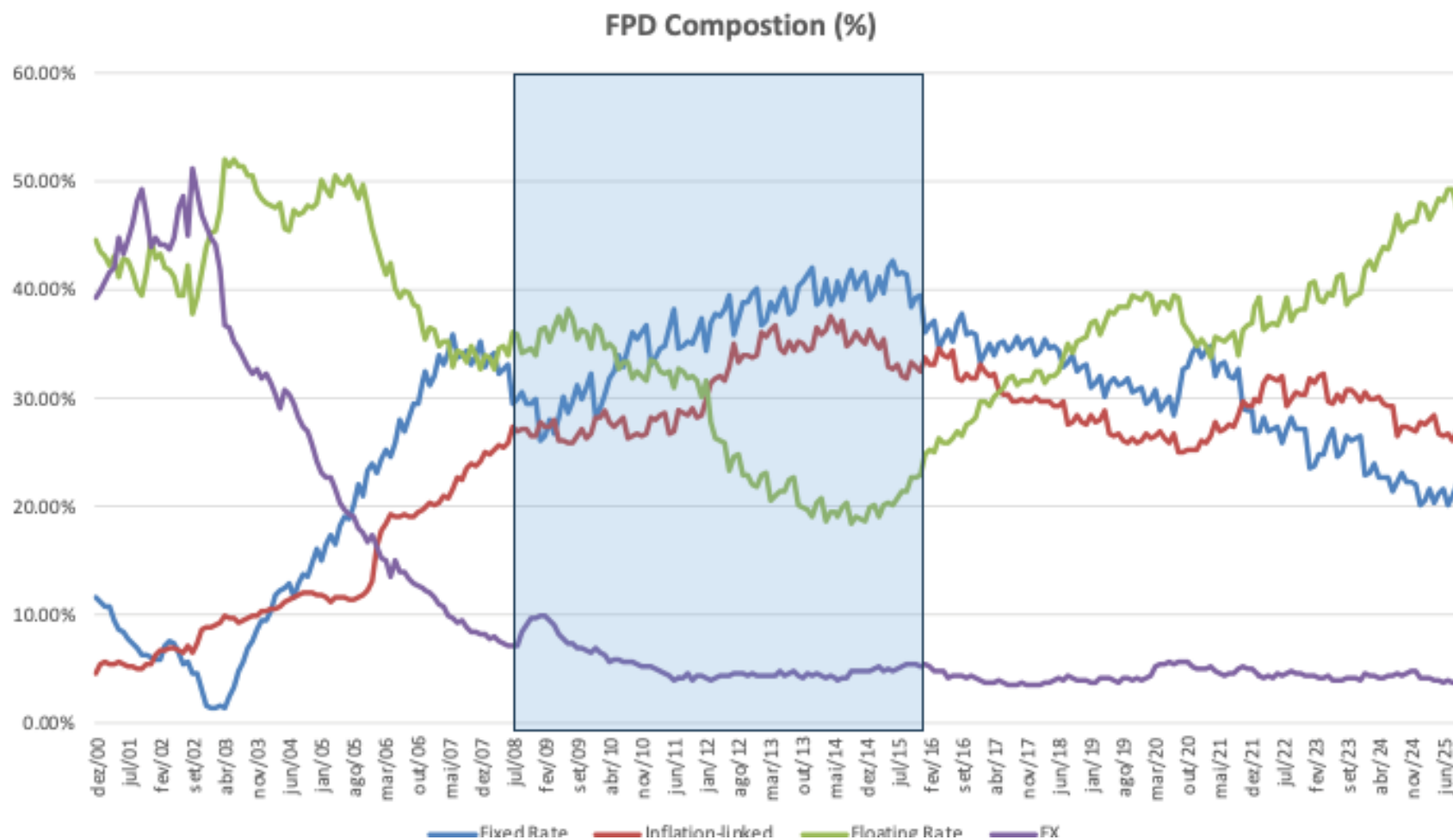
Overview of Brazil's Federal Public Debt (FPD)

This had a direct impact in the investor base....



Overview of Brazil's Federal Public Debt (FPD)

... and in the debt composition. In times of crises, it is especially crucial to keep an ongoing dialogue with financial market actors, including credit rating agencies.



