

Financing Infrastructure in Brazil

New York, June 29, 2015

LUCIANO COUTINHO



Ministério do
Desenvolvimento, Indústria
e Comércio Exterior

GOVERNO FEDERAL
BRASIL
PÁTRIA EDUCADORA

2015-2018 Infrastructure investment prospects



// 2

Sectors - US\$ billion*	2010-13	2015-18	Total % Change
TELECOMS	48.1	57.9	20.4
ENERGY	84.7	89.4	5.5
SANITATION	18.7	16.6	-11.4
URBAN MOBILITY	5.5	21.3	284.6
HIGHWAYS	28.5	27.2	-4.5
RAILWAYS	10.6	12.3	16.0
PORTS	6.8	17.0	150.0
AIRPORTS	5.1	6.8	33.3
Total	207.7	248.5	19.7

Source: BNDES, June 2015

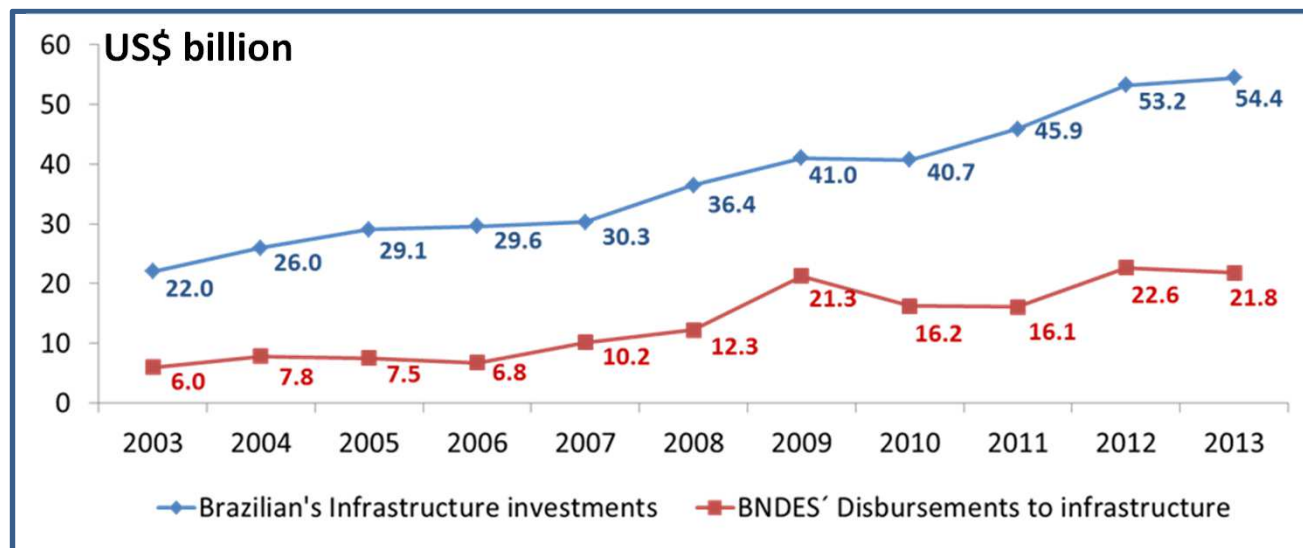
*Exchange rate: US\$ 1 = R\$ 2.35 (2014 average)

Financing infrastructure at BNDES



// 3

Infrastructure investments & BNDES disbursements

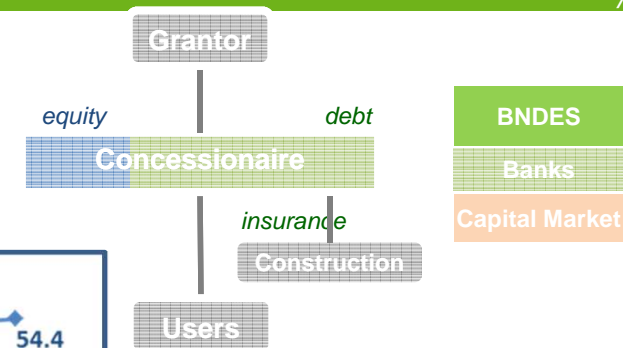


Sources: IBGE and BNDES

2003-2014: Projects supported by BNDES (0 default)

