

## The Brazilian Development Bank

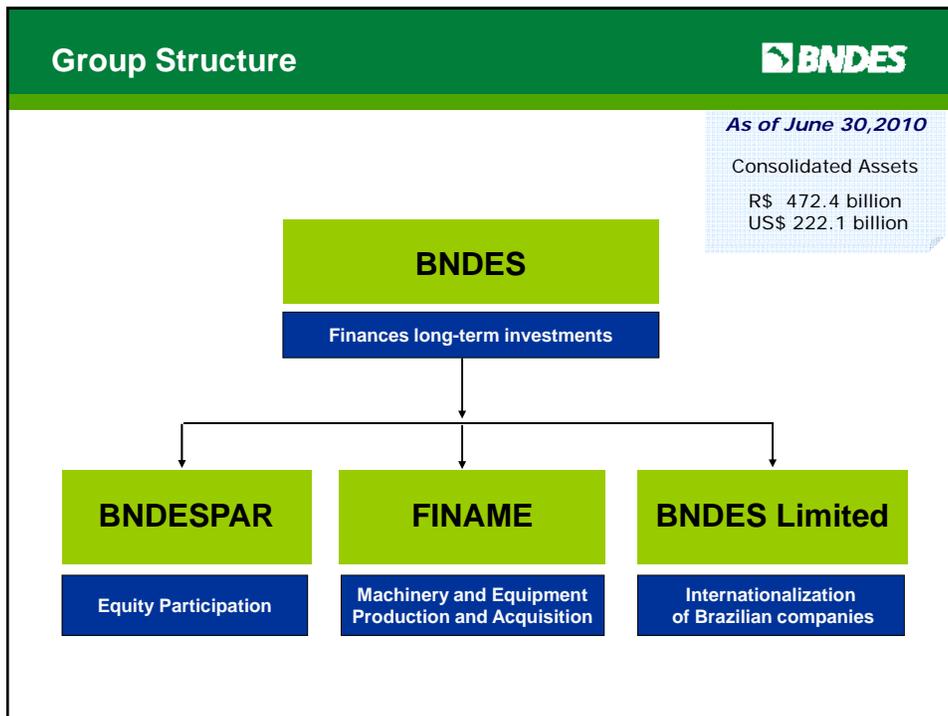
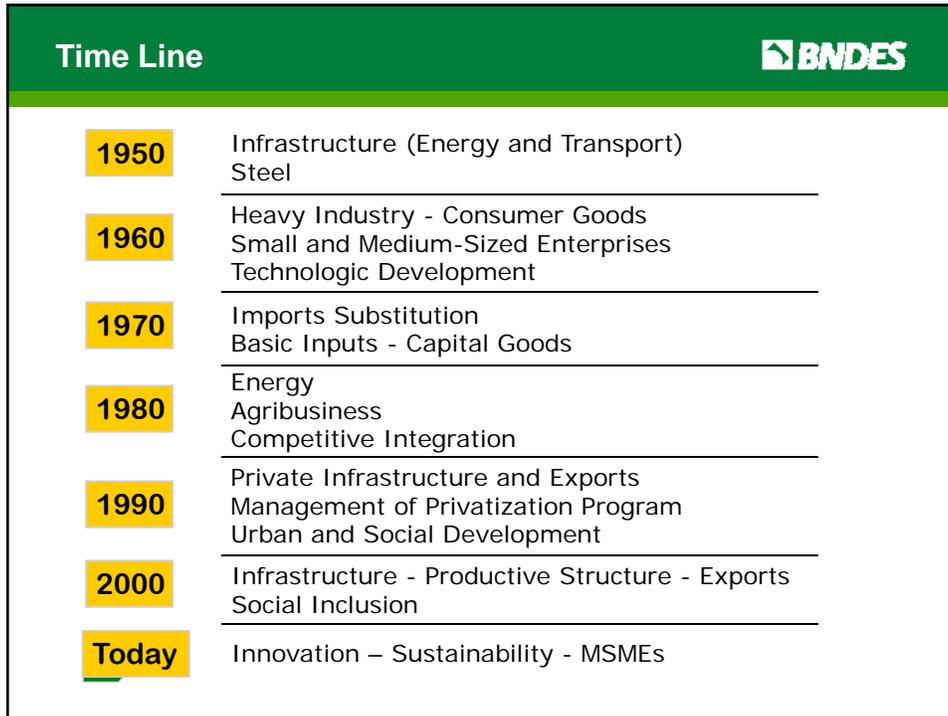
March 2011