Engagement with CRAs – The Brazilian Experience

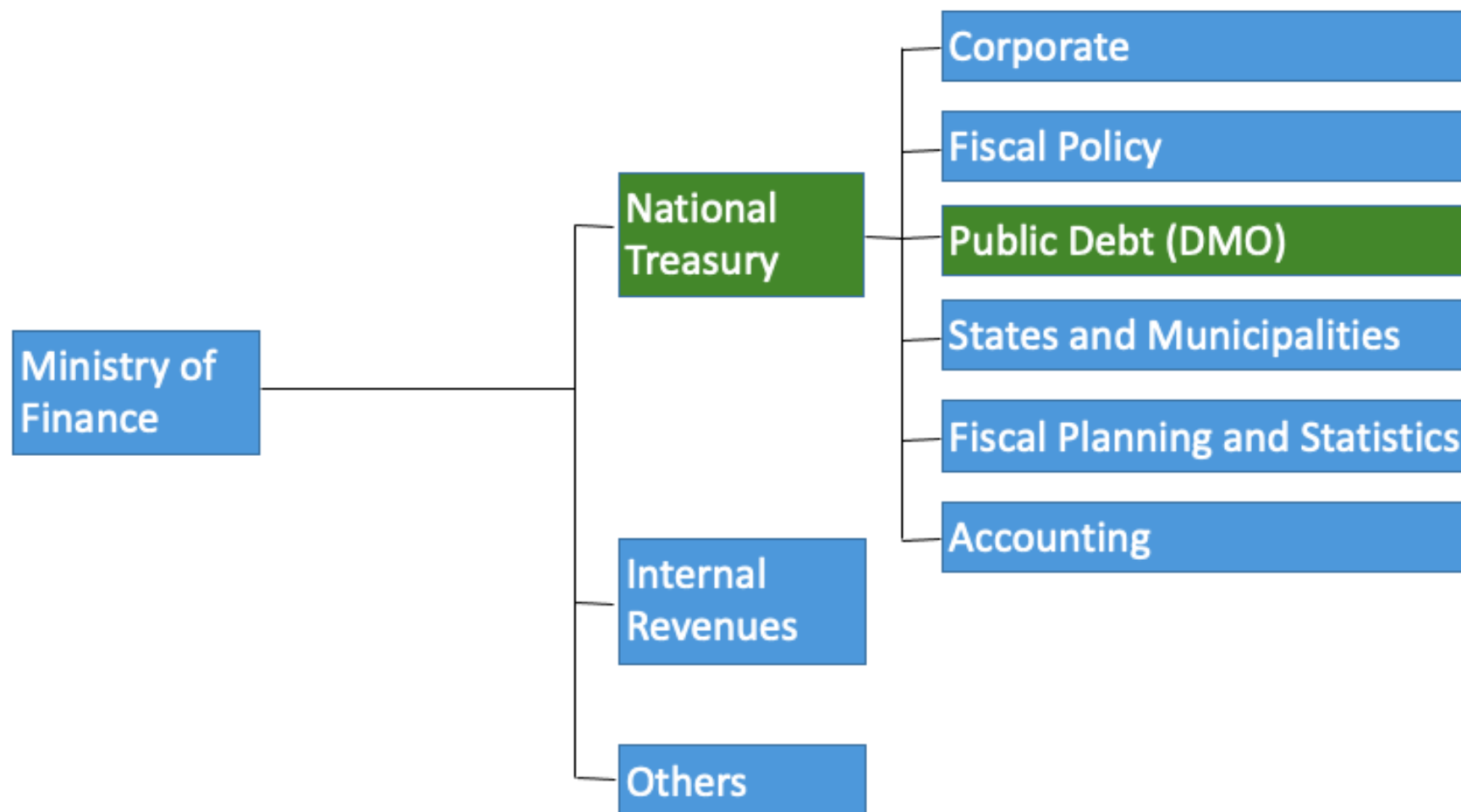
Snapshot of Brazil's Federal Public Debt