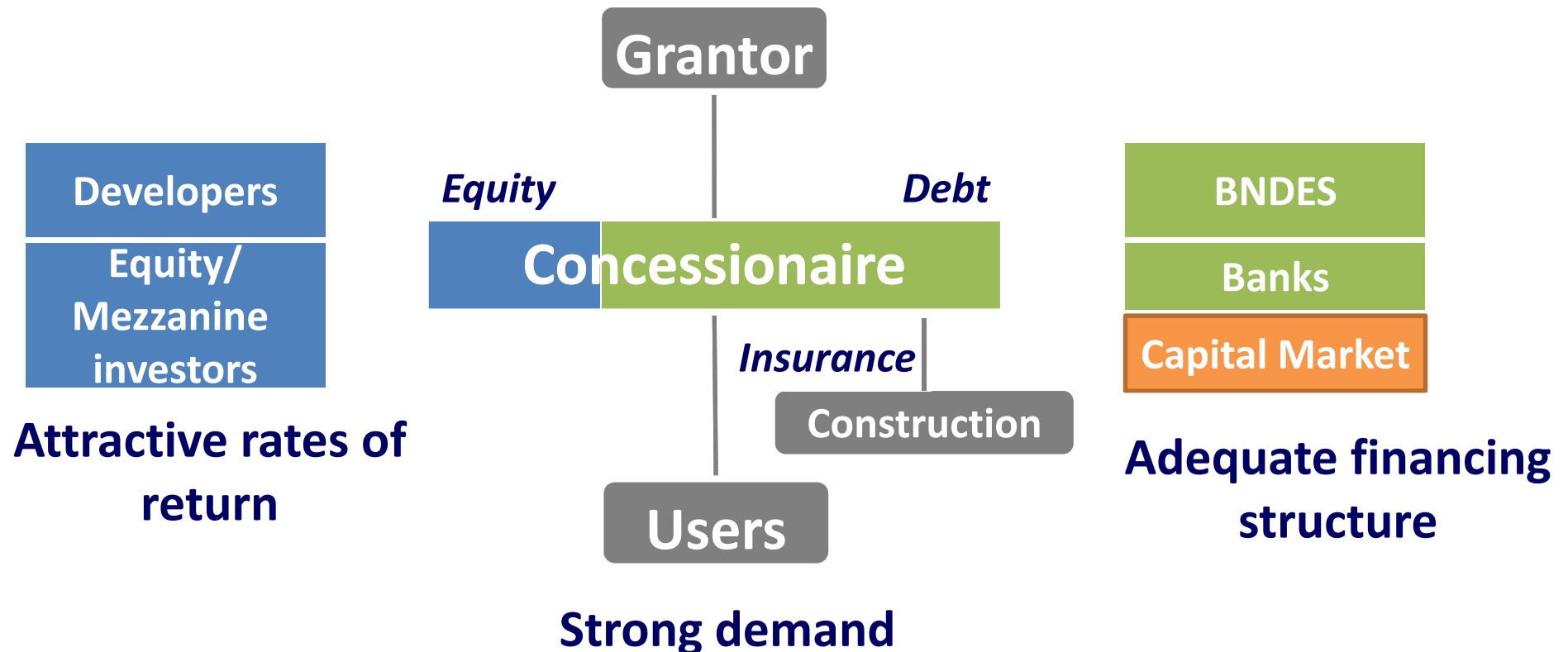
Sector	N. projects	Financing (R\$ bn)	Investments (R\$ bn)
Transport	194	63	139
Energy	492	152	262

