

# Annual Report 2009

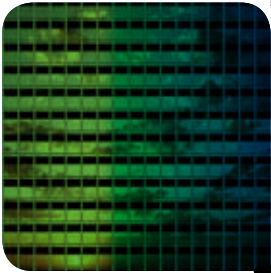


A stylized, light green illustration of a construction site. It features a large crane on the right, a multi-story building under construction on the left, and various construction elements like ladders, workers, and materials. The background is white.

# Annual Report 2009

The logo for BNDES, consisting of a green square with a white diagonal line forming a stylized 'B' shape.

**BNDES**



7

*Message from the Minister  
of Development, Industry and Foreign Trade  
Miguel Jorge*

11

*Message from the President of the BNDES  
Luciano Coutinho*

15

*Presentation*

19

*Institutional Highlights*

43

*Strategic Planning*

49

*Operational Highlights*

87

*The BNDES in Numbers*

97

*Performance Areas*



*Message from the Minister*  
of Development, Industry and Foreign Trade

Miguel Jorge



The Brazilian Development Bank (BNDES) had a historic year in 2009.

The institution set records and established itself as one of the largest development banks in the world as well as the largest institution to provide long-term credit to finance production activities in Brazil.

It was also a key instrument for the government of President Luiz Inacio Lula da Silva to swiftly and efficiently compensate the effects of the international financial crisis on our economy.

Last year, the Bank's disbursements reached R\$ 137.4 billion, exceeding for the first time the R\$ 100 billion level in a single year. This was an increase of 49% compared to 2008, a period that had already been very positive.

Credit approvals amounted to R\$ 170.2 billion, an increase of 40% on the previous year. Profit totaled R\$ 6.7 billion, a 26.8% improvement on 2008.

In efforts to combat the effects of the financial crisis, the Investment Maintenance Program (BNDES-PSI) took the spotlight. From July to December, the portfolio of approved loans reached R\$ 37.1 billion.

The Bank continued as the main financial agent of the Growth Acceleration Program (PAC). In 2009, the infrastructure sector accounted for 36% of total disbursements, with R\$ 48.7 billion, an increase of 38.6% over the previous year.

It also strived to reduce regional imbalances dramatically: disbursements to the North and Northeast regions posted a dynamic performance,



reaching more than R\$ 33 billion together, about 24% of the total. Regarding 2008, growth rates were 126% for the North and 189% for the Northeast regions.

Another high point was the Bank's efforts to provide resources to micro, small and medium-sized companies. With BNDES Automatic and the BNDES Card, total disbursements reached R\$ 2.47 billion, an increase of 193% in comparison to 2008.

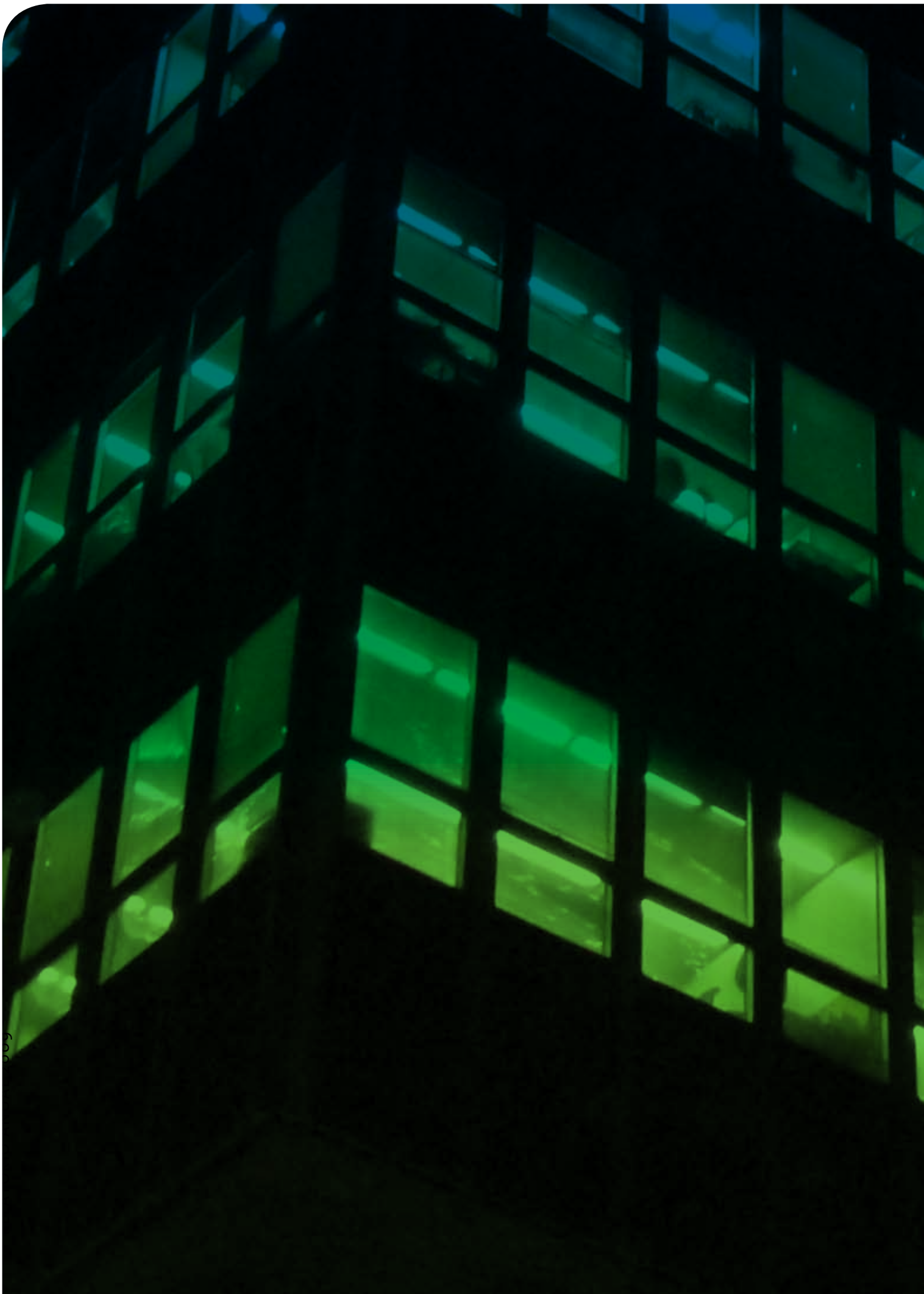
Financing for exports also broke records in 2009: releases totaling R\$ 8.3 billion, 26% up on 2008.

Paying special attention to sustainability, the Bank refined its analysis of compliance with environmental and social criteria for projects presented. In addition, the BNDES is directly involved in two initiatives aimed at preserving important natural regions on the planet. It manages the Amazon Fund and the BNDES Atlantic Forest, programs that finance efforts to combat deforestation of forests and to promote reforestation with native species.

This Annual Report presents 2009's outstanding results in depth. It clearly demonstrates the fundamental importance of the BNDES in promoting economic and social development in our country.

**Miguel Jorge**

*Minister of Development, Industry and Foreign Trade*





*Message from the President*  
of the BNDES

Luciano Coutinho

In 2009, the Brazilian economy broke out of a heavy slump in the first quarter – a result of the effects of the international financial crisis which at the end of 2008 interrupted the growth cycle that was being nurtured since 2006 – to mount a successful path to recovery. This culminated in a healthy return of corporate trust and private investment, which had been on the wane due to the crisis.