Public Debt Institutional Structure

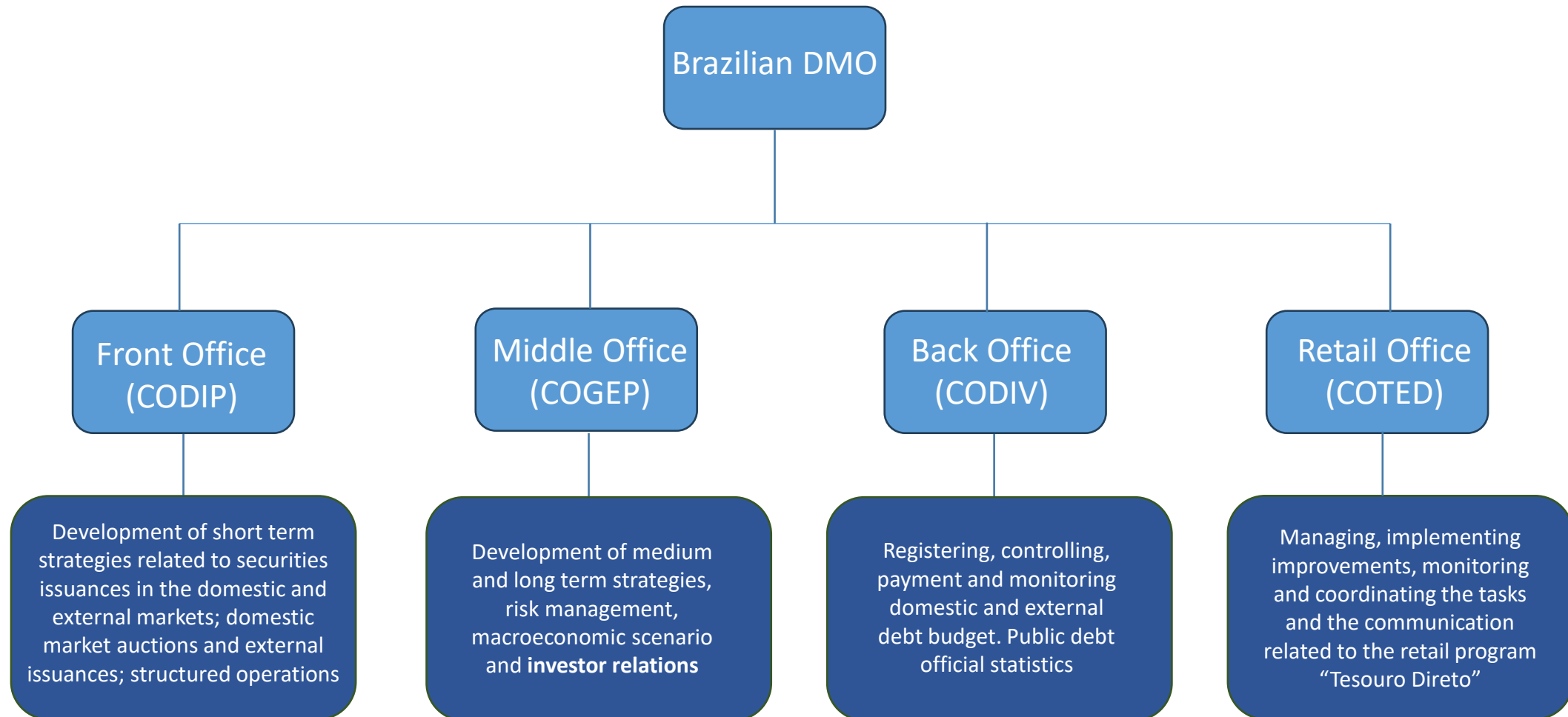
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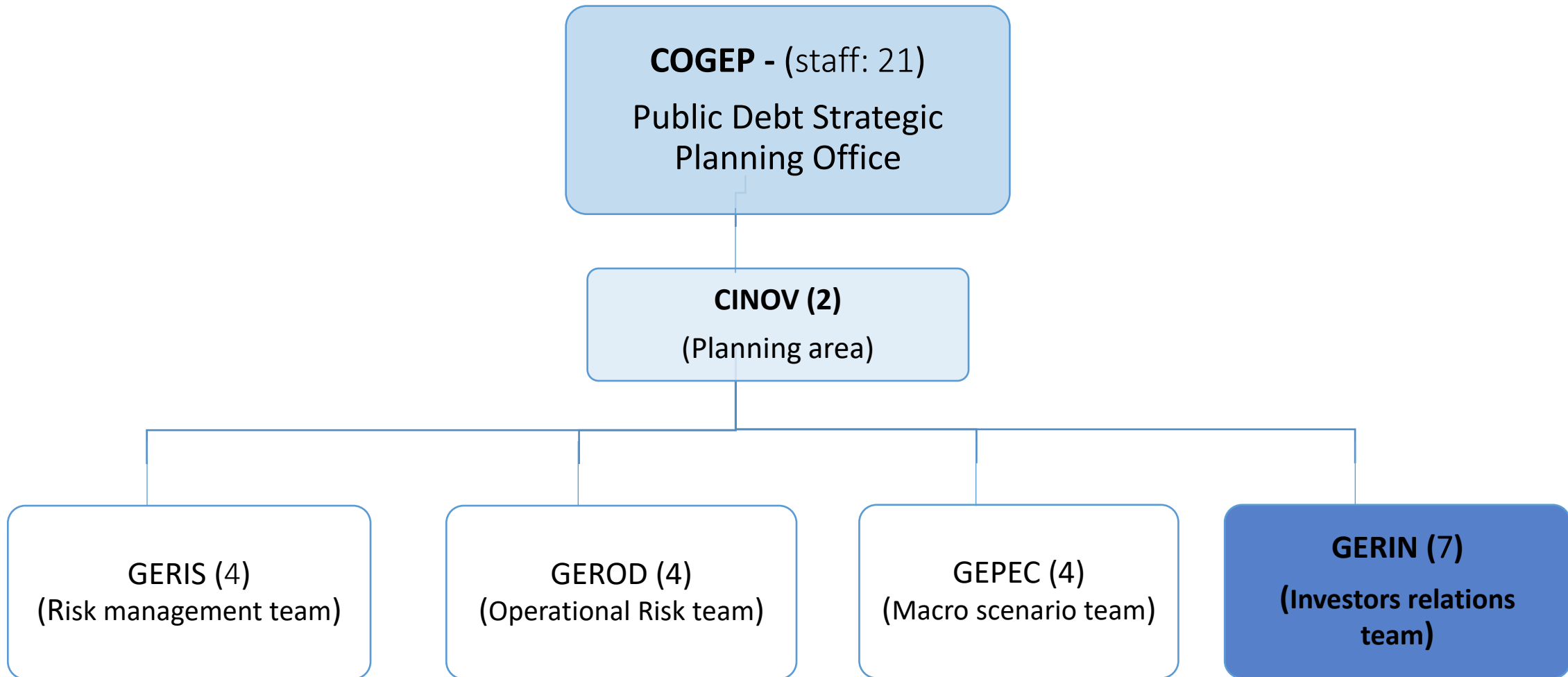
Public Debt Institutional Structure