Source: BNDES



Framework conditions for infrastructure financing

Adequate risk allocation and a balanced structure of collaterals

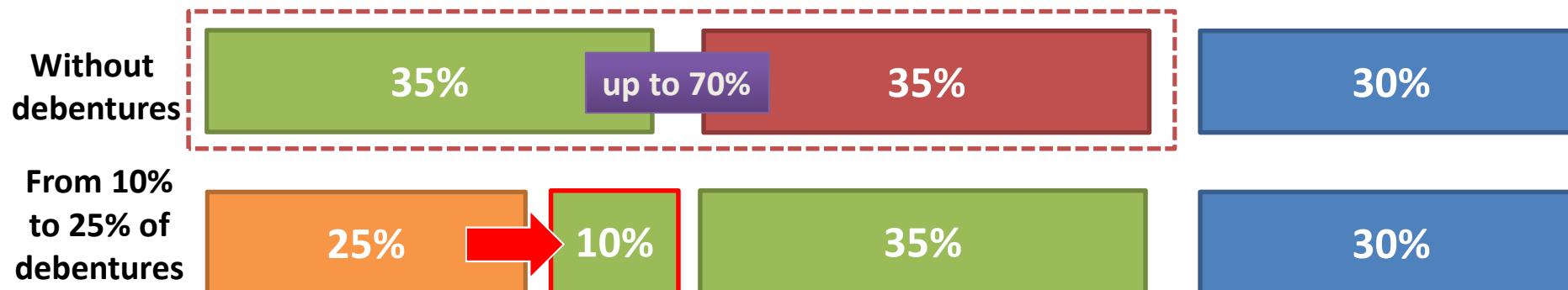


2015 enhanced financing conditions: all in costs reduced up to 200 bps

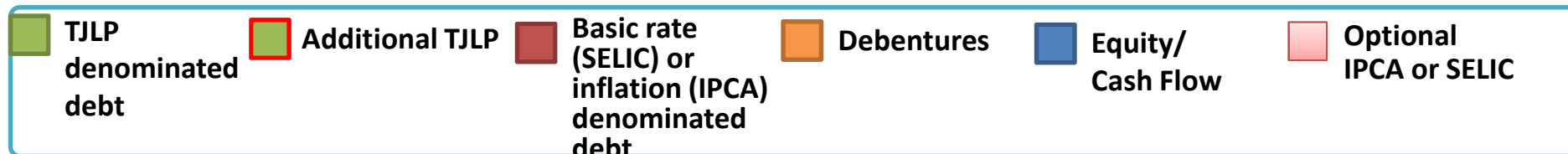
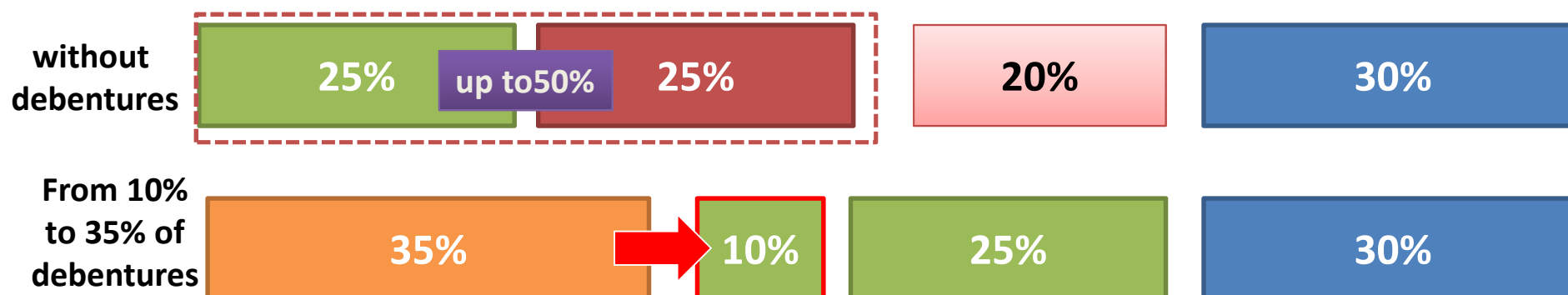