Such recovery had the advantage of pre-existing, solid macro-economic features, as well as of the maintenance of high accumulated salaries and the reduction of social inequalities from previous years. Such a comeback enabled internal consumption to act as a buffer against the international crisis.

In addition, the government's adoption of a wide array of anti-cyclical measures was decisive in lessening the effects in Brazil, and fostering a quicker recovery than in most countries. At the end of 2008, with very little access to private credit, anti-cyclic efforts began with monetary-financial stimulation. In the case of the BNDES, one measure that stood apart was the Special Credit Program (PEC). At the start of 2009, tax relief was offered to production sectors and, the federal government announced R\$ 100 billion in loans to the BNDES.

Such initiatives played a significant role in reactivating aggregate demand in the beginning of the second quarter in 2009, picking up more momentum in the second half, with strong influence from measures related to the Bank.

From September 2008 to December 2009, the BNDES was responsible for 37% of the increase in credit in the Brazilian economy, climaxing with R\$ 137 billion in disbursements in 2009, up 49% on 2008 figures, breaking the institution's record level.

Also taking the spotlight were the measures announced at the end of June by the Treasury Ministry: the reduction of the long-term interest rate (TJLP) to 6.0% p.a. and, mainly, the launch of the Investment Maintenance Program (PSI). This program has interests equalized by the National Treasury resulting in a significant decrease in the financial cost for credit lines to acquire and export capital goods, as well as lines for innovation and Procaminhoneiro (for truck owners). This program was a determining factor in the expressive return to investments.

The BNDES' efforts illustrate the importance of public banks in the context of crises. There are numerous and conclusive examples. In 2009, some 4.5 million jobs were maintained or generated by investments supported by the institution. Disbursements for operations in the North and in the Northeast reached R\$ 33 billion. Support from the BNDES to operations with micro and small companies reached R\$ 16.5 billion, exceeding the record of R\$ 13 billion in the previous year. Finally, efforts such as the support for infrastructure projects, with disbursements of R\$ 49 billion per year, and the stimulation boosted by the Bank to set up Brazilian corporate groups with the capacity to operate globally speak for themselves.

The year of 2010 has presented new challenges. Some of the duties carried out during the crisis – such as offering working capital – will lose relevance, making room for medium and long-term priorities. These include intensifying efforts to support not only the internationalization of Brazilian groups, but also the expansion of knowledge-intensive sectors, the innovation capacity of Brazilian companies. Further support will be furnished to projects with a social-environmental focus, as well as to modernizing institutions, companies and public agencies.

To undertake such an agenda, the BNDES has consolidated the incorporation of the best practices for managing resources and personnel, aimed at completing the implementation of integrated systems, through the AGIR project, and strengthening performance and technical capacities.

Besides this, the Bank has doubled its efforts to diversify the sources of funding, by strengthening its equity base and perfecting risk mitigation instruments which allow the institutional structuring of insurance and guarantees for complex projects. In this context, operationalizing Brazil's Eximbank is the first important undertaking.

This is an agenda that measures up to the history and the institutional mission of the BNDES. Brazil is eager, and the BNDES will do its utmost to reduce the gap between the present and the future.

**Luciano Coutinho**

*President of the BNDES*



The background of the page is a vertical film strip. The film strip is composed of many rectangular frames, each separated by a thin black border. The color of the film strip transitions from a dark blue at the top to a bright green at the bottom. The frames contain a faint, repeating pattern of what appears to be a landscape or a scene, though it is not clearly defined. The word "Presentation" is written in a white, italicized font across the middle of the film strip.

*Presentation*

## A YEAR WHEN THE COUNTRY SHOWED ITS CAPACITY TO TRIUMPH

The year 2009 started with a bleak scenario, in which the level of worldwide activity and international trade were plummeting. The Brazilian economy was feeling the effects of such a slump, with a strong decline in industrial production and investments. Nonetheless, in a year that began with a rather pessimistic outlook, Brazil managed to boast a more than solid economy with the capacity to bounce back from the worst international crisis since 1929. And the BNDES played an important role in overcoming this crisis by maintaining the offer of credit at a time when other sources suppressed it, ensuring the continuation and expansion of investments.

Analysis of Brazilian economic trends before and after the crisis helps understand the country's strength. In previous years, Brazilian GDP had grown in a consistent manner led by investment and household consumption. This positive scenario was also boosted not only by the expressive increase in credit and capitals markets, but also by expanding profits of Brazilian companies and increasing employment and accumulated salary in all segments of the economy. Thus, the conditions were perfect to elevate the long-term growth rate of the Brazilian economy, and the country, benefiting from these factors and the vast liquidity on the international scenario, presented promising perspectives.

The international crisis brought about a strong withdrawal of international credit lines, as well as restrictions on granting local credit in the private financial system, most of all for micro, small and medium-sized companies. The drop in international trade flows, given the intense integration of industrial activity for exports, impacted, surprisingly, manufacturing. In addition, increasing fears of risk on a global scale caused financial flows to take flight to safer assets, leading to a sudden depreciation in the exchange rate. Finally, lower expectation, upon reaching a level of trust within the corporate world, resulted in a strong fall in gross fixed capital formation. The year 2009, therefore, began





without much of a promise. The effects of the international crisis on the Brazilian economy had reached their peak.

