



The Brazilian Development Bank



BNDES

**Brazil-Germany Conference on Infrastructure
and Logistic Investments**

Demian Fiocca

Vice President – BNDES - Frankfurt – January 2006



Highlights of BNDES



- Created June 20, 1952
- 100% owned by the Federal Government
- Key instrument for implementation of Federal Government industrial and infrastructure policies
- Main provider of long-term financing in Brazil
- Brazilian Export Bank
- Equity investor through BNDESPAR

Key Financial Data

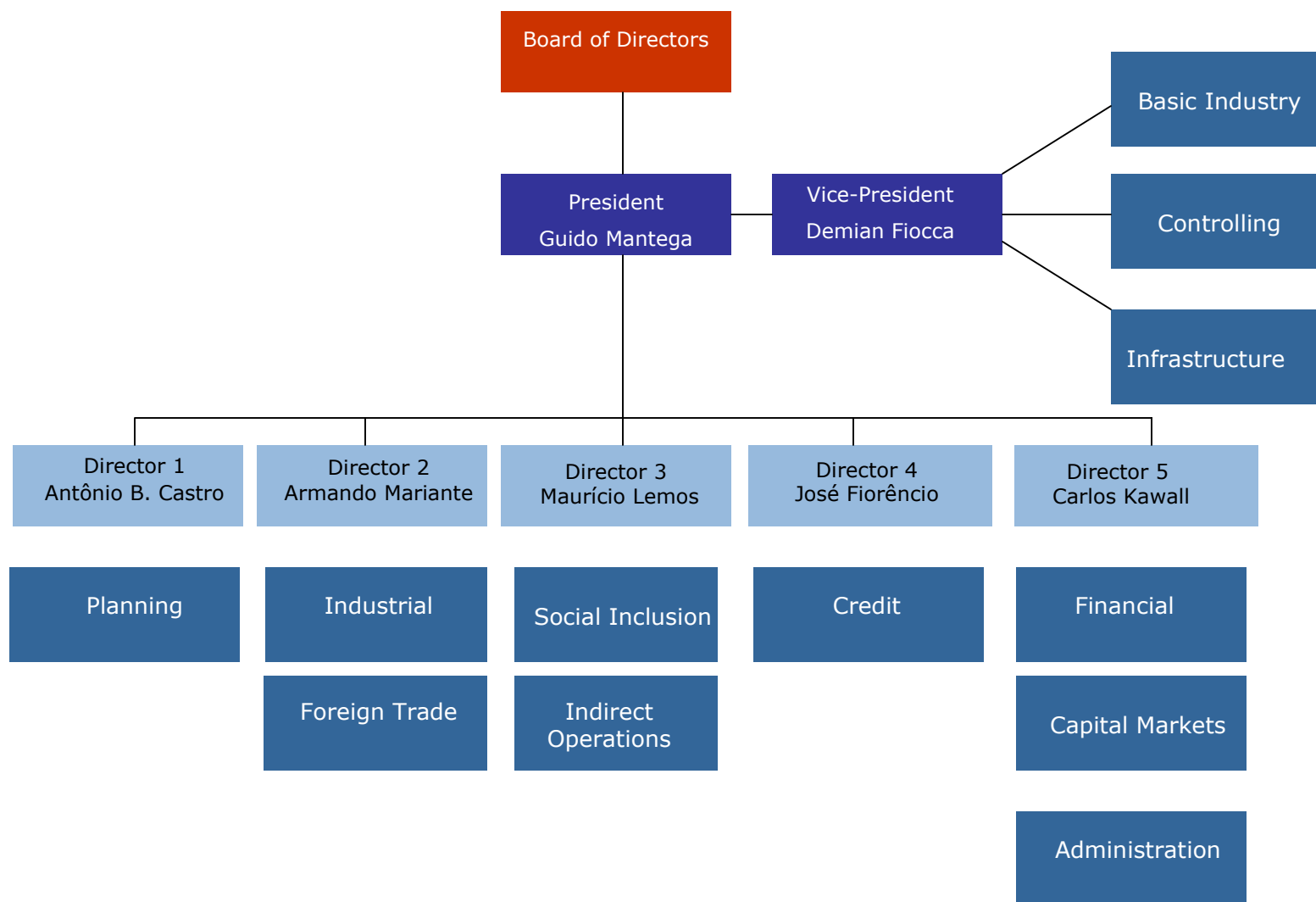
US\$ million

	BNDES (31/12/04)	IDB (31/12/04)	World Bank (31/12/04)
Net Assets	52,653	67,346	229,213
Shareholders' Equity	4,450	18,511	35,463
Net Income	337	1,176	(2,404)
Disbursements	13,748	3,768	10,024
Capitalization	8,45%	24.56%	15.47%
ROA	0.71%	3.57%	-1.04%
ROE	8.23%	15.33%	3.36%
Non performing Loans	3.00%*	0.47%	0.59%