// 5

TOLL ROADS



PORTS

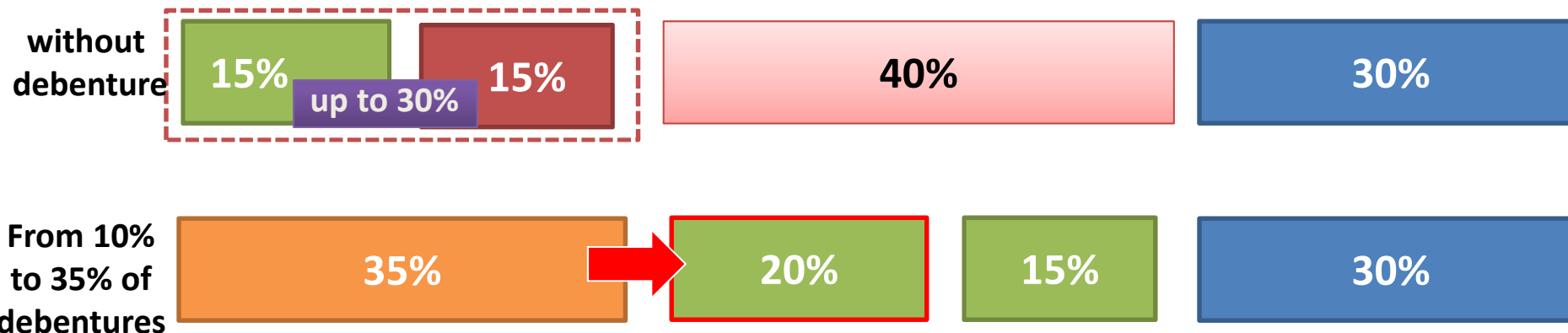


2015 enhanced financing conditions: all in costs reduced up to 200 bps

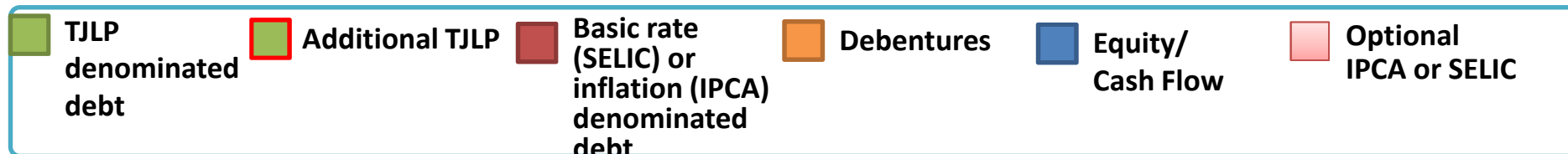


// 6

AIRPORTS

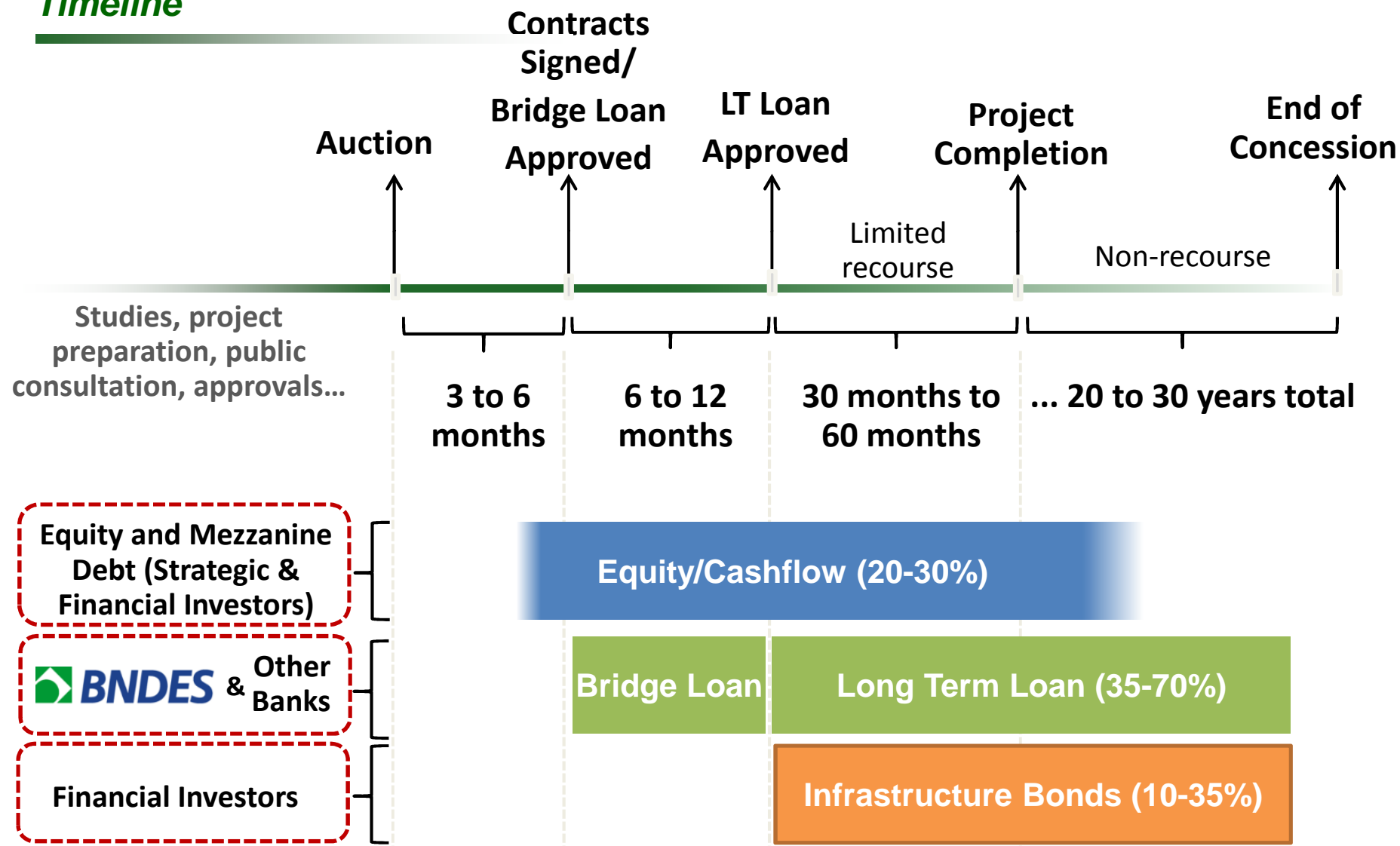


RAILWAYS



Typical project finance timeline

Timeline



- With bond issuance
 - Shared guarantees
 - Cross-default
 - Amortization curve to be based on French Amortization System (Price Table) instead of Constant Amortization System
 - Increased TJLP participation
- With partners insurance companies, working on a guarantee on demand

- The years to come will offer low risk, steady and adequate returns to private investors in Brazil
- As in its 63 years of experience, BNDES will maintain total commitment to support infrastructure
- 2015: BNDES proposes innovations to engage in the private finance industry and capital markets
 - Cost reduction in finance conditions
 - Credit enhancement mechanisms

Financing Infrastructure in Brazil

New York, June 29, 2015

LUCIANO COUTINHO



Ministério do
Desenvolvimento, Indústria
e Comércio Exterior

GOVERNO FEDERAL
BRASIL
PÁTRIA EDUCADORA