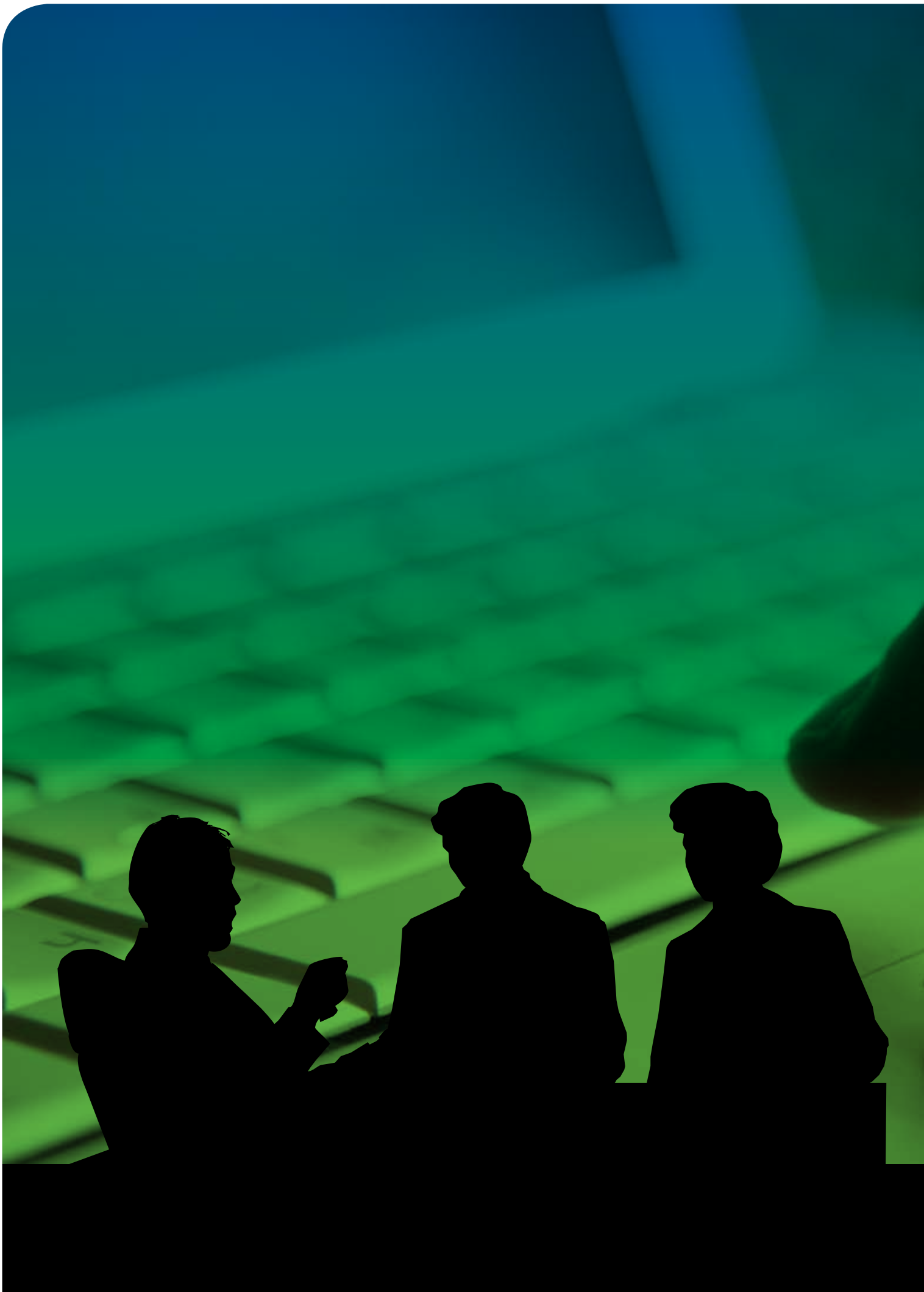
In spite of this, the domestic market proved to be practically immune to the effects of external turbulence. Maintaining employment levels, coupled with real adjustments to the minimum wage and income transfer policies within an environment of controlled inflation all contributed to upholding household buying power. Thus, sustaining accumulated salaries at a high level and the lower social inequalities from previous years allowed local consumption to act as a buffer against the international crisis effects.

The government was key in adopting efforts aimed at turning the economy around. The implementation of an anti-cyclical policy, assisted by monetary stimulus resulting from the drop in the basic interest rate, helped reactivate aggregate demand early in the second quarter of 2009. Industrial activity reacted vigorously throughout the year, thanks, especially, to tax incentives for automobile production and household white goods.

The credit market also continued to expand during more critical moments on the foreign scenario. Engaging public banks was fundamental in attaining resources for the economy. The BNDES, in particular, by expanding its credit operations, worked towards mitigating the drop in investments. The Treasury's contribution of a total of R\$ 100 billion in resources and the implementation of the Investment Maintenance Program (PSI) both helped accelerate the recovery of the economy through the increased demand for machinery and equipment.

The result of such a concerted effort among and between government levels allowed the Brazilian economy, at the end of 2009, to once again present strong expansion led by investments and household consumption. We finished the year with a lower unemployment rate than that registered prior to the international crisis. Furthermore, perspectives were for maintaining the growth in GDP, with expanding gross fixed capital formation and improving the lives of the population.





A close-up photograph of a hand holding a pen, poised to write on a document. The image is overlaid with a gradient that transitions from a dark blue at the top to a bright green at the bottom. The text 'Institutional Highlights' is centered in the upper portion of the image.

# *Institutional Highlights*

## TRANSPARENCY

As a public institution that is committed to the development of Brazil, the BNDES understands transparency means more than rendering accounts to inspection organs. This is the vision that motivates the Bank to continuously seek higher levels of transparency in its relations with society.

A significant step in that sense was taken in 2009 with launch of the second phase of the BNDES' Transparent project, which today provides access to detailed information regarding the Bank's financing operations through the institution's Internet portal ([www.bndes.gov.br](http://www.bndes.gov.br)).

The mechanism which has been present since 2008 used to be restricted to the 50 largest direct financing operations in each of the BNDES' divisions. As of 2009, consultations began to include all credit operations, direct and indirect, performed in 2008 and in 2009 – progress which resulted directly from dialog with social movements.

Consultations provide citizens with more insightful data, such as client name, financing value, location and description of the project receiving support. Information is updated on a quarterly basis and presents projects contracted within the last 12 months. By facilitating access to information on its credit portfolios, the BNDES unveils the opportunity for more interaction with civil society and expands the possibility of social control over the institution.

The consistent relations between the BNDES, social movements and civil society are intensifying to a great extent. In 2009, the Bank fortified its contact with social movements in the agricultural production and environmental areas. In this sense, dialog was established for support for landless cooperatives and workers – which has been carried out in partnership with Banco do Brasil through its negotiation strategy of Sustainable Regional Development (DRS) and Fundação Banco do



Brasil (FBB). Afterwards, to deal with deforestation and poor working conditions in the Amazon, many organizations were invited to debate and listen first hand to the measures adopted in relation to the traceability of cattle for meat processing plants.

In the second quarter, the Bank also held three meetings with representatives from the scientific and civil community to discuss ways to develop the Amazon region, within the scope of the Amazon Fund. The result was published in the book *The Amazon under debate: opportunities, challenges and solutions*.<sup>1</sup>

In an effort to exchange experiences and provide support for initiatives of such a nature, the BNDES has also taken part in several events promoted by corporate entities focused on social corporate responsibility.

## NEW INTERNET PORTAL

Seeking more efficient communication with external actors, in 2009 the BNDES launched its new Internet portal, completely restructuring the site.

The BNDES portal modernized all aspects ranging from content to layout, undergoing significant changes in information design. The new project offers a more intuitive browsing structure, divided into profiles and divisions within the Bank.

Reformulating the portal puts knowledge on the BNDES closer to society and completes its efforts to adapt to access and usage standards required by the federal government.

---

<sup>1</sup> Available at: [http://www.bndes.gov.br/SiteBNDES/bndes/bndes\\_pt/Institucional/Publicacoes/Paginas/livro\\_amazonia\\_em\\_debate.html](http://www.bndes.gov.br/SiteBNDES/bndes/bndes_pt/Institucional/Publicacoes/Paginas/livro_amazonia_em_debate.html).



## RENDERING OF ACCOUNTS

Impartiality and commitment to the development outline the BNDES' operations for use of public resources. Its corporate governance model is based on group decisions, including the Board of Directors, Advisory Board and the Fiscal Council.

Among other attributions, the 11-strong Advisory Board has the task of inspecting and approving general policies and programs for long-term operations. The Fiscal Council, which comprises three members, is responsible for examining and issuing opinions on equity balance and other financial statements, as well as for rendering quarterly accounts to the Board of Directors. In turn, the Audit Committee assures the effectiveness of independent audits, among other assignments.



Concerning the rendering of accounts to society, the BNDES seeks to expand the dissemination of knowledge on its operations through disclosure instruments, such as the Internet portal, its own press advisers, events and sectorial publications.