* 5 years average:0,6%



BNDES - Organizational Chart





BNDES Funding

FAT - Workers Assistance Fund

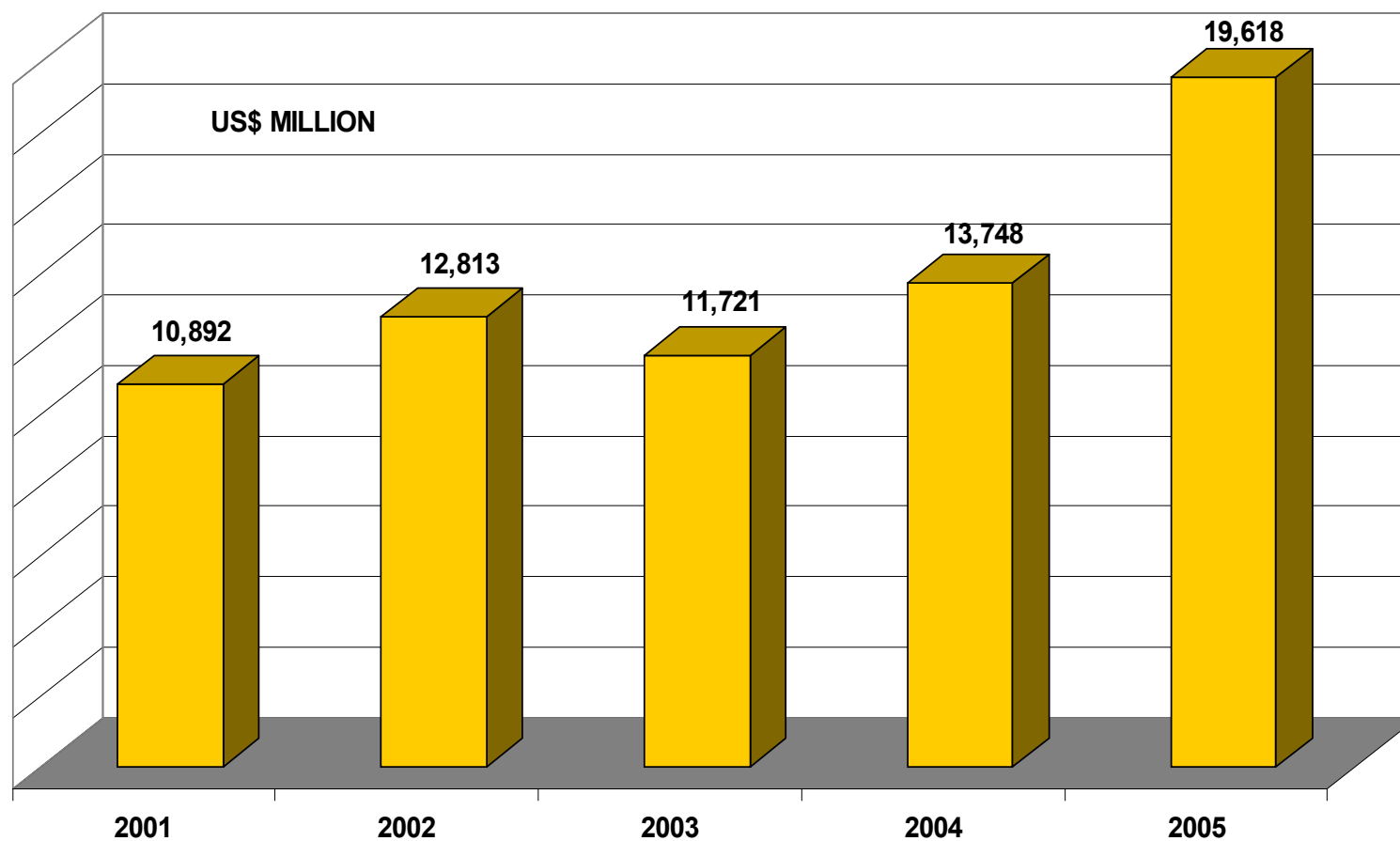
- Government-established fund composed of compulsory contributions deduced from net operating revenues
- Permanent financing (quasi-equity)
- Independent of Federal Budget
- Remunerated at TJLP (Long Term Interest Rate)
- At least 40% of annual revenues of FAT are transferred to the BNDES (Constitutional FAT)

Foreign Funding

- Government Agencies and Multilateral Institutions: IDB, JBIC, World Bank, KfW etc.
- Bonds, Loans, Structured Notes (ABS)