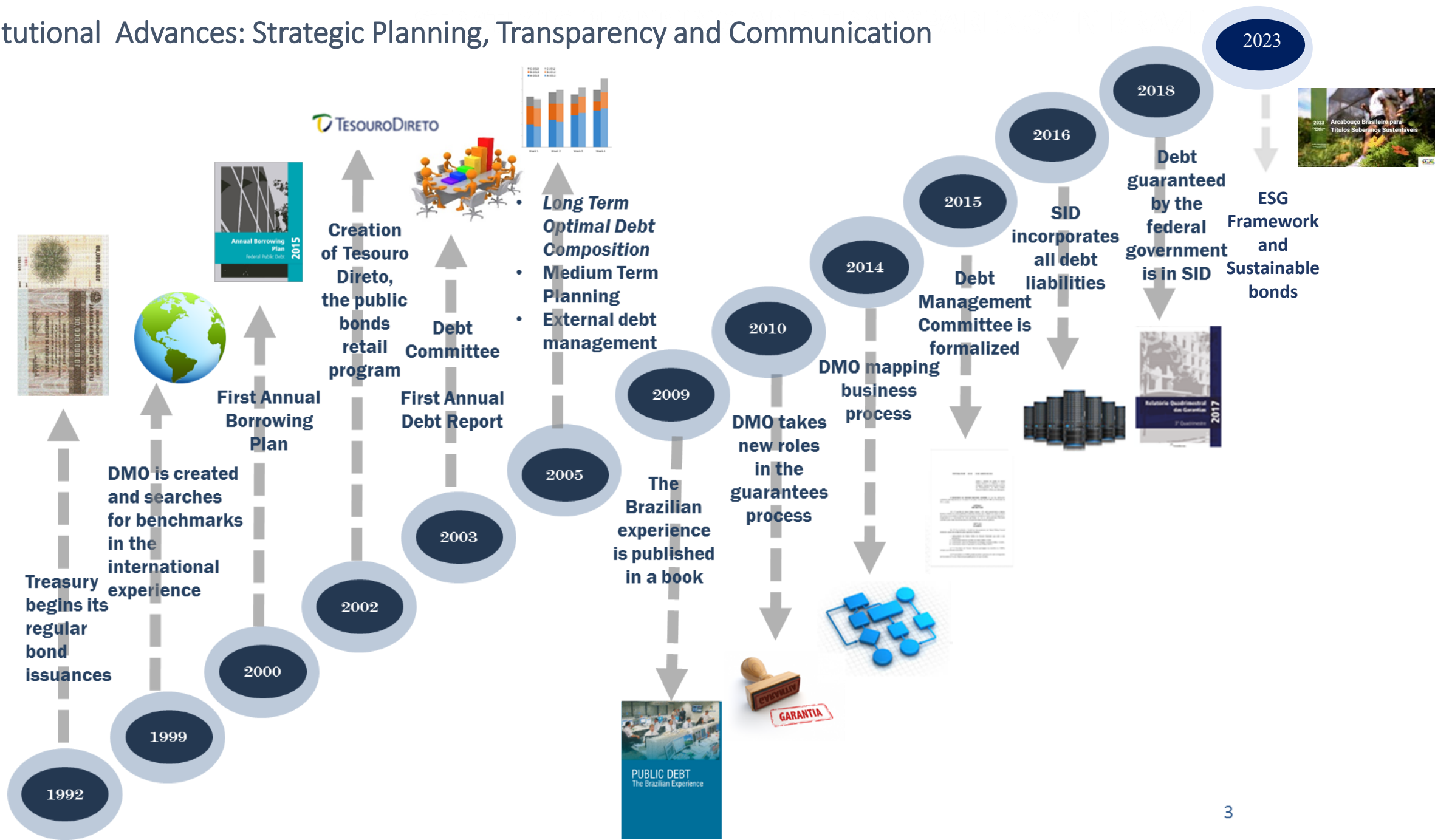
Brazilian DMO Framework



Public Debt Strategic Planning Office - COGEP



Institutional Advances: Strategic Planning, Transparency and Communication



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Investor Relations

Role

The general purpose of IR is to provide information to financial market and investors to correctly evaluate marketed assets of a given company.