However, due to its federal public nature, the Bank also renders account of its efforts to external control entities in order to prove the correct use of its resources. Its accounts are subjected to ruling in the Federal Government's Court of Accounts (TCU), an auxiliary agency of National Congress, and its processes are audited by the Federal Government's Office of the Comptroller General (CGU). Part of the account rendering and Management Reports of the BNDES, of its subsidiaries (BNDESPAR and FINAME), and of the funds managed are available for consultation on the BNDES' site. Such reports are elaborated annually and present the goals established, the efforts carried out and the results achieved through application of financial resources.

The BNDES also adheres to the instructions of the Coordination Department of Federally-Owned Companies (DEST), the Ministry of Planning, Budget and Management (MPOG), and, due to application of financial resources of the Workers' Assistance Fund (FAT), falls under the scrutiny of FAT's Deliberation Council (Codefat). As a financial institution, it is also subject to inspection by Brazil's Central Bank (Bacen) and to the norms of the national Monetary Council (CMN).

Recent contributions of resources from the federal government, with the enactment of Law N°. 11,948/09, also added a commitment to the agenda regarding rendering of the BNDES' accounts. The institution forwards quarterly reports to National Congress on operations carried out with these resources, material also accessible at the Bank's portal.





## OMBUDSPERSON'S OFFICE: A CHANNEL FOR DIALOG BETWEEN THE BNDES AND CITIZENS

The BNDES' ombudsperson's office intermediates communication with companies within the BNDES system and society. Through messages received (complaints, suggestions, reports on misuse, requests, doubts, acknowledgments and compliments), the Ombudsperson's office provides citizens with an effective channel to monitor and interact with the BNDES.

In 2009, the Ombudsperson's office received and replied to 2,235 messages, representing a small drop in relation to 2008, when 2,281 messages were registered. Of this amount, 46.1% were related to complaints; 25.2% to doubts; 14.7%, miscellaneous requests; 5.8%, thanks and/or compliments; 5.1%, to reports on misuse; and 3.1%, to suggestions linked to the Bank's operations.

The concentration of complaints and the expressive number of doubts corroborates with the understanding that restructuring the BNDES' portal in June 2009 has brought about more efficient interaction with the Bank's clients.

Concerning the profile of those contacting the Ombudsperson's office, 65.9% of messages came from micro, small and medium-sized companies, while 34.1% were forwarded by individuals. Most messages came from the Southeast region (55.8%), while 20.2% were concentrated in the South; 8.8% in the Northeast region; 7.2% in Central-West; and 4.5% in the North region, and 3.5% had no reported origin.

Based on the systemic analysis of messages received, the Ombudsperson's office identifies opportunities to increase the BNDES' operations. The office also makes







proposals to Senior Management on adopting corrective measures in procedures and norms for the BNDES System's companies. Thus, we highlight the strategic role developed by the Ombudsperson's office, which in 2009 was illustrated by the following efforts:

- Presenting Senior Management with data taken from services performed by the Ombudsperson's office in 2009, aiming at fostering the BNDES' corporate planning;
- Monitoring the design and implementation of measures to facilitate access to credit for micro, small and medium-sized companies, such as the Investment Guarantee Fund (FGI);
- Monitoring the discussion for construction of a methodology to treat the surroundings of projects with significant regional impact and carrying out studies on the Perspectives of Social Investments in Brazil (PIS), especially regarding diversity and human rights;
- Participating in the project to restructure public service areas, which resulted in the design of a proposal for a centralized service model; and
- Suggesting improvements on monitoring of outsourced service contracts.

Throughout 2009, therefore, by uniting the customer services' regular operations with strategic performance, the BNDES' Ombudsperson's office has reaffirmed the Bank's commitment to maintaining the institutional channels aimed at dialoging and actively listening. It is through these mechanisms that society can critically and democratically monitor companies within the BNDES System.



# SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

## STRATEGIC FACTORS

The BNDES takes a leadership role in encouraging the best social-environmental practices, whether internally, through its clients, or through policies and norms associated to granting financial support.

The Bank was a pioneer in the country when it introduced the social-environmental approach into the procedures in financial institutions, with the creation of a division to work specifically on supporting social projects at the start of the 1980s, and with the signing of the Green Protocol in 1995. When enacting its policy to grant financial support, the BNDES deems it key to adhere to ethical, social-environmental principles. This concept was ratified in its 2009-2014 Corporate Planning, which considers social-environmental responsibility a priority.

The analysis of projects presented to the Bank takes into account information regarding management of social-environmental aspects related to the interested party's activities, as well as proof of compliance with environmental and labor norms. Abiding by legal obligations is an obligatory requirement throughout the BNDES' analysis to grant support and bears the same relevance as the financial and economic requirements that the institution's clients must submit.

In an integrated approach, there is also analysis of possible impacts resulting from the economic project to be implemented – especially of generation and maintenance of employment, as well as the economic and social development of the territorial surroundings of such supported projects. Thus, the social and environmental aspects and the impacts of ventures directly financed by the BNDES are identified and regarded at different stages of the process to grant financial support. Providing support through a network of accredited financial agents



also complies with the same policies and norms as those applied to direct support from the Bank.

The BNDES acknowledges both the rising importance of socially responsible management, and the growing working partnership with the federal government when implementing social-environmental policies. Besides this, the Bank is aware of the need to enhance and expand the capacity-building of functional staff on such an issue. These factors led to the institution's decision to undergo a restructuring program in February 2009. This included setting up the Articulation Department (DEART), within the Planning Division (AP), and the Environmental division (AMA), previously a Planning Division department.

As a result of this restructuring in 2009, for example, the BNDES approved five projects within the scope of the Amazon Fund<sup>2</sup>, totaling financing in the amount of R\$ 70 million and leveraged investments of approximately R\$ 230 million. Concerning the initiative of BNDES Mata Atlântica, there were 55 interested candidates that placed requests for support in 2009, of which 27 were retained for later analysis, in a total of R\$ 71 million in financial support from the BNDES.

The end of 2009 also saw the approval of the BNDES' Operations Policy in Project Surroundings. Such a directive modified the analysis aspects of impacting projects, which represented an advance in fostering development, with social inclusion and environmental responsibility. With this new policy, the BNDES reveals its active approach to providing concerted support for efforts and investments of a varied nature, with priority based on planning, territorial agreements and integrated operations of entrepreneurs, public power and other interested parties.

---

<sup>2</sup> The BNDES assumed management and administration of the Amazon Fund established by the federal government on August 1, 2008 (Decree N°. 6,527), in order to collect donations for non-reimbursable financial support in investments aimed at preventing, monitoring, and combating deforestation and fostering conservation and the sustainable use of forests in the Amazon biome.



Within the context of this policy on surrounding areas, efforts aimed at five specific surroundings were carried out in 2009, as follows: Hydroelectric Usage in Estreito; Industrial Complex in the Port of Suape; Petro-chemical Complex in Rio de Janeiro (Comperj); Public Consortium for Development of Alto Paraopeba (Codap); and the Transnordestina railway.

Another highlight of the year was to start updating the Environmental Procedures Guidelines, edited in 2003, which is currently denominated the Social-environmental Procedures Guidelines. The new social-environmental guidelines represent an evolution in how the BNDES is dealing with the issue. This is because in addition to the traditional role of technical assistance in the analysis and monitoring processes, these will be relevant instruments for establishing sectorial policies by identifying the activity's social-environmental risks and impacts, social-environmental mapping of the sector while defining criteria and directives for project support.