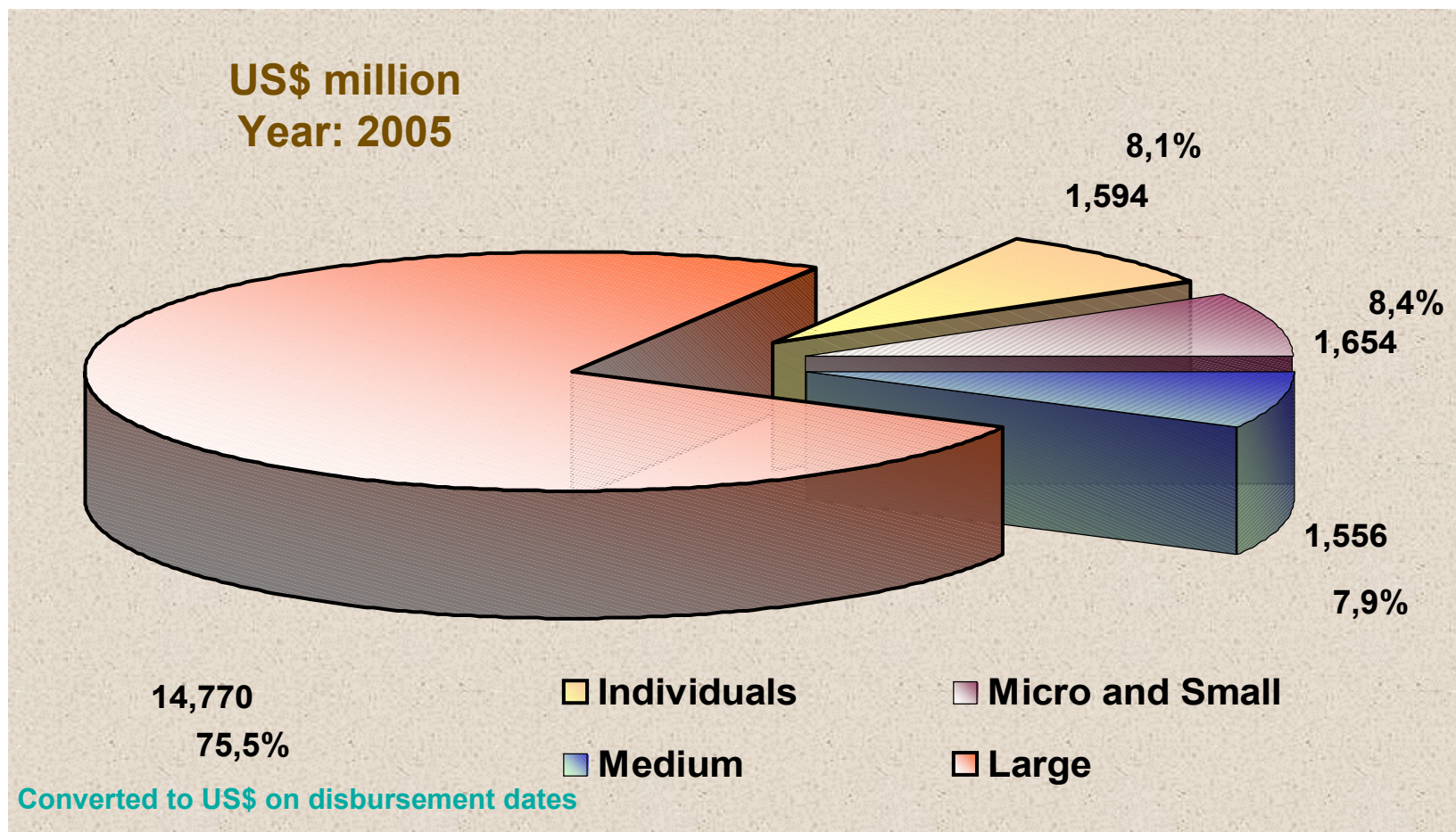
Disbursements



Converted to US\$ on disbursement dates

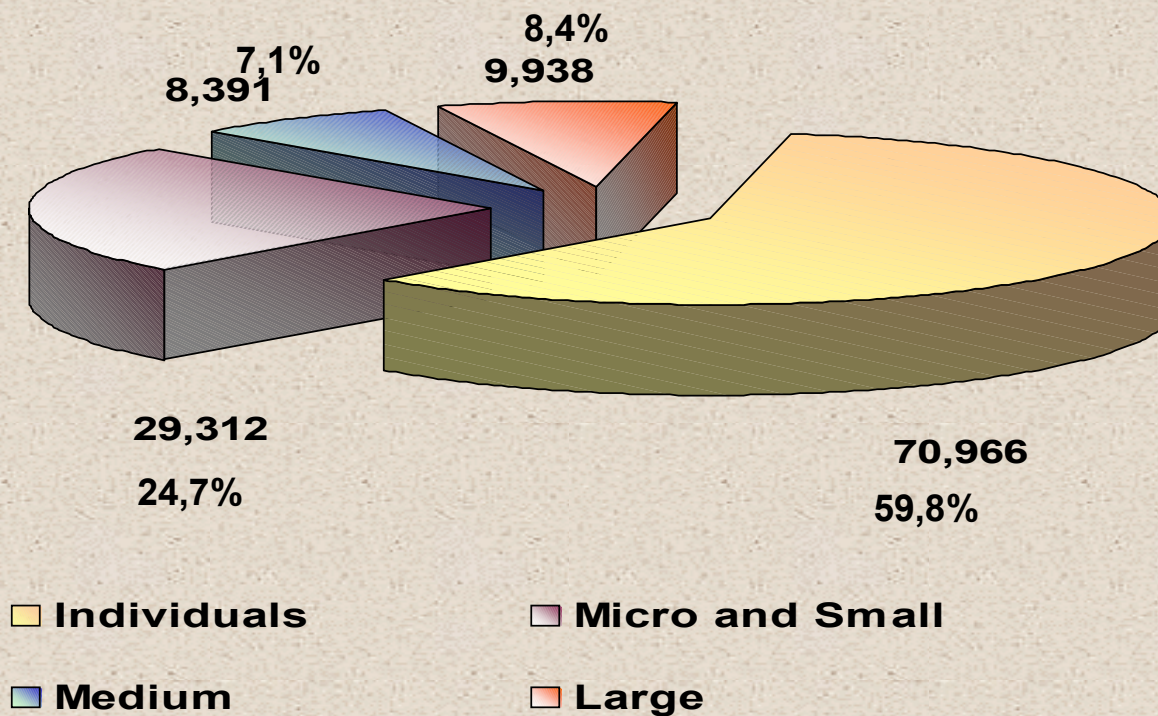


