



Case Study

Republic of Paraguay

Global PYG & USD Bond Issuance

Confidential | February 2025



Republic of Paraguay

Global PYG USD 600mn equiv. 2035 Notes & USD 600mn 2055 USD Notes

The Republic of Paraguay successfully completed a landmark transaction, issuing its second Global PYG bond while accessing the international debt markets with a USD 30-year international bond after six years

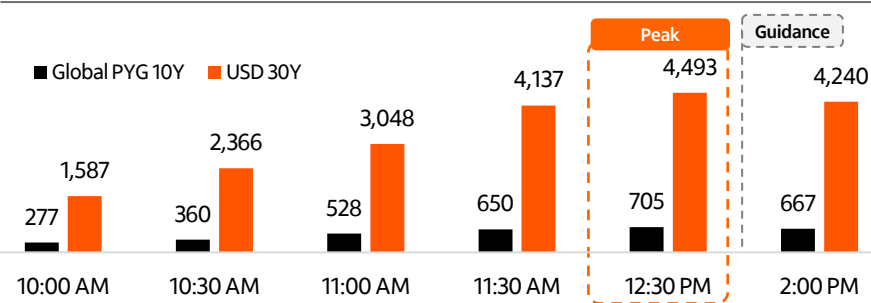
Execution Highlights

- Amid a supportive backdrop for high quality issuers, the Republic of Paraguay tapped the international debt markets with a dual-tranche transaction, issuing PYG 4,742bn (USD 600mn equiv.) in 8.500% 2035 Global PYG Notes and USD 600mn in 6.650% 2055 USD Notes
- Continuing its efforts to create a liquid local currency curve while reducing the dollarization of its debt, the Republic decided to issue a new Global Guarani bond in the international debt markets, combined with a dollar-denominated tranche
- In order to target the broadest investor demand and update accounts on Paraguay's sustained growth, ambitious fiscal reform agenda and stable monetary policy, Paraguay and the Joint Bookrunners decided to carry out a 5-day roadshow. Itaú, as logistics coordinator, organized meetings with more than 80 accounts from Europe, U.S., Asia and LatAm
- Following constructive feedback during the investor meetings, on Tuesday, February 25th, Paraguay announced IPTs of 8.750% area for a new 10-year Global PYG bond and 7.000% area for a new 30-year USD bond issuance. Additionally, the Republic launched a tender offer targeting its USD 5.000% 2026 bonds and USD 4.700% 2027 bonds to buy back its shortest-dated bonds and extend the Republic's average life of its debt
- Within a couple of hours, the Global PYG orderbook surpassed the USD-equivalent 700mn (1.4x) while the USD orderbook reached an unprecedented demand of USD 4.5bn (7x), consisting of real demand from prime international accounts
- The solid demand in both orderbooks allowed Syndicates to announce Guidance at "8.500%# (the number)" for the PYG tranche and "6.650%# (the number)" for the USD tranche
- The high quality of the orderbook remained resilient with only a slight drop in size, allowing the Republic of Paraguay to increase its initial target sizes to USD 600mn equivalent in both tranches, up from the original target of USD 500mn
- This landmark transaction represents:
 - Second time the Republic of Paraguay taps the international debt market with a local currency transaction (Itaú led both issuances)
 - Paraguay's return to the international debt markets with a 30-year international bond after six years, pricing at fair value (zero new issue premium)
 - One of the largest oversubscription levels for a USD LatAm sovereign international bond issuance year-over-year

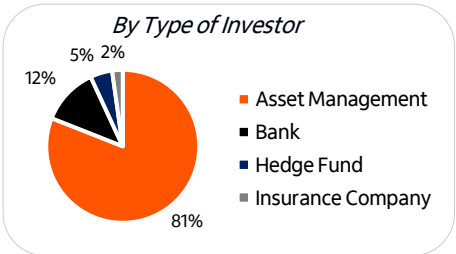
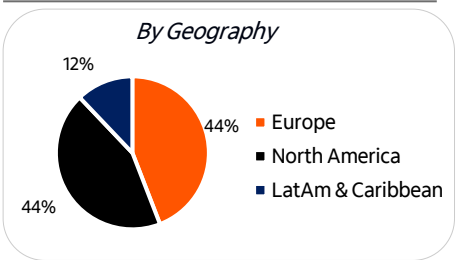
Summary of Terms & Conditions