### BNDES Highlights



- Founded on June 20th, 1952
- 100% state-owned company under private law
- Key instrument for implementation of Federal Government's industrial and infrastructure policies
- Main provider of long-term financing in Brazil
- Emphasis on financing investment projects
- Support to micro, small and medium-sized companies
- Brazilian Export Bank

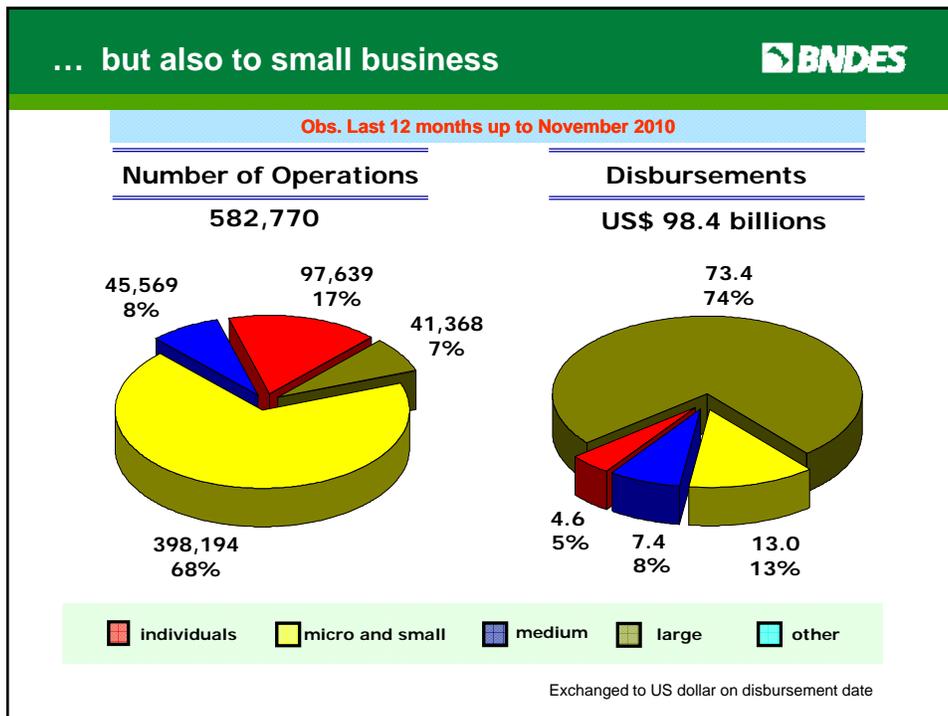
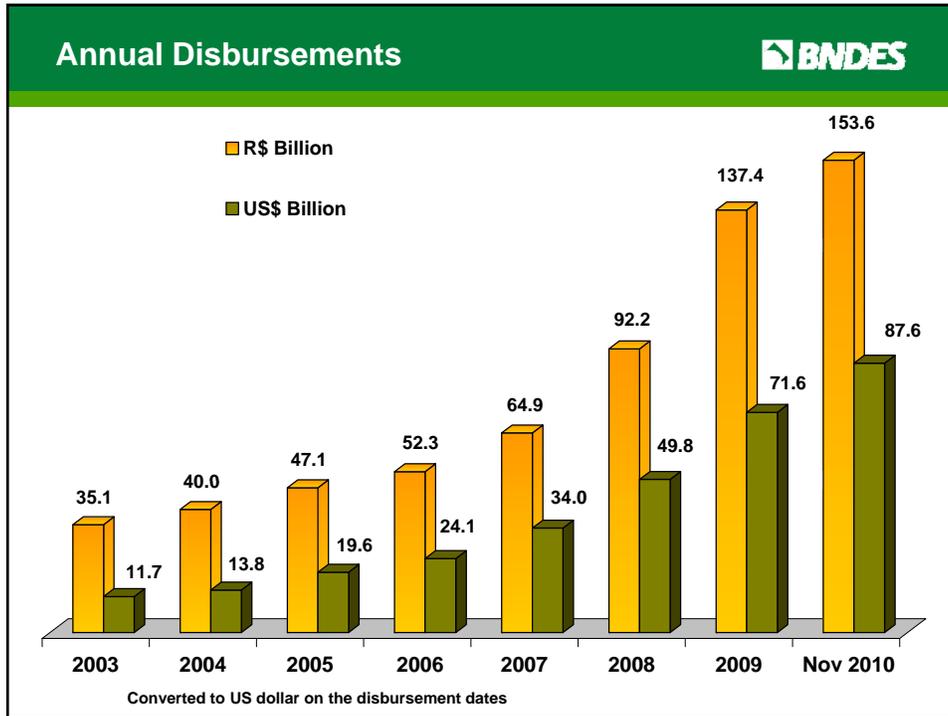