- Reduction of asymmetric information, allowing a better risk evaluation by the investor;
- A better disclosure policy can raise higher demand for the security, lowering financing costs;
- Improvement of quality and transparency levels of the information offers more predictability to debt management and enhances its pay-offs, potentially reducing refinancing and market risks.

Investor Relations

Definition

IIF (2005) defines an IRO as *“a one-stop shop through which authorities can provide investors relevant data and information from the diversity of official sources, and investors can access relevant policymakers and provide policy feedback.”*

Main Guidelines

- Stockholm Principles for debt management (IMF, 2010): strong emphasis on **communication**, including ongoing dialogue with investors, to identify vulnerabilities, offer instruments that match investors' needs and mitigate funding disruptions.
- IR aims to **minimize information asymmetries** that might lead to negative investor perceptions and potential capital outflows.
- **Fiscal transparency -> reports**
- Institute of International Finance (IIF): evaluates IROs and data dissemination practices -> Investor Relations Best Practices (2005)
- Key principles for sovereign IR (IMF, 2020): **transparency, accessibility, predictability** and **accuracy**.

Investor Relations

Current Institutional Attributes

The main attributions of the IRO, as formally defined, are:

- Maintain and improve relationship with investors and opinion makers;
- Provide domestic and external investors with accurate information and data;
- Increase the investors base, by keeping permanent contact with potential investors;
- Assist Rating Agencies such as S&P, Moody`s and Fitch Ratings;
- Keep a close relationship with other Government agencies which are in touch with investors, to ensure a unified discourse about the policies related to the Federal Public Debt.

Investor Relations

How integrated is the IRO with the DMO?

- The IRO maintains constant communication with key areas within the Debt Management Office (DMO) to ensure the accuracy, timeliness, and comprehensiveness of the information provided to investors and the public:
 - Back Office: Main provider of data and statistics, including information on contracts, securities characteristics, and operational records;
 - Middle Office: In Brazil, macroeconomic analysis and risk management are closely tied to IRO activities -> **IRO is located in the Middle Office.**
 - Front Office: Source of real-time updates on auction results, external funding operations, market outlook, short-term operations, and investors base statistics.
- DMO Heads: **IRO supports senior management by preparing presentations, arranging investor meetings and calls, drafting speeches, and serving as key point of contact for data and strategic communication;**

As a major “client” of other DMO departments, the IRO benefits from a strong and seamless data flow across all segments, which is essential for timely and reliable communication with market participants.