BNDES Disbursements by Company Size

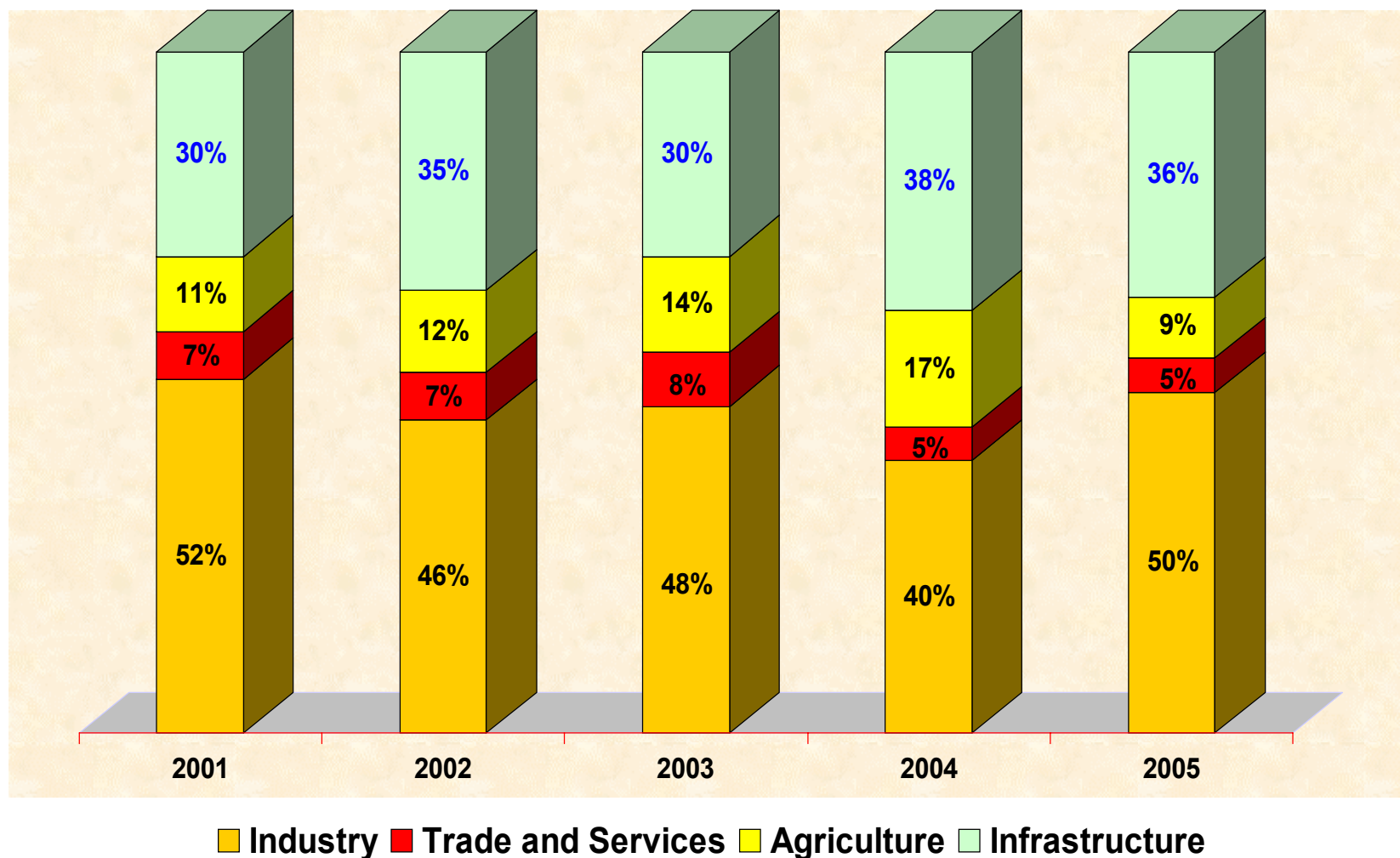


Number of Operations:

Year: 2005

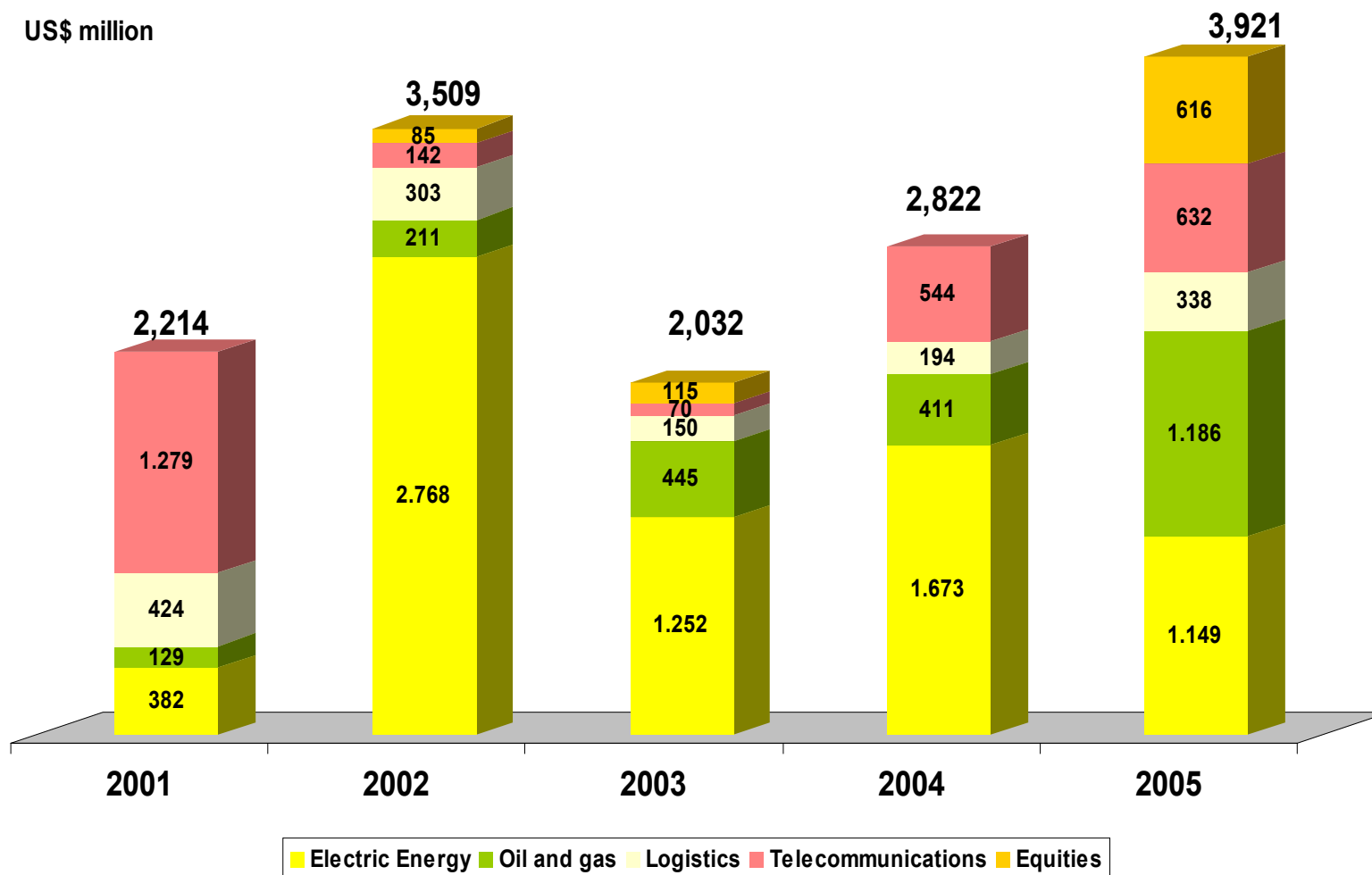


BNDES Disbursements According to Sectors of Activity



BNDES: Infrastructure Disbursements

US\$ million



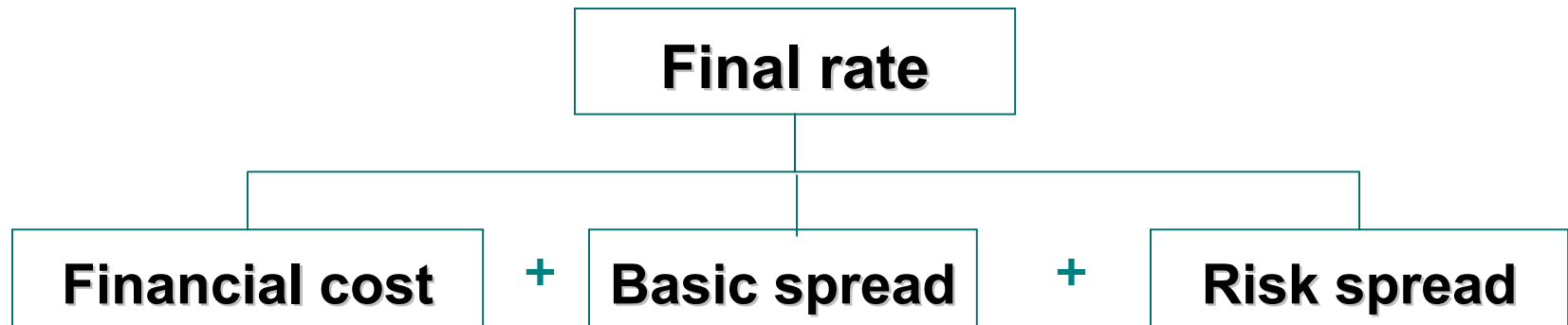


CREDIT LINES:

- ✦ **Power Generation (Hydro and Thermo)**
- ✦ **Transmission Lines**
- ✦ **Distribution Utilities**
- ✦ **Oil and Natural Gas (upstream and downstream)**
- ✦ **Renewable Energy Sources**
- ✦ **Railways**
- ✦ **Roads**
- ✦ **Ports**
- ✦ **Acquisition of Airplanes, Locomotives, Wagons**
- ✦ **Telecommunications**



- ❖ Credit and Eligibility Committee
- ❖ No foreign capital discrimination
- ❖ All loans require collateral and repayment capacity
- ❖ Lending directly or through financial intermediaries (totalling 84 banks in 2005), which bear the final credit risk.