## Who can apply for BNDES' financing

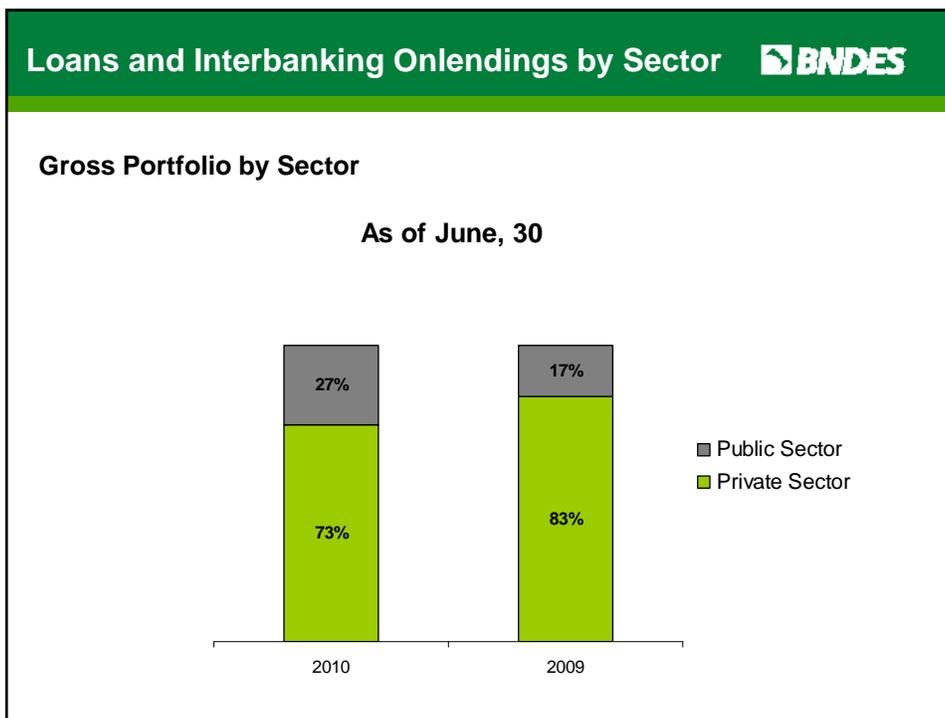
- Legal Entities**  
Established in Brazil
  - Agro-business, industry, trade and service enterprises
  - Cooperatives or associations
  - NGOs Civil Societies or Foundations
- Brazilian Private Individuals**
  - Rural Producer
  - Truckers
  - Micro-entrepreneur
- Brazilian Public Administration**
  - Municipal
  - State
  - Federal