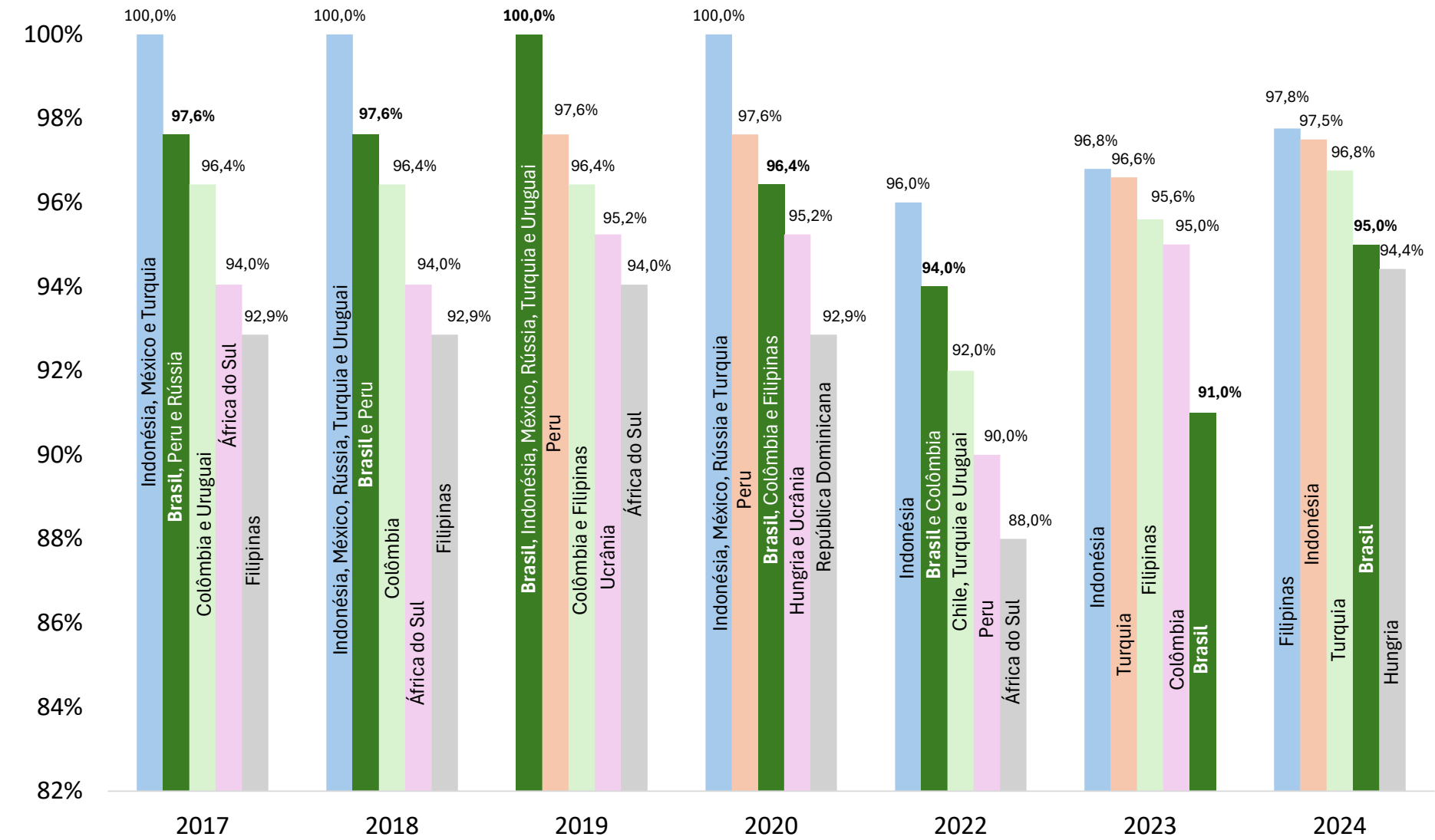
Investor Relations

Institute of International Finance – the Brazilian case

- Assessment of 50 key borrowing countries (emerging and developing countries) around the world in Investor Relations and Data Transparency Practices.
- Measures:
 - Staff reachable through website
 - Reciprocal links between government agencies
 - Investors able to register for website subscription
 - Investor conference call
 - Regular self-assessment of investor relations activities
 - General Government statistics available with GFSM 2001 methodology
 - Dissemination of ESG data and policy Information
- The current Brazilian score is 47.5 out of 50.0, the fourth highest score of the 50 countries, in the overall assessment of investor relations and data transparency (June/2024).

Brazil is systematically among the top 5 countries in the IIF ranking

Top 5 - IIF Assessment



Brazil is ranked among the IIF's top 5 countries in investor relations and transparency practices, having achieved a full score (100%) in 2019.

Investor Relations

Broader Communication Strategy

The National Treasury website presents information on the Federal Public Debt with a concise overview of its objectives, principles, and governance, in both Portuguese and English, and updated simultaneously:

www.gov.br/tesouronacional

- Debt Management Reports
 - Annual Borrowing Plan, Annual Debt Report, Monthly Debt Report
- Investor Presentation (“Investor Kit”)
- Mailing List Strategy
 - All documents published online are also distributed via the bilingual mailing list, ensuring consistency and expanding reach – email sent with updates at least once a month.
- Contact information: stndivida@tesouro.gov.br and brazildebt@tesouro.gov.br
- Non-Resident Investor Handout

Investor Relations - Investor Presentation

*“Investor presentations are often considered the cornerstone of well-developed IR campaigns. These are presentations that are typically prepared in advance for meetings with investors and should be designed to ‘tell a story’ about the country. They are expected to bring together, in a single document, a range of data, information, statistics and forecasts for the country’s economy and public finances, debt management and funding program. They serve as a written, hard-copy record of the country’s economic and financial story and are often a required document for an investor’s investment review process. **Investor presentations should be updated at least annually and made available on an issuer’s website.**”*

(IMF Working Paper, Sovereign Investor Relations: From Principles to Practice, September 2020)

In this IRO, we strive to follow these principles and update the investor presentation on a **monthly basis**.