BNDES Financial Cost: TJLP (Long-Term Interest Rate)

Basic spread: from 0% to 3% per year

**Risk spread: from 0.8% to 1.8% per year (direct operations)
or 0.5% financial institutions spread (on lending operations)**

Amortization Schedule: 5 to 15 years;

Collaterals:

- **Pledge on company's shares; Concession Rights Pledge; Company receivables; Corporate or Banking Guarantees; Mortgage.**



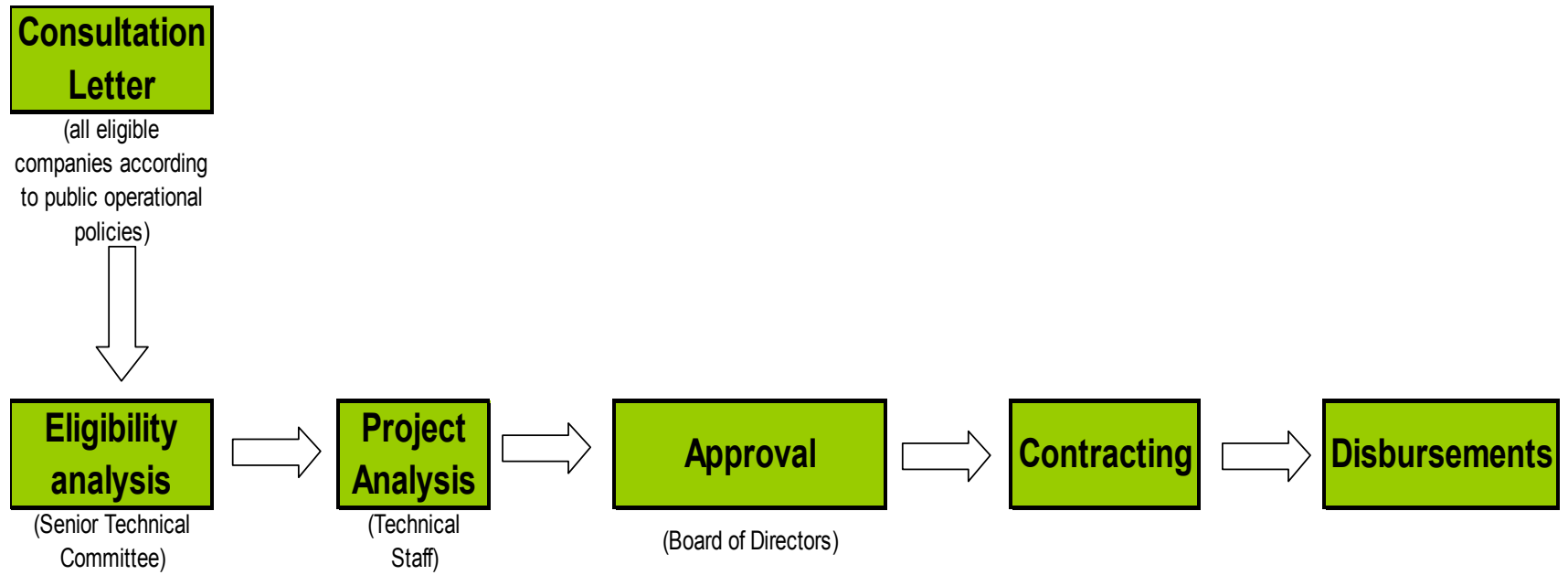
BNDES Interest Rate

Funding to projects with revenues on foreign currency:

- 85% TJLP**
- 15% Currency Basket (Average Cost of funding on Foreign Currency)**



