

From: Vahe Stepanian <[REDACTED]>

To: "jeffrey E." <jeevacation@gmail.com>

CC: Daniel Sabba <[REDACTED]>, Ariane Dwyer <[REDACTED]>, Paul Morris <[REDACTED]>, Stewart Oldfield <[REDACTED]>, Richard Kahn <[REDACTED]>

Subject: Brazil CDS Unwind Recap - 1/15/2016 [C]

Date: Fri, 15 Jan 2016 20:18:21 +0000

Inline-Images: image001.gif

Classification: **Confidential**

Jeffrey – Brazil CDS recap:

BraSov default swap with SOUTHERN FINANCIAL LLC DB Buys default protection on FEDERATIVE REPUBLIC OF BRAZIL

NOTIONAL	: USD 10,000,000
TRADE DATE	: 15-Jan-2016
IM%	: None (unwind)
EFFECTIVE	: 16-Jan-2016
TERMINATION	: 20-Mar-2020
REF OB	: BRAZIL 12.25% OF 03/30 ISIN: US105756AL40
CREDIT EVENTS	: Failure to Pay, R, Repudiation/Moratorium
ISDA Definition	: 2014
SPREAD	: 462 bps per annum (COUPON: 100 bps per annum)
UPFRONT FEE	: DB Pays USD 1,311,509.00
STANDARD TRADE	: Yes
HARDWIRING	: Yes
CLEARING HOUSE	: No

Official trade confirm to follow.

Thank you,
Vahe

From: Vahe Stepanian

Sent: Friday, January 15, 2016 1:04 PM

To: 'jeffrey E.'

Cc: Daniel Sabba; Ariane Dwyer; Paul Morris; Stewart Oldfield; 'Richard Kahn'

Subject: RE: Indicative Brazil CDS Unwind Level [C]

Classification: **Confidential**

Jeffrey – you're done on the Brazil CDS unwind at 462.

We will be back shortly with the trade recap.

Thank you,
Vahe

From: Vahe Stepanian

Sent: Friday, January 15, 2016 8:34 AM

To: 'jeffrey E.'

Cc: Daniel Sabba; Ariane Dwyer; Paul Morris; Stewart Oldfield; 'Richard Kahn'
Subject: RE: Indicative Brazil CDS Unwind Level [C]

Classification: **Confidential**

Jeffrey – received. We will leave an order with the trader to unwind at 462, good for the day.

Thank you,
Vahe

From: jeffrey E. [<mailto:jeevacation@gmail.com>]
Sent: Friday, January 15, 2016 8:30 AM
To: Vahe Stepanian; Richard Kahn
Subject: Re: Indicative Brazil CDS Unwind Level [C]

unwind at 462 bp

On Fri, Jan 15, 2016 at 8:25 AM, Vahe Stepanian <[REDACTED]> wrote:

Classification: **Confidential**

Jeffrey – Rich requested refreshed unwind levels this morning for (1) Brazil CDS, (2) GE preferred and (3) JPYKRW forward.

Indicatively, this morning DB's bid for your Brazil CDS protection is 452bps p.a. (Offer is 467bps p.a.) Bid equals an unwind fee payment by DB of \$1,278,512. Recall you paid 491,941 to enter the trade. Original unofficial details are included below.

I will be back to you on items (2) and (3).

Thank you,
Vahe

From: Vahe Stepanian
Sent: Thursday, January 14, 2016 12:50 PM
To: 'jeffrey E.'
Cc: Daniel Sabba; Ariane Dwyer; Paul Morris; Stewart Oldfield; 'Richard Kahn'
Subject: Indicative Brazil CDS Unwind Level [C]

Classification: **Confidential**

Jeffrey – per Rich's request, please find an indicative level below to unwind your Brazil CDS protection. We will follow up with separate emails for (1) GE Bond and (2) JPYKRW.

DB's bid for your Brazil CDS protection is 445bps p.a. This equals an unwind fee payment by DB of \$1,256,044. Recall you paid 491,941 to enter the trade.

Original unofficial trade details:

BraSov default swap with SOUTHERN FINANCIAL LLC DB Sells default protection on FEDERATIVE
REPUBLIC OF BRAZIL

NOTIONAL	: USD 10,000,000
TRADE DATE	: 13-Jan-2015
IM%	: 1
EFFECTIVE	: 14-Jan-2015
TERMINATION	: 20-Mar-2020
REF OB	: BRAZIL 12.25% OF 03/30 ISIN: US105756AL40
CREDIT EVENTS	: Failure to Pay, R, Repudiation/Moratorium
ISDA Definition	: 2014

PRICE : 205 bps per annum (COUPON: 100 bps per annum)
 UPFRONT FEE : DB Receive USD 491,941
 STANDARD TRADE : Yes
 HARDWIRING : Yes
 CLEARING HOUSE : No

Trade details:

Deal Information				Spreads																							
Reference:	FEDERATIVE REPUBLIC OF BRAZIL			Curve date:	13-Jan-2015																						
Counterparty:	SOUTHERN FINANCIAL LLC			Benchmark:	USD																						
Business days:	LDN, NYC			<input checked="" type="checkbox"/> Use flat curve																							
Business days adj:	Following	Buy/Sell:	Sell																								
Notional:	USD 10mm																										
Effective date:	14-Jan-2015																										
Maturity date:	20-Mar-2020	Day count:	A/360																								
Payment freq:	Quarterly																										
Pay accrued:	True																										
Curve recovery:	True																										
Recovery rate:	0.25																										
Deal rate:	100																										
Calculator																											
Valuation date:	13-Jan-2015																										
Cash settled on:	16-Jan-2015																										
Price:	95.01670000	Repl sprd:	205																								
Principal:	498,330.00	Sprd DV01:	-4,576.8268824283	Frequency:	Q																						
Accrued:	-6,389.00	Days:	23	Day count:	A/360																						
Market Val:	491,941	IR DV01:	-129.8125752157	Recovery rate:	0.4																						
				<table border="1"> <thead> <tr> <th>Date</th> <th>Spread (bps)</th> </tr> </thead> <tbody> <tr><td>20-Sep-2015</td><td>205.00</td></tr> <tr><td>20-Mar-2016</td><td>205.00</td></tr> <tr><td>20-Mar-2017</td><td>205.00</td></tr> <tr><td>20-Mar-2018</td><td>205.00</td></tr> <tr><td>20-Mar-2019</td><td>205.00</td></tr> <tr><td>20-Mar-2020</td><td>205.00</td></tr> <tr><td>20-Mar-2022</td><td>205.00</td></tr> <tr><td>20-Mar-2025</td><td>205.00</td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> </tbody> </table>		Date	Spread (bps)	20-Sep-2015	205.00	20-Mar-2016	205.00	20-Mar-2017	205.00	20-Mar-2018	205.00	20-Mar-2019	205.00	20-Mar-2020	205.00	20-Mar-2022	205.00	20-Mar-2025	205.00				
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20-Mar-2025	205.00																										

Thank you,
 Vahe

Vahe Stepanian
 Assistant Vice President | Key Client Partners
 Deutsche Bank Securities Inc.
 Tel. [REDACTED]
 Mobile: [REDACTED]
 Email [REDACTED]

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