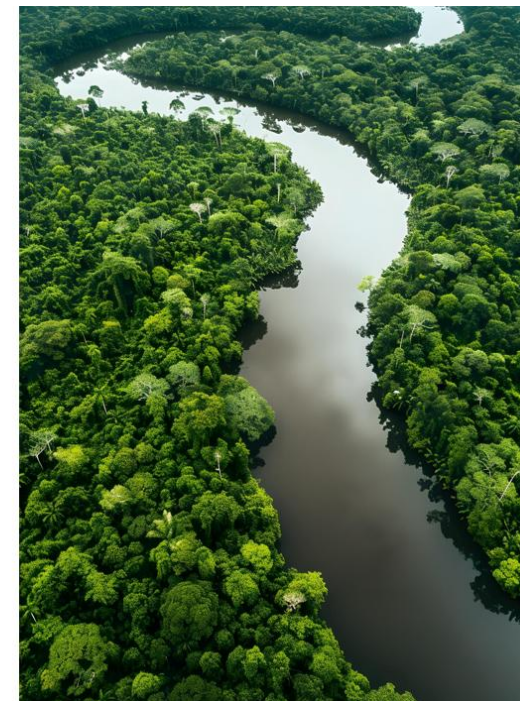


Federal Public Debt

Investor Presentation



May 2025



Investor Relations - Annual Debt Report (ADR) and Non-Resident Investor Handout

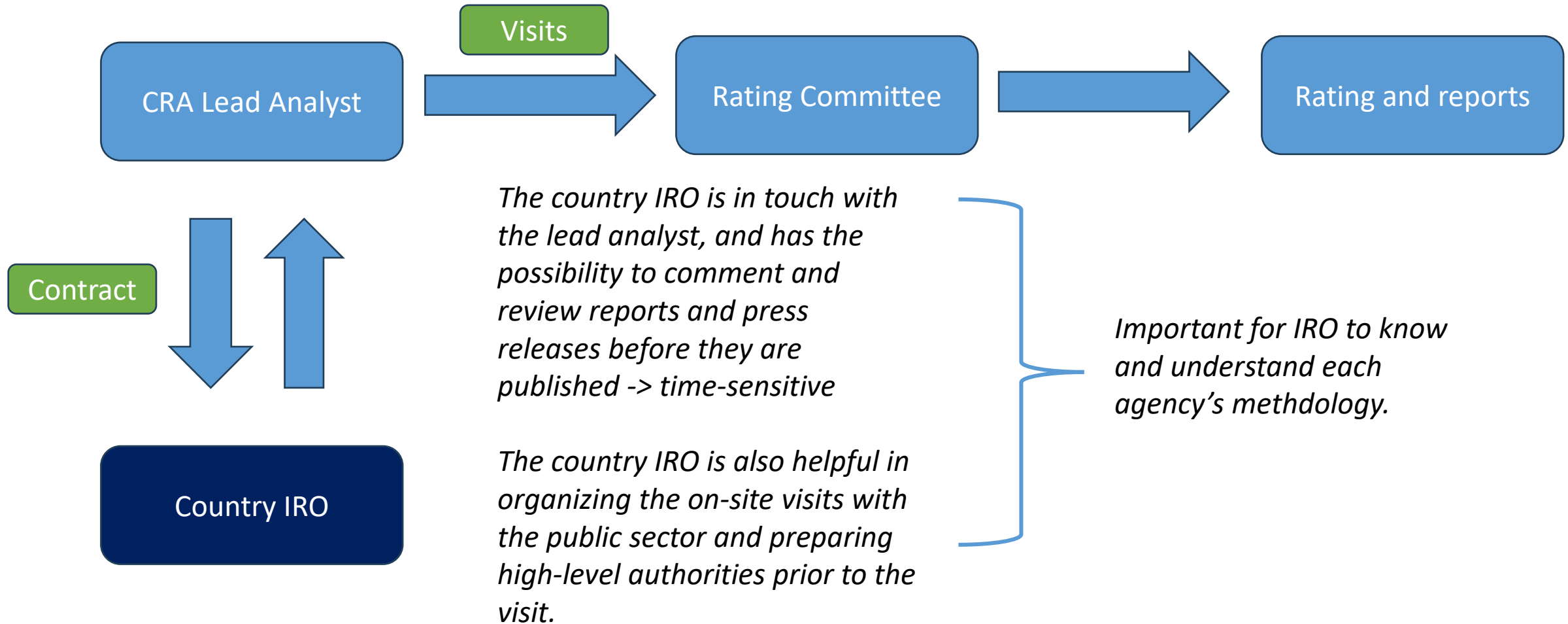
*In this document, the National Treasury presents the Federal Public Debt (FPD) management performance during the year, considering what was established in the Annual Borrowing Plan (ABP). **The ADR offers an overview of the macroeconomic and financial context, outlines the borrowing strategy—including funding needs, debt composition, and liquidity reserves—and highlights key outcomes.***

*The Non-Resident Investors' Handout presents basic information on the Brazilian Debt and Federal Public Bonds Market. **It is designed to introduce foreign investors to the main aspects regarding local debt market access and how to proceed to invest on it.** It also points out the main regulations and websites the investor should look at in order to find out more about the market characteristics and its requirements.*



Engagement with Credit Rating Agencies

Understanding the rating cycle



Engagement with Credit Rating Agencies

- Sign a contract – **solicited ratings** – for Fitch, S&P and Moody's. Also engage with smaller CRA in an unsolicited manner (without contract).
- Establish a **relationship with the lead/primary analyst** – keep our contacts updated
- **Study the Agencies' methodologies**
- Throughout the year, **review draft reports** prepared by the agency, coordinating with other ministries when needed.
- Throughout the year, **monitor the agencies' websites**, for reports and rating actions, especially from a selected group of “peer countries”.
- Throughout the year, if there is news that might benefit from being better explained to the rating agency, we might offer a brief call or send them more material.