Since February 2009, a BNDES team has been dedicated to elaborating 18 guides, which is expected to be completed by 2010. The global aim is to have 52 guides published by the end of December 2012. This initiative is part of the efforts outlined in the Intentions Protocol for Social-environmental Responsibility (New Green Protocol), to which BNDES adhered in August 2008, and whose partners include other public banks, the Ministry of the Environment and Brazil's Central Bank.

Elaborating these guidelines also helped the BNDES put together new social-environmental directives for support to sectors, such as cattle-raising (edited in October 2009), as well as coal, diesel or fuel oil, and natural gas thermoelectric generation (edited in November 2009).

The BNDES also has a Social-environmental Work Group, which is a permanent forum that has the mission of promoting discussions and debates on social-environmental matters, monitoring the performance of the Bank's social-environmental policy, proposing possible alterations to policies and contributing to the dissemination of knowledge regarding the issue.



The offer of lower financial costs for credit lines and programs in the social-environmental area is a permanently adopted policy at the BNDES to encourage clients to get involved with issues related to social-environmental responsibility. A good example is the Social Investments Line for Companies which focuses on providing support for social investment projects or programs aimed at increasing the level of corporate social responsibility and at articulating and strengthening public policies developed at different government levels.

Contracting financing within the scope of the credit line reached R\$ 209 million in 2009. Most resources were earmarked for social projects in communities surrounding the undertakings, fostering better standards of living for thousands of Brazilians.

Another important contribution of the BNDES to Brazilian society in 2009 was to commission sectorial studies denominated Perspectives of Social Investments (PIS). The objective of such research is to produce knowledge in the social and environmental development area with studies that may help when making public policies and promoting advances in forward-looking thinking on social and environmental policy.





## FIRST OPERATIONS APPROVED WITHIN THE SPHERE OF THE AMAZON FUND

At the end of 2009, the BNDES' board of directors approved the first five projects that will receive resources from the Amazon Fund. Support from the BNDES to such projects totals R\$ 70.3 million and is earmarked to prevent and contain deforestation, to gather data on the environment and land title regularization, as well as to restore degraded areas. The approved projects are listed below:

**SUSTAINABLE AMAZON FOUNDATION** – R\$ 19.2 million to expand the Forest Sponsorship Program (Programa Bolsa Floresta). The objective is to reduce the effects of greenhouse gas emissions caused by deforestation, in addition to improving the population's standard of living. The program will pay communities in the Amazon Conservation Units for forest maintenance services.

**AMAZON INSTITUTE OF PEOPLE AND THE ENVIRONMENT (IMAZON – INSTITUTO DO HOMEM E MEIO AMBIENTE)** – R\$ 9.7 million earmarked for efforts towards mobilizing communities in 11 municipalities in the state of Pará to raise environmental and rural data while accelerating the inclusion of land owners in the





Rural Environmental Register. The Environmental Conservation Institute (TNC Brasil – *Instituto de Conservação Ambiental*) will also receive R\$ 16 million to operate in 12 municipalities, encouraging the population to join the Rural Environmental Register.

THE OURO VERDE INSTITUTE'S PORTAL SEED PROJECT (*PROJETO SEMENTES DO PORTAL, DO INSTITUTO OURO VERDE*) – R\$ 5.4 million to recover 1,200 hectares of degraded areas and promoting the recuperation of family farming in six municipalities that comprise the Amazon's Portal Territory in the state of Mato Grosso.

BRAZILIAN BIODIVERSITY FUND (*FUNBIO – FUNDO BRASILEIRO DE BIODIVERSIDADE*) – R\$ 20 million apply to the second phase of the Arpa Program to combat deforestation. Efforts will start as soon as the Conservation Units have been created and consolidated.

THE NATURE CONSERVANCY DO BRASIL (TNC – *INSTITUTO DE CONSERVAÇÃO AMBIENTAL*) – R\$ 16 million to contribute to encouraging local actors in 12 municipalities of the states of Mato Grosso and Pará, aimed at adhering to the Rural Environmental Register and monitoring deforestation in the region through satellite imaging.





## DIRECTIVES FOR THE BEEF CATTLE-RAISING SEGMENT

In order to promote land title regularization (putting property documents into order) and to increase the cattle-raising segment's compliance with social-environmental norms, the BNDES in 2009 announced a series of directives that must be adhered to by companies that seek support.

The challenge is to combine efforts to meet the growing demand for beef with a production model that ensures preservation of natural resources and the respect of the workers and communities. Establishing social-environmental safeguards is a way to encourage the modernization and competitive gains in sustainable sectors.

The BNDES' directives for financial support for meat processing plants are as follows:

**TRACEABILITY FOR SOCIAL-ENVIRONMENTAL MONITORING OF THE SUPPLIER'S CHAIN** – meat processing plants will need to prove they have adhered to the traceability system of the beef production chain as of 2010. For this, they can receive support from the BNDES to develop and implement such systems in the country, which already boast several hardware and software solutions. The traceability system will be used by meat processing plants to affirm a regular supply chain, with property and social-environmental information disclosed by competent official agencies. That is, upon purchasing tracked livestock, the plants must verify whether the rural properties involved are not on the “black lists” of the Labor Ministry or on the list of areas under embargo.

**THE SOCIAL-ENVIRONMENTAL DEVELOPMENT PLAN OF MEAT PROCESSING PLANTS** – companies must present plans with goals and implementation schedules for projects that must be accepted by the BNDES to attain social-environmental certificates in environmental management, social responsibility, and labor-related health and safety at industrial units of their meat processing plants. In addition, the directives adopted by the Bank call for company investment into environmental





management systems and into improving liquid effluent and solid residue indicators. Other investments include a program to provide support to suppliers in order to increase productivity, environmental and land title regularity.

**SOCIAL-ENVIRONMENTAL REGULARITY OF DIRECT SUPPLIERS** – to obtain support from the BNDES, meat processing plants may only purchase livestock from suppliers that are not on the list of areas embargoed by the Brazilian Environmental Preservation Institute (Ibama). In addition, they cannot be on the “black list” of the Labor Ministry, nor can they have been sentenced for trespassing, rural and agriculturally-related violence, illicit acquisition of land titles and unlawful appropriation of land, or illegal deforestation. Direct suppliers will need to present the rural property’s environmental license. In the event that such suppliers do not hold the appropriate license, meat processing plants can accept the request the real estate’s environmental regularity license, provided that it is presented by July 2010 and that the deadline for obtaining said license is July 2011. Such terms are compatible with those established in the Conduct Adjustment Term (TAC) entered into with the Public Prosecutor’s Office. Suppliers must also hold a document proving property regularity or a request for land title regularization.

**SUPPORT FOR SOCIAL-ENVIRONMENTAL REGULARITY OF THE ENTIRE SUPPLY CHAIN** – meat processing plants that request support from the BNDES will be responsible for verifying the environmental regularity of the supply chain in accordance with information disclosed by the relevant official agencies. Requirements will be the same as those listed for direct suppliers.

**AUDITS** – meat processing plants must prove compliance with directives established by the BNDES through reports put together by independent audit companies accepted by the Bank.