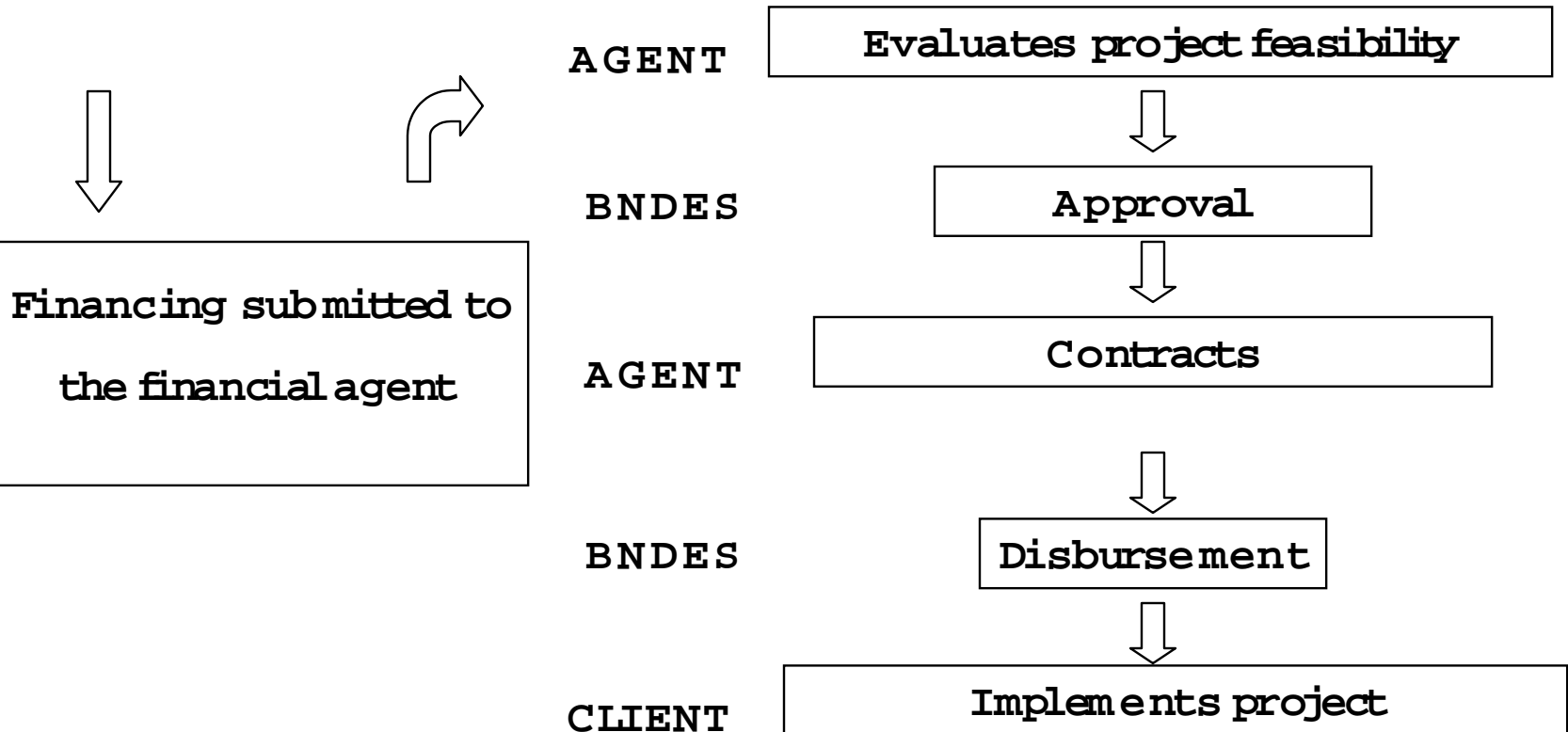
Flow of Direct Operations



The consultation-letter is the first step to obtain a financing with BNDES.

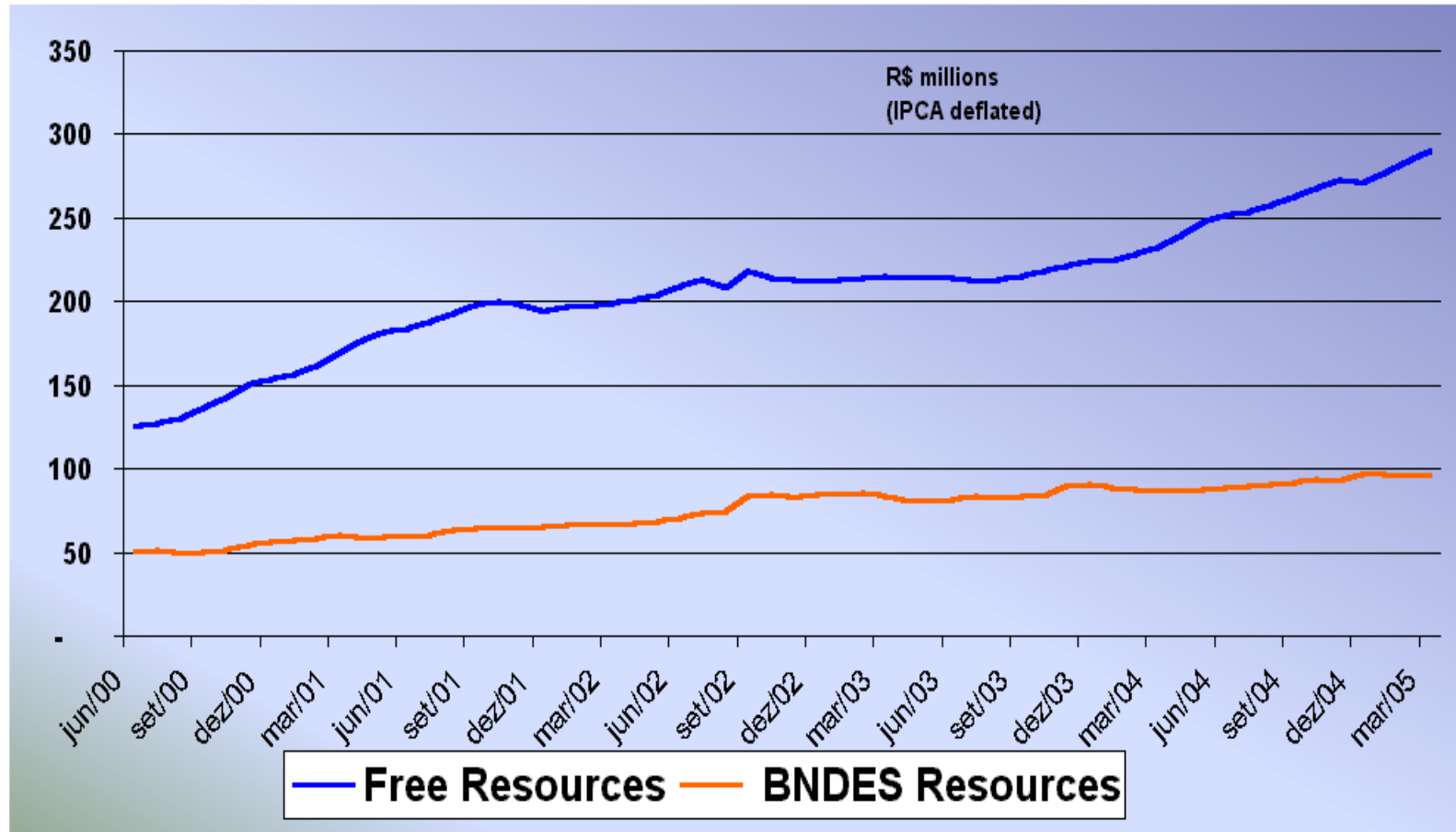
It specifies the basic characteristics of the company and project, necessary for the framing of the operations with the Operational Policies of BNDES.