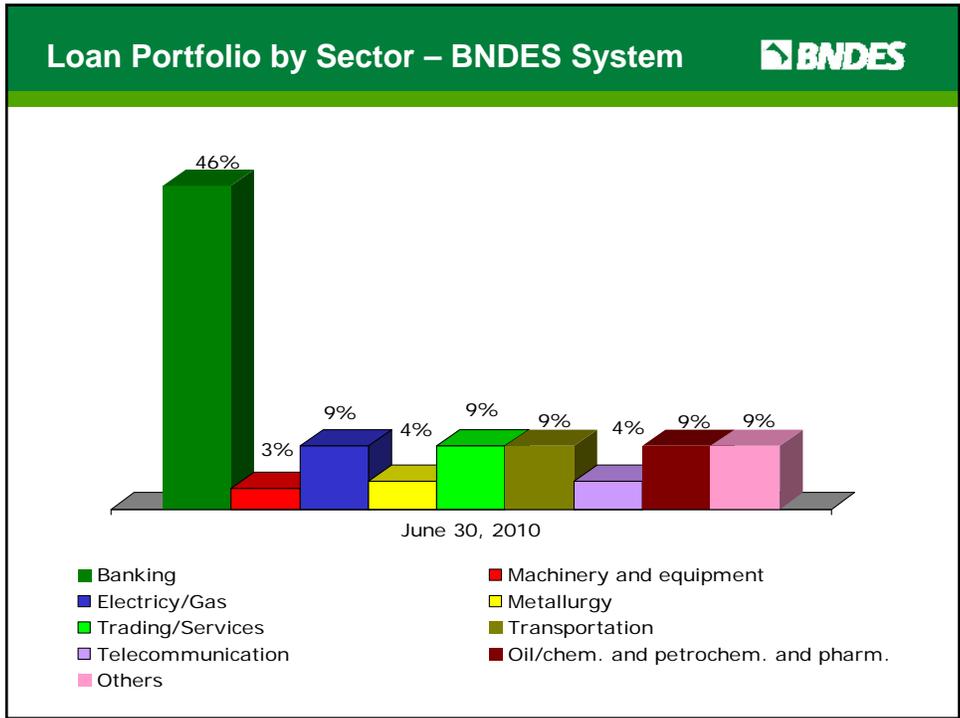
## BNDES' Interest rate - Direct Operation

|                            |   |  |
|----------------------------|---|--|
| <b>Financial Cost</b>      | ▶ | Funding Cost <ul style="list-style-type: none"><li>• TJLP</li><li>• TJ-462</li><li>• Currency Basket</li><li>• LIBOR</li></ul> |
| +                          |   |  |
| <b>BNDES Basic Spread</b>  | ▶ | Margin to cover operational expenses<br><b>0.0 – 2.5% p.a.</b><br>(0,9% p.a. for SMEs)   |
| +                          |   |  |
| <b>Credit Risk Rate</b>    | ▶ | Margin to cover non-performing loans<br><b>0.0 – 3.57% p.a.</b>  |
| =                          |   |  |
| <b>Total Interest Rate</b> |   |  |



| Balance Sheet – BNDES System |                          | R\$ billion  |              |              |              |
|------------------------------|--------------------------|--------------|--------------|--------------|--------------|
|                              |                          | Jun-10       | 2009         | 2008         | 2007         |
| <b>ASSETS</b>                | Cash and Equivalents     | 1.6          | 2.0          | 6.9          | 0.0          |
|                              | Marketable Securities    | 106.4        | 54.3         | 22.9         | 13.8         |
|                              | Loans                    | 317.0        | 283.7        | 216.0        | 164.5        |
|                              | Investments              | 33.4         | 33.9         | 25.3         | 19.0         |
|                              | Others                   | 14.0         | 12.7         | 6.2          | 5.4          |
| <b>TOTAL ASSETS</b>          |                          | <b>472.4</b> | <b>386.6</b> | <b>277.3</b> | <b>202.7</b> |
| <b>LIABILITIES</b>           | FAT                      | 127.2        | 122.5        | 116.6        | 105.9        |
|                              | PIS/PASEP                | 30.3         | 30.0         |              |              |
|                              | National Treasury        | 228.1        | 144.2        | 43.2         | 13.9         |
|                              | International Borrowings | 17.9         | 16.5         | 17.5         | 12.1         |
|                              | FGTS                     | 5.6          | 5.8          | 6.1          | -            |
|                              | FI-FGTS                  | 6.9          | 7.0          | 7.0          | -            |
|                              | Money Market Funding     | 10.0         | 13.7         | 8.4          | -            |
|                              | Debentures               | 3.8          | 3.6          | 2.3          | 2.0          |
|                              | Others                   | 12.1         | 15.8         | 50.9         | 43.8         |
| Shareholders' Equity         | 30.6                     | 27.6         | 25.3         | 24.9         |              |
| <b>TOTAL LIABILITIES</b>     |                          | <b>472.4</b> | <b>386.6</b> | <b>277.3</b> | <b>202.7</b> |