## ADMINISTRATIVE-ORGANIZATIONAL ASPECTS

### *Human Resources – the challenge of renewing functional staff*

The year 2009 was marked by a significant renewal of functional staff. Almost 100 employees retired and at the same time that almost 500 were hired by the institution. Recruitment aimed at replacing retirees and meeting the growing demand, representing a growth of 24.2% in functional staff in relation to 2008. In order to take on this challenge involving the arrival of a new generation, the Human Resources Division put together efforts aimed at transferring knowledge and disseminating organizational values.

Collaborators hired in 2009 took part in the New Employee Development Program (*Programa Desenvolvimento de Novos Empregados*). The program's objective is to accelerate integration of newly-hired collaborators into work processes, as well to provide an overview of the BNDES, expanding the institutional vision and transmitting the organizational culture. A Professional Development Course is also carried out in which internal instructors approach matters related to operating policies and practices of the BNDES, while acknowledged teaching institutions focus on the Bank's role as an economic development agent. To facilitate the adaptation to the new work environment, new employees are accompanied by senior co-workers that act as a communication channel between them, the Human Resources Division and superiors.

The *Reconhecer* Program was established to show that employees are valued as well as to ensure the transfer of knowledge. This allows retiring personnel to present newer staff with some of the most notable cases they were involved in.

Besides efforts aimed at professional development, the BNDES also invests in the standard of living of collaborators and their relatives. Within such a context, the team responsible for standards of living implemented the New Times Program which seeks to prepare employees for retirement, assisting in preparing a new life project.

In order to encourage equal working conditions, by adopting new conceptions of personnel management and organizational culture, the BNDES signed up for the Gender Pro-Equity Program of the federal government in 2008. The objective is to make aware, sensitize, and encourage management practices that promote equal opportunities among men and women within the BNDES besides contributing to eliminating all forms of discrimination in access, remuneration, growth and continuity on the job.

In a complementary manner, the BNDES has sought to map the existence of other groups that may be vulnerable to discriminative situations, such as those related to race or ethnicity, aiming at becoming more encompassing and minimizing possible cases of unequal professional opportunities at the Bank. Such efforts resulted in the BNDES receiving the Gender Pro-Equity Seal – 2<sup>nd</sup> edition, in March 2009. In order to reinforce awareness efforts, the program maintains an Internet site and holds periodical events regarding matters that call for constructive discussion among functional staff.

Focusing on minimizing social unfairness in its surroundings and offering a new possibility for a future to youths living on the sidelines of society, the BNDES implemented, in 2007, the Teen Apprentice Program (*Programa Menor Aprendiz*). In 2009, some 44 low-income youths up to the age of 18, attending middle or high school level, participated in the program, coordinated by the São Martinho Foundation. During the program, youths need to maintain a decent school performance. In addition to sponsorship for support activities developed by the BNDES, they also receive professional development classes.





## COMMERCIAL OPERATIONS AND WORK ENVIRONMENT

### PERMANENT CONCERN WITH ENERGY EFFICIENCY AND THE ENVIRONMENT

There are no negative social and environmental impacts of any relevance generated in the BNDES' commercial operations; just as there is no environmental or social damage related to the running of the BNDES' physical facilities. The architectural project for the Rio de Janeiro Building Services (EDSERJ) dates back to the early 1970s. Yet, over the last few decades, various post-occupational reforms were carried out to adjust the building's system to modern concepts of efficiency, quality, and legal requirements. These changes aimed at bettering social-environmental conditions and at creating a clean, safe and pleasant working environment for its occupants and users (for example, adaptation of access and bathrooms on all floors so that people with special needs may use them).

#### *Green Building*

EDSERJ's consumption of electric power is totally supplied by an external, local utility company. There is an internal power generation system only for emergencies, especially evacuation of the building.

Within the modernization policy for these facilities, there is a project underway for co-generation of electric power. It foresees independent usage separate from the utility company for normal operation in the entire building. Strategic for the BNDES, this project also allows an expressive decrease in electric power costs as operating at peak energy-consumption hours, tariffs are higher.

The first phase was concluded at the end of 2009 when current centrifuges were replaced with others that use natural gas or diesel oil and present better energy efficiency. Modernization of the sub-station is underway, and the number of internal transformers has been reduced, while the capacity of the cooling stacks has been increased.

Elevators are also being replaced with a new system that has anticipated-call technology, and generators are being substituted with frequency converters which allow savings in electric power of approximately 30%. In the current system, the elevator electromagnetic control system has already been replaced with an electronic configuration, also allowing a decrease in energy consumption.





Several measures have been taken to reduce water consumption. Dated equipment has been replaced with more efficient apparatuses, and automatic garden sprinklers have been installed. Studies are being carried out to reuse water in the building to feed air conditioning stacks, since approximately 40% of current water consumption is used in the cooling system.

Also underway is the remodeling of the layout of the 22 floors in the building, of which seven have already been refurbished. The new project – work stations system instead of offices – offers lower power consumption thanks to more efficient lighting (natural light) and less air conditioning.

### *Selective collection*

The building's Selective Garbage Collection Program was set up in 1998 to expand recycling of residues generated in the building. In this program, garbage is classified into paper, plastic, batteries and other garbage. With this, there are garbage bins distributed throughout the building for all types of trash.

The Bank complies with federal legislation which requires recyclable residues are separated and that they are sent to collection associations and cooperatives. Worthy of note is the fact that the BNDES was the first government institution to adopt such a measure in 2006.

The Bank has also entered into an agreement with three recyclable-materials collection cooperatives that take turns in removing the material from the building's installations and recycling it. Batteries are also separated in the garbage collection and are deposited by the building's users in specific bins located on the lower floors and underground garage. Cooperatives are also responsible for appropriately removing such materials and their final destination.

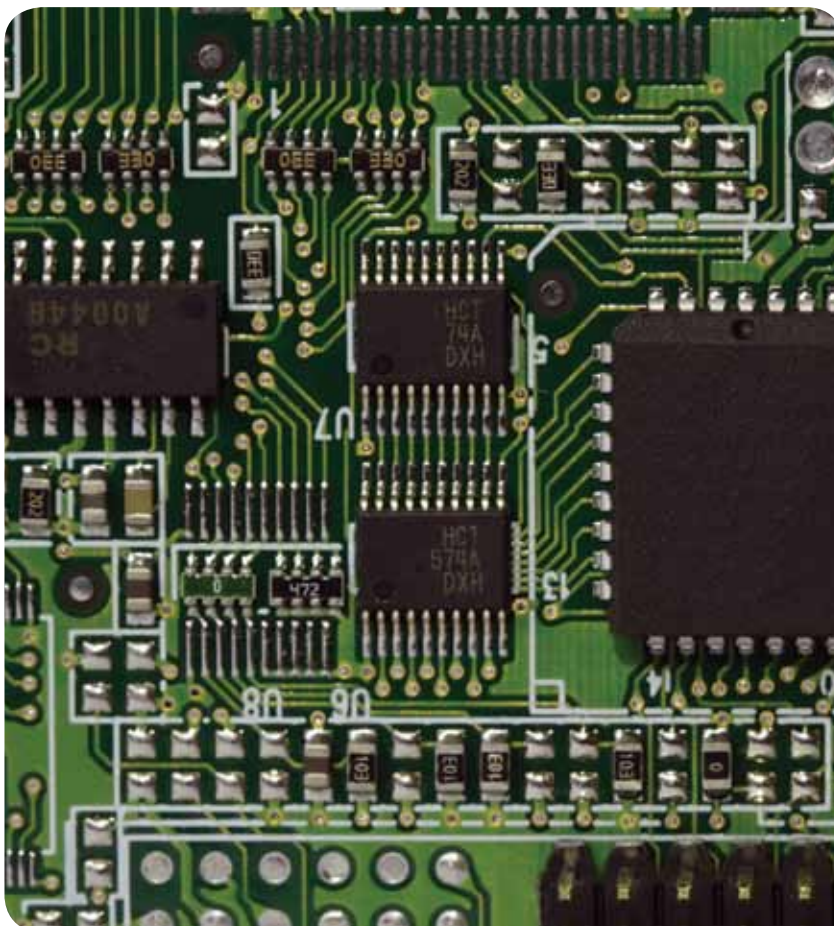
Burnt-out light bulbs are removed and stored in an adequate container. When full, a company specialized in decontamination and bulb recycling is called in to remove the material. Subsequently, this company issues a certificate to the BNDES proving that they correctly processed and disposed of said materials.