Financing of projects up to US\$ 4,3 million



BNDES and the Credit Market

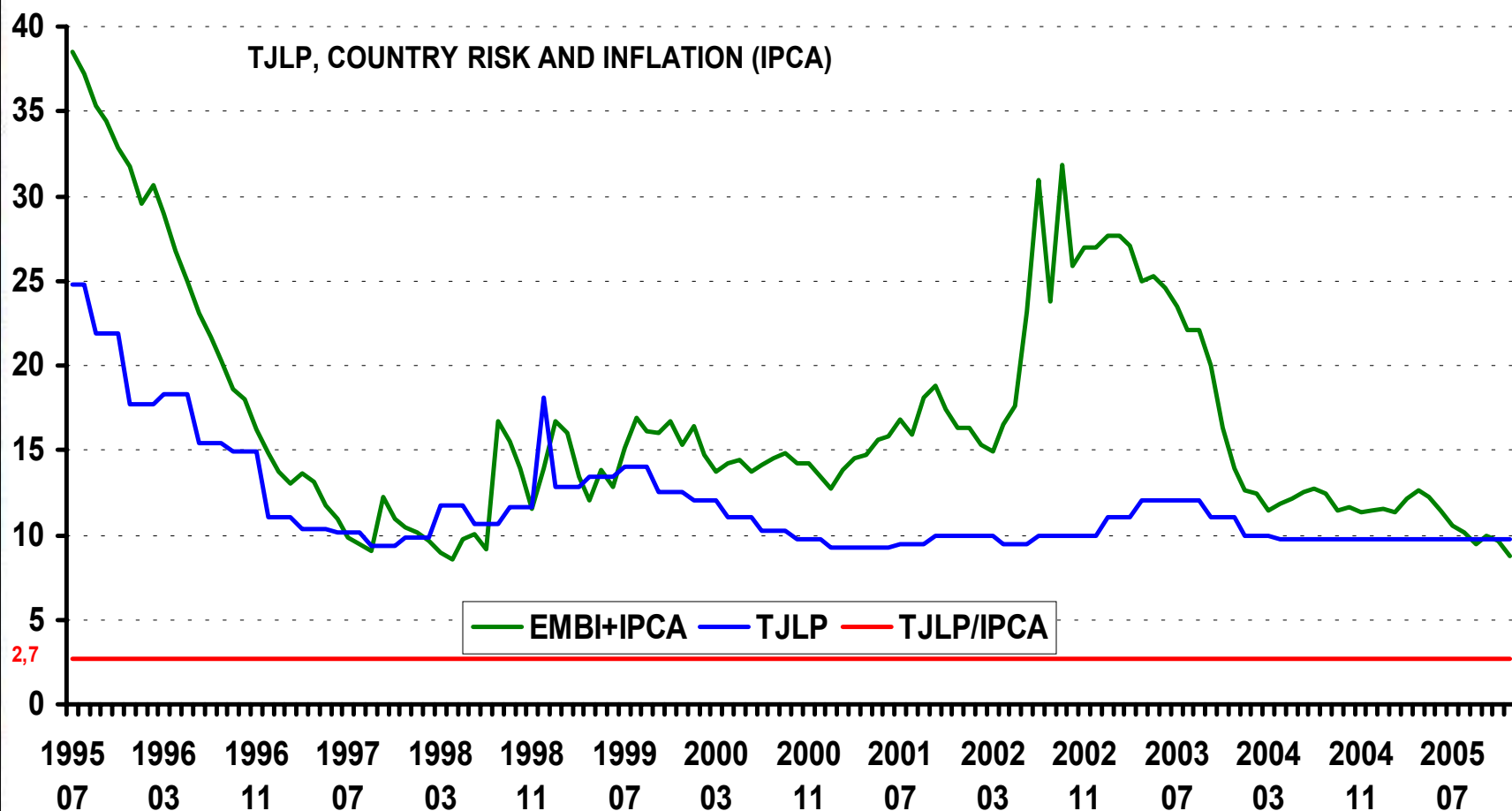
BNDES disbursements have an anti-cyclical component.



Source: Brazilian Central Bank

Long Term Interest Rate (TJLP)

Long Term Interest Rate in real terms



Source: Brazilian Central Bank



The Brazilian Development Bank

**THE DEVELOPMENT BANK**

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BNDES Automático
Marinha Mercante
Exportação
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Cartão BNDES



Culture - BNDES invests in Brazilian filmmaking and in the restoration of the architectural heritage.



Performance - BNDES disbursements totaled R\$ 25.9 billion until September.



MSMEs - BNDES promotes the growth of Micro, Small and Medium Enterprises.



Exports - Until September, BNDES has already disbursed US\$ 2.2 billion for the exports.

[► News](#)
10-11-2004» **BNDES starts to include civil construction in Modernmaq**
10-11-2004» **BNDES supports Gerdau Açominas sub-station with R\$ 26.6 million**



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