	Global PYG 10-Year Bond	Global USD 30-Year Bond
Pricing Date	February 25, 2025	
Issuer	The Republic of Paraguay	
Currency	PYG	USD
Format	144A/ Reg S	
International Rating	Baa3 / BB+ / BB+ (Moody's/S&P/Fitch)	
Size (mn)	PYG 4,741,842 million	USD 600 million
Maturity	March 4, 2035	March 4, 2055
Coupon	8.500%	6.650%
Yield to Maturity / Price	8.500% / 100.00	6.650% / 100.00
Spread vs. UST	N/A	T+208bps
Amortization	Bullet	Two equal installments on March 4, 2054 and at Maturity
Payment of Interest	Semi-annually commencing on September 4, 2025	
Currency of Payment	USD	USD
Use of Proceeds	General purposes of the government, including the repurchase of Paraguay's USD 5.000% Notes due 2026 & USD 4.700% Notes due 2027	
Applicable Law	New York	
Listing	Luxembourg Stock Exchange	
Joint Bookrunner	Itaú BBA	

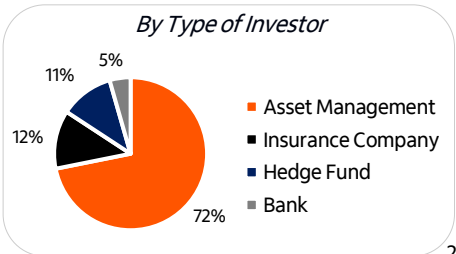
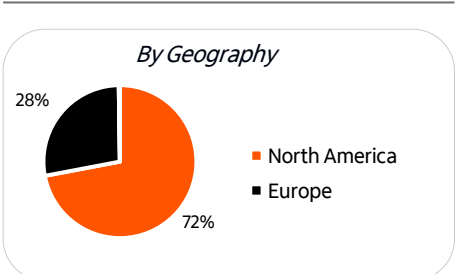
Deal Orderbook Progression (USD mn equiv. – EST)



Global PYG Tranche - Order Allocation



USD Tranche - Order Allocation



Disclaimer



IMPORTANT GENERAL DISCLOSURES

1. This report has been prepared by Banco Itaú BBA S.A., or an affiliate thereof ("Itaú BBA"), a subsidiary of Itaú Unibanco Holding S.A.. This report is being distributed (i) in the United States by Itaú BBA USA Securities Inc., a FINRA/SIPC member firm; (ii) in the United Kingdom and Europe by Itaú BBA International plc, regulated by the Financial Services Authority (FSA). Details about the extent of its authorization and regulation by the FSA are available on request; (iii) in Hong Kong by Itaú Asia Securities Limited, licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) regulated activity; and (iv) In Middle East by Itaú Middle East Limited, regulated by the Dubai Financial Services Authority (DFSA) (altogether, "Itaú Group").
2. This report is provided for informational purposes only and does not constitute or should not be construed as an offer or inducement to buy or sell or solicitation of an offer to buy or sell any financial instrument or to participate in any particular trading strategy in any jurisdiction. The information herein is believed to be reliable as of the date on which this report was issued and has been obtained from public sources believed to be reliable. Itaú Group does not make any representation or warranty, express or implied, as to the completeness, reliability or accuracy of such information, nor is this report intended to be a complete statement or summary of the investment markets or developments referred to herein. Opinions, estimates, and projections expressed herein, if any, constitute the current judgment of the professionals responsible for the substance of this report as of the date on which it was issued and are therefore subject to change without notice. Prices and availability of financial instruments are indicative only and subject to change without notice. Itaú Group has no obligation to update, modify or amend this report and inform the reader accordingly.
3. This communication is not a research report nor is any research analyst involved in its production. This communication is not subject to Instrução CVM no 483/2010. This communication is addressed only to potential issuers of financial instruments, and it is for informational purposes only and it is not an official confirmation of terms. The terms and opinions, if any, expressed may differ or be contrary to the opinions or recommendations of the investment research department of Itaú Group or the opinions expressed by other business areas or groups of Itaú Group. Itaú Group may, as principal or agent, have position in, underwrite, buy or sell, make a market in, or enter into derivatives transaction in relation to any financial instrument or assets referred to in this material. Itaú Group does not accept any liability arising from the use of this communication.
4. The individual and/or individuals responsible for the production of this communication hereby certifies that this report accurately and exclusively reflects their research and views and were prepared independently and autonomously, including from Itaú BBA. Itaú Group may have issued or may issue reports that are inconsistent with, and/or reach different conclusions from, the information presented herein. The individual or individuals responsible for the preparation of this report is not registered and/or qualified as a research analyst with the NYSE or FINRA, and is/are not associated with Itaú BBA USA Securities Inc. and, therefore, may not be subject to FINRA Rule 2711 restrictions on communications with a subject Company, public appearances and trading securities held by a research analyst account.
5. The financial instruments discussed in this report may not be suitable for all issuers and investors. This report does not take into account the objectives, financial situation or particular needs of any particular issuer or investors. Issuers and investors should obtain independent financial advice based on their own particular circumstances before making any decision based on the information contained herein. Any such decision should consider the potential currency risks involved in the financial instruments covered in this report. Past performance is not necessarily indicative of future results, and no representation or warranty, express or implied, is made herein regarding future performance. Itaú Group does not accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its content.
6. This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of Itaú BBA. Additional information on the financial instruments discussed in this report is available upon request.