## EFFORTS FOR INTEGRATED MANAGEMENT OF FUNDS (AGIR)

The AGIR Project materialized from the need to modernize systems and processes, which was identified in an extensive diagnostic effort that started at the end of the 1990s. The main purpose of the AGIR is to modernize the BNDES' business processes, integrating them and providing support with modern systems.

The implementation of the AGIR Project is divided into 10 programs: Operational Risk and Process Detailing (already finalized); Management and Monitoring; Acquisitions; IT Architecture; Infrastructure; Data Migration; Support for Transformation; Market Applications; and Developed Applications.



The main activities developed in 2009 by the AGIR Project in active programs are:

**MANAGEMENT AND MONITORING** – permanent activities until the end of the project involving the AGIR project office, strategic management and the change and communication management.

**ACQUISITIONS** – three bids were carried out and finalized involving a total amount of R\$ 62 million, highlighting the acquisition of Market Applications (ERP) finalized in September when the *Consórcio Visão* (formed by the companies Indra and Politec) was contracted. Another highlight was the publication, in August, of the call-to-bid of Developed Applications to contract a company or consortium to develop a custom-made solution for the BNDES' business processes.

**IT ARCHITECTURE** – this program is still working on defining the new IT architecture for new systems, integration and infrastructure that will be implemented.

The main activities carried out in the first half of 2009 were the elaboration of policies related to infrastructure and management of operations, the definition of future systems and training on integration platform tools.

In the second half of 2009, focus went to defining issues related to implementing the ERP (Market Application Program), such as integration standards with SAP solutions and the general guidelines for the system's level of adaptation for the BNDES' need (customization).

Another important activity carried out was the dimensioning of servers and the data storage unit, a measure that is necessary for future implementation of Developed Applications.



**INFRASTRUCTURE** – in August, a safe deposit box room will be inaugurated to house the BNDES' new Data Processing Center (CPD). Moving equipment from the former CPD to the new facilities was successfully carried out. The new space operates under the concept of “safe datacenter” and is able to support the systems proposed by the AGIR Project.

**DATA MIGRATION** – this program was finalized when the migration and validation of the current data systems to the new systems, as defined in AGIR Solution, were inserted in the Market Applications Program and the Developed Applications Program.

**SUPPORT FOR TRANSFORMATION** – insertion of a new program into the AGIR Project to provide support for transformation and align the BNDES with the AGIR solution. It comprises the following work fronts, already in progress:

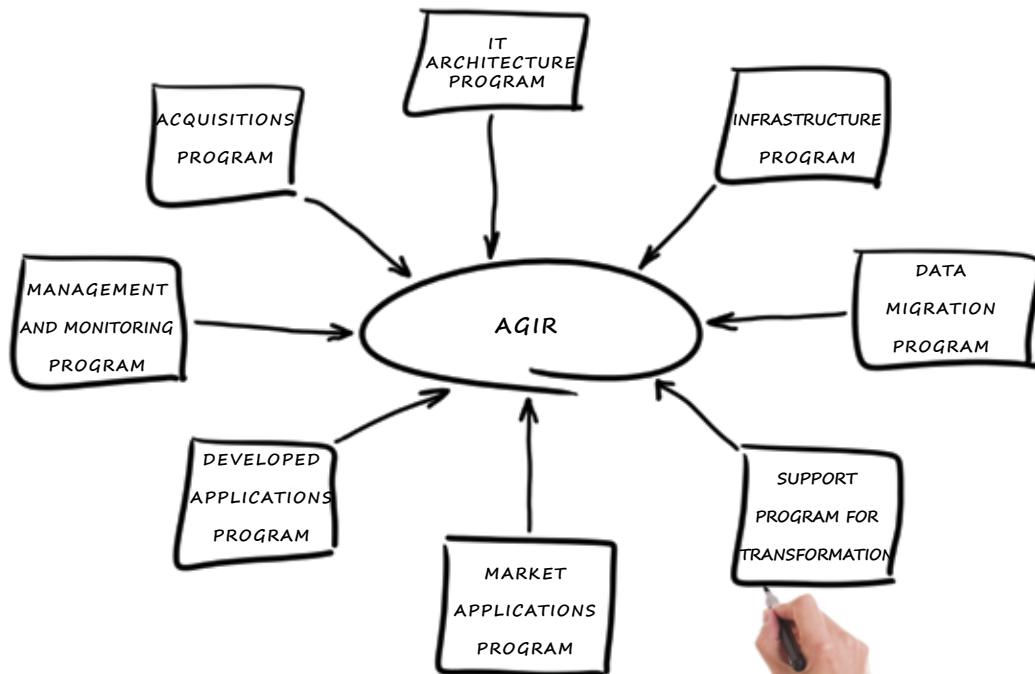
- a. Design of the AGIR and ATI Organizational Structures for the following Project frameworks;
- b. Development of Conceptual Models – high-level definitions that work as guidelines to understand and carry out the processes;
- c. Implementation of new detailed IT Processes within the scope of the Process Detailing Program; and
- d. Impact Analysis and RACI Matrix, work that will be an input for planning and implementing the IT Processes.





**MARKET APPLICATIONS (ERP)** – after contracting *Consórcio Visão* on September 30, the planning phase began, lasting approximately two months. This phase involved the definition of the chronogram for activities and implementation of ERP, which must be carried out in waves. In the first wave, which began on December 1, part of the financial processes are being implanted, as well as Accountancy and External Entities. For such, functional leaders of the Financial Division who took part in the first technical training of the implementation team were incorporated into the AGIR Project. The first wave is expected to start production on September 30, 2010.

**DEVELOPED APPLICATIONS** – responsible for the contracting a company or consortium that will develop a custom-made solution for the BNDES' business processes. Contracting is estimated for mid 2010.







# *Strategic Planning*

THE YEAR OF 2009 REPRESENTED AN IMPORTANT MOMENT IN THE CONSOLIDATION AND IMPLEMENTATION OF THE BNDES' CORPORATE STRATEGY, AN EXTENSION OF THE 2009-2014 CORPORATE PLANNING, WHICH STARTED IN OCTOBER 2007. THREE OF THE MAIN KEY FACTORS FOR THE SUCCESS OF THIS PROCESS ARE DETAILED BELOW.