On-site Visits

1. Establish a focal point in the team and prepare the agenda with government officials on the occasion of an **on-site visit**: Treasury, Ministry of Finance, Central Bank, among others (Ministry of Planning, Environmental Ministry, Congress representatives, etc.)
2. Occasionally also help with scheduling meetings with the private sector (such as consultancy firms or International Organizations).
3. Review the latest reports and update CRA dashboard, to gather insights on ratings and main points to focus on during the agency's visit.
4. Prepare presentations for government officials involved, presenting a summary of the main points to rating agency's, prior to their actual meeting (**preview presentation**).
5. During the actual visit, accompany the rating agency in all government meetings.

“Preview presentation” - Example

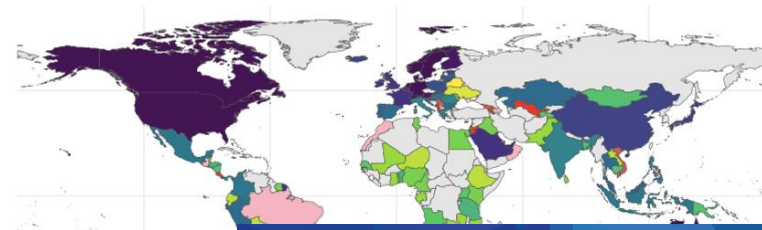
1. Agency delegation: who's who
2. Talking points sent previously by the Agency
3. Summary of main recent rating actions
4. Brazil's rating compared to other countries
5. Summary of methodology
6. Agency's current forecasts
7. Suggestions of points to discuss with the Agency

Últimas movimentações da Agência Moody's

- ago/2015: downgrade de Baa2 para Baa3
- fev/16: perda do “Investment Grade” de Baa3 para Ba2 com perspectiva negativa (**mudança de dois níveis no rating**)
- Até 2024, houve apenas mudanças na perspectiva (*outlook*)
 - mar/17: Ba2 - perspectiva estável
 - mai/17: Ba2 - perspectiva negativa

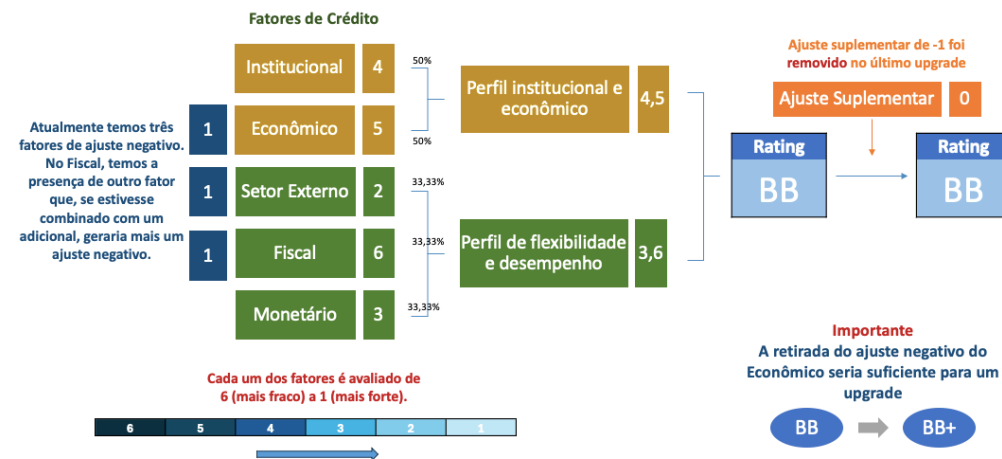
	S&P Global Ratings	Fitch Ratings	Moody's
	AAA	AAA	Aaa
	AA+	AA+	Aa1
	AA	AA	Aa2
	AA-	AA-	Aa3
Grau de Investimento	A+	A+	A1
	A	A	A2
	A-	A-	A3
	BBB+	BBB+	Baa1
	BBB	BBB	Baa2
	BBB-	BBB-	Baa3
	BB+	BB+	Ba1
	BB	BB	Ba2
	BB-	BB-	Ba3
	B+	B+	B1
	B	B	B2
	B-	B-	B3
	CCC+	CCC+	Caa1
	CCC	CCC	Caa2
	CCC-	CCC-	Caa3
	CC	CC	Ca
	C	C	Ca
	D	D	C

Moody's – Rating ao redor do mundo



Metodologia S&P Global Ratings

Fonte: [Sovereign Factor Score](#)



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Benefits of an Investor Relations Unit

- Being a focal point to provide information and get feedback from all stakeholders, including CRAs.
- Avoiding misunderstandings by stakeholders
- Aids to align the official discourse
- Designated team to study and analyze the credit rating agencies' methodologies.

Lessons Learned

- It is important to have an established public debt institutional structure: investor relations doesn't work alone.
- The functions of the investor relations group within this structure need to be very clearly defined.
- Information must flow smoothly across the DMO (main input to the IRO).
- International experience: transparency and communication are always important, even more so in turbulent times.
- Importance of studying the CRA's methodology in order to be more proactive in the discussion with CRAs.



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Thank you!

**Middle-Office
(COGEP/GERIN)**

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