### Foreign Debt Securities - Ratings BNDES

|         | Global Foreign Currency Issuer Rating |          | Global Local Currency Issuer Rating |         |
|---------|---------------------------------------|----------|-------------------------------------|---------|
|         | Rating                                | Outlook  | Rating                              | Outlook |
| Moody's | Baa2                                  | Positive | A3                                  | Stable  |
| S&P     | BBB-                                  | Stable   | BBB+                                | Stable  |

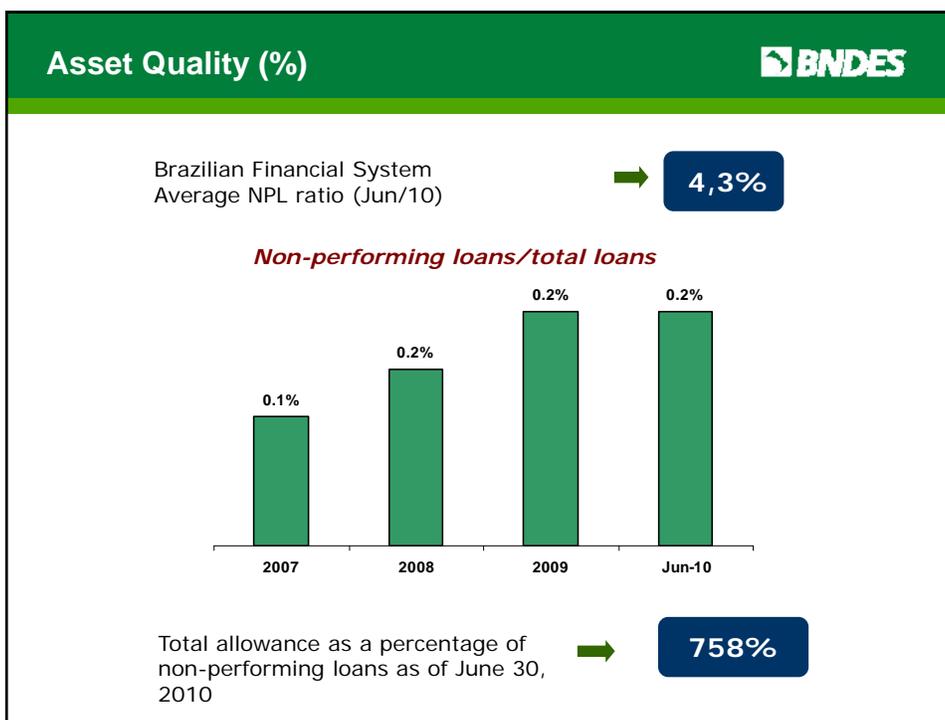
| BNDES vs. Multilateral Banks  |              |              |               |              |              |
|---|--------------|--------------|---------------|--------------|--------------|
|  |              |              |               |              |              |
| US\$ million  | BNDES        | IDB          | IBRD          | CAF          | China DB     |
|   | Dec 31, 2009 | Dec 31, 2009 | Jun 30, 2009* | Dec 31, 2009 | Dec 31, 2009 |
| Total Assets  | 222,050      | 84,006       | 275,420       | 15,887       | 665,168      |
| Shareholders' Equity  | 15,867       | 20,674       | 40,037        | 5,287        | 55,471       |
| Net Income  | 3,868        | 794          | 3,114         | 235          | 4,673        |
| Loan Disbursements  | 78,910       | 11,424       | 18,564        | 4,584        | 92,998       |
| Total Loans   | 162,917      | 58,049       | 105,698       | 11,687       | 543,196      |
| Capitalization  | 7.1%         | 24.6%        | 14.5%         | 31.9%        | 8.3%         |
| ROA   | 2.3%         | 1.0%         | 2.4%          | 2.4%         | 0.8%         |
| ROE   | 29.0%        | 4.0%         | 8.0%          | 4.7%         | 8.8%         |
| Founded   | 1952         | 1959         | 1945          | 1968         | 1994         |