#### 1) EXPLAINING OF THE ORGANIZATIONAL VALUES STATEMENT –

Even though the fundamental elements of the 2009-2014 Corporate Planning process had already been formulated – vision, mission and strategic guidance –, the need to explain the organization's fundamental values was also identified. One of the main reasons for such an initiative is the widespread demographic change, still underway in the BNDES staff, with a rapid departure of the previous generation. Staff renewal is taking place at the same time there is a strong increase in hirings and a growing diversification of operations, factors that together reinforce the pertinence and the relevance of this effort.

Despite the fact that the BNDES' values were not formally written until recently, they are solid and well-based, especially among the employees with seniority at the BNDES. Quality, consistency and efficiency of the activities and processes in the Bank, concern for efficiency in the use of the public resources, the pursuit for the correct use of these resources in favor of the best results for society's and the country's development, as well as a sense of responsibility, correctness and integrity are permanent elements in all the Bank's activities.

Traditionally, the organization's values were transmitted through successive interaction among the new and long-term employees, above all, by example. In a relatively small organization and with considerable job stability, this method proved to be quite effective. However, the change of the generation and the diversity of the Bank's activities has made it necessary to complement this approach with formal methods, which brought about the need to register the values in writing, as presented in the following table.





INSTITUTIONAL VALUES	MEANING
ETHICS	Operation permanently guided by responsibility, correctness, integrity, honesty, a sense of justice and transparency.
COMMITMENT TO DEVELOPMENT	Professional and personal commitment to fomenting and supporting the growth of a diversified, integrated, dynamic, inclusive, sustainable and competitive production structure.
PUBLIC PRINCIPLES	Irrevocable commitment to the interests of Brazilian society, focused on the collective and the care taken when using public resources.
EXCELLENCE	This is the result of combining technical competence, applied knowledge, a focus on relevance and innovating capacity, all propelled by persistent efforts to reach our goal .



## 2) SPECIFICATIONS IN THE CORPORATE STRATEGY FOR DIVISIONS –

This process resulted in the BNDES' Strategic Atlas, made up of the Strategic Corporate Map and the Strategic Maps for all Divisions, which presented indicators, goals and associated initiatives for each objective. The entire process was carried out with an exclusive, internally developed team and methodology, structured in five stages, as shown below.

PROCESS	KEY STEPS										
<ul style="list-style-type: none"> <li>• The BNDES' Corporate Strategy has been implemented in all 23 Divisions</li> <li>• The deployment process uses as a reference its <b>own methodology</b>, internally developed</li> <li>• During 2009, all five steps were completed in all divisions, resulting in the Strategy Management System – SGE / BNDES</li> </ul>	<table border="1"> <tr> <td>1. PRELIMINARY MEETINGS</td> <td>Establishing concepts and methodologies</td> </tr> <tr> <td>2. CONTRIBUTION PANEL</td> <td>Alignment with Strategic Guidelines, Strategic Corporate Objectives and those in the Divisions</td> </tr> <tr> <td>3. STRATEGIC MAP</td> <td>Defining and Detailing Strategic Objectives in Divisions and Departments</td> </tr> <tr> <td>4. BSC PANEL</td> <td>Turning objectives into indicators and goals</td> </tr> <tr> <td>5. PLAN OF ACTION</td> <td>Defining and Detailing Projects / Initiatives</td> </tr> </table>	1. PRELIMINARY MEETINGS	Establishing concepts and methodologies	2. CONTRIBUTION PANEL	Alignment with Strategic Guidelines, Strategic Corporate Objectives and those in the Divisions	3. STRATEGIC MAP	Defining and Detailing Strategic Objectives in Divisions and Departments	4. BSC PANEL	Turning objectives into indicators and goals	5. PLAN OF ACTION	Defining and Detailing Projects / Initiatives
	1. PRELIMINARY MEETINGS	Establishing concepts and methodologies									
	2. CONTRIBUTION PANEL	Alignment with Strategic Guidelines, Strategic Corporate Objectives and those in the Divisions									
	3. STRATEGIC MAP	Defining and Detailing Strategic Objectives in Divisions and Departments									
	4. BSC PANEL	Turning objectives into indicators and goals									
5. PLAN OF ACTION	Defining and Detailing Projects / Initiatives										

Specifying parts of the corporate strategy identifies the contribution of each Division towards carrying out the corporate strategy, resulting in a specific plan of action for each division. Every plan of action is then monitored by the management structure and governance presented below.

## 3) CONSOLIDATION OF THE MANAGEMENT STRUCTURE AND GOVERNANCE OF STRATEGY –

Aimed at guaranteeing the effective implementation of the planned, corporate and Division strategy, the BNDES consolidated a structure for management and governance which comprises its Strategy Management System (SGE/BNDES). In this system, the Management and Planning Committees, together with the Planning Division and strategic teams from Corporate Planning

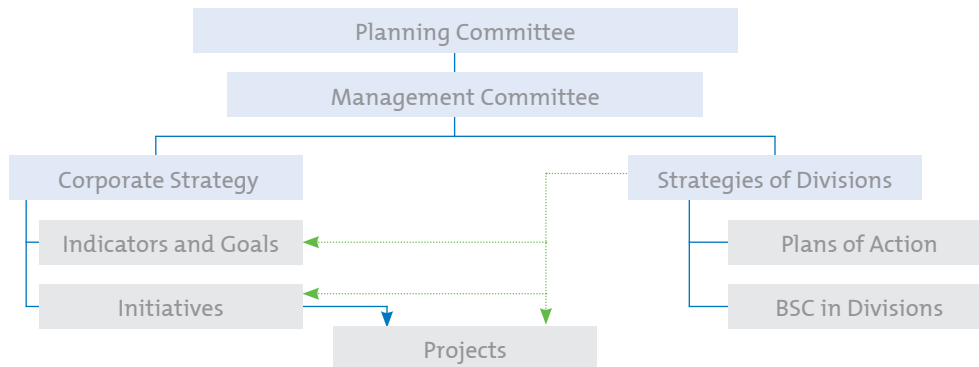


(representatives of all the Bank's Divisions who headed the set up and specifications of the strategy), will monitor the implementation of the strategy (Corporate and Divisions), as shown in the images below.

GOVERNANCE STRUCTURE			
LEVELS	PLANNING COMMITTEE	MANAGEMENT COMMITTEE	DIALOG BETWEEN DIVISIONS
CORPORATE	BOARD OF DIRECTORS AND DEPUTIES		
MANAGEMENT		DEPUTIES	
PROJECTS AND PROCESSES			AD-HOC
AP	OPERATIONAL SUPPORT		

MONITORING THE STRATEGY			
-------------------------	--	--	--



It is also important to emphasize that, in the 2009-2014 Corporate Planning, the BNDES appointed socio-environmental responsibility as a priority issue: among the 12 Strategic Guidelines, two focus directly on the matter. Guidelines for integrated topics were also defined, including innovation, as well as local, regional and socio-environmental development in all undertakings supported or promoted. Other guidelines aim at establishing and implementing the BNDES' corporate social responsibility policy, and disseminating a culture of sustainability throughout all employees, while intensifying continuous professional capacity-building efforts.







# *Operational Highlights*



# GROWTH ACCELERATION PROGRAM (PAC)