Additional Note to U.S. Investors: Itaú BBA USA Securities, Inc., a FINRA/SIPC member firm, is distributing this report and accepts responsibility for the content of this report. Any US investor receiving this report and wishing to effect any transaction in any security discussed herein should do so with Itaú BBA USA Securities, Inc. 540 Madison Avenue, 23th Floor, New York, NY 10017.

Additional Note to U.K. and European Investors: The sole purpose of this material is to provide information only, and it does not constitute or should be construed as a proposal or request to enter into any financial instrument or to participate in any specific business strategy. The financial instruments discussed in this material may not be suitable for all investors, and are directed solely at Eligible Counterparties and Professionals as defined by the Financial Conduct Authority. This material does not take into consideration the objectives, financial situation or specific needs of any particular client. Clients must obtain financial, tax, legal, accounting, economic, credit and market advice on an individual basis, based on their personal characteristics and objectives, prior to making any decision based on the information contained herein.

By accessing the material, you confirm that you are aware of the laws in your jurisdiction relating to the provision and sale of financial service products. You acknowledge that this material contains proprietary information and you agree to keep this information confidential. Itaú BBA International plc (IBBAInt) exempts itself from any liability for any losses, whether direct or indirect, which may arise from the use of this material, from its content and is under no obligation to update the information contained in this document. Additionally, you confirm that you understand the risks related to the financial instruments discussed in this material. Due to international regulations not all financial instruments/services may be available to all clients. You should be aware of and observe any such restrictions when considering a potential investment decision. Past performance and forecast are not a reliable indicator of future results. The information contained herein has been obtained from internal and external sources and is believed to be reliable as of the date in which this material was issued, however IBBAInt does not make any representation or warranty as to the completeness, reliability or accuracy of information obtained by third parties or public sources. Additional information relative to the financial products discussed in this material is available upon request. Itaú BBA International plc registered office is 20th floor, 20 Primrose Street, London, United Kingdom, EC2A 2EW and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FRN 575225) – Itaú BBA International plc Lisbon Branch is regulated by Banco de Portugal for the conduct of business. Itaú BBA International plc has representative offices in France, Germany, Spain which are authorised to conduct limited activities and the business activities conducted are regulated by Banque de France, Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Banco de España respectively. For any queries please contact your relationship manager;

Additional Note to Asia Investors: This report is distributed in Hong Kong and Japan by Itaú Asia Securities Limited, which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) regulated activity. Itaú Asia Securities Limited accepts all regulatory responsibility for the content of this report. In Hong Kong, any investors wishing to purchase or otherwise deal in the securities covered in this report should contact Itaú Asia Securities Limited at 29th Floor, Two IFC, 8 Finance Street – Central, Hong Kong;

Additional Note to Middle East Investors: This report is distributed by Itaú Middle East Limited. Itaú Middle East Limited is regulated by the Dubai Financial Services Authority and is located at Suite 305, Level 3, Al Fattan Currency House, Dubai International Financial Centre, PO Box 482034, Dubai, United Arab Emirates. This material is intended only for Professional Clients (as defined by the DFSA Conduct of Business module) no other persons should act upon it.