**IDB** = Inter-American Development Bank  
**IBRD** = The International Bank for Reconstruction and Development (World Bank)  
 (\*) Unlike other institutions, 12-month fiscal year ends June 30th  
**CAF** = Corporación Andina de Fomento  
**CDB** = China Development Bank  
**Capitalization** = Shareholders' Equity / Total Assets  
**ROA** = Return On average Assets  
**ROE** = Return On average Equity

| Ratios  |                                 |       |       |       |
|---|---------------------------------|-------|-------|-------|
|  |                                 |       |       |       |
| Ratios  | R\$ billion, except percentages |       |       |       |
|   | Jun-10                          | 2009  | 2008  | 2007  |
| Total Assets  | 472.4                           | 386.6 | 277.3 | 202.7 |
| Net Income  | 3.6                             | 6.7   | 3.1   | 0.7   |
| Shareholders' Equity  | 30.6                            | 27.6  | 25.3  | 24.9  |
| ROE (%) <sup>1/</sup>   | 12.3                            | 25.5  | 21.2  | 33.2  |
| ROA (%) <sup>2/</sup>   | 0.83                            | 2.0   | 2.2   | 3.8   |
| NIM (%) <sup>3/</sup>   | 0.71                            | 2.2   | 2.0   | 3.0   |
| BIS Ratio (%) <sup>4/</sup>   | 17.12                           | 17.58 | 17.67 | 26.73 |

<sup>1/</sup> Average Shareholders' Equity = (E<sub>current year</sub> + E<sub>previous year</sub>)/2  
<sup>2/</sup> Average Asset = (A<sub>current year</sub> + A<sub>previous year</sub>)/2  
<sup>3/</sup> NIM is the net income interest (interest income minus interest expenses) divided by average interest-earning assets.  
<sup>4/</sup> Central Bank of Brazil requires 11% as a minimum percentage.

| Asset Quality (%)                        |        | BNDES  |        |        |  |
|--|--------|--------|--------|--------|--|
|  | Jun-10 | 2009   | 2008   | 2007   |  |
| Loans, net of allowance/Total Assets     | 67.10% | 73.37% | 77.89% | 81.19% |  |
| Nonperforming loans/Total Loans          | 0.20%  | 0.20%  | 0.15%  | 0.11%  |  |
| Allowance for losses/Total Loans         | 1.54%  | 1.61%  | 2.07%  | 2.51%  |  |
| Allowance for losses/Nonperforming Loans | 7.58   | 8.05   | 13.89  | 23.34  |  |



BNDES

## The Amazon Fund

The BNDES manages the Amazon Fund, which raises funds to preserve and promote the forest's sustainable development.



The main objective of the Fund is to collect donations for non-reimbursable investments . These efforts aim to prevent and combat deforestation (reducing the CO2 emissions), as well as to promote the conservation and the sustainable use of the Amazonian biomass.

|      |                  |     |      |                  |
|------|------------------|-----|------|------------------|
| 2009 | R\$ 70.3 million | Nov | 2010 | R\$ 51.3 million |
|------|------------------|-----|------|------------------|

## The Brazilian Development Bank

BNDES

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Brazilian development bank

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**News**

06/17/2010  
**BNDES approves US\$ 745.9 million in financing for ship building**  
 The board of directors of the Brazilian Development Bank (BNDES) approved a loan, in Brazilian reais, equivalent to US\$ 745.9 million for the Companhia Brasileira de Offshore (CBO).

06/16/2010  
**BNDES finances exports of buses for the World Cup**  
 The BNDES financed the export of 143 Brazilian buses for the city of Johannesburg, in South Africa, as part of the World Cup Organizer Committee project to implement a fast public transportation system, the Bus Rapid Transit (BRT).

06/11/2010  
**BNDES develops support program for the plastic production chain**  
 The BNDES approved the creation of a specific financing program for the transformed plastics industry. It refers to the Support Program for the Development of the Plastic Production Chain (BNDES Proplastic), which aims at modernizing the companies in the sector, with an increase in the production of plastics and their byproducts, equipment and templates/loyes for the segment, in addition to the improvement of the quality and productivity standards of the companies installed in the country.

» see all the news

**Highlights**

www.bndes.gov.br/english



**Thank you!**

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Corporate Customer Service**

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[www.bndes.gov.br/english/](http://www.bndes.gov.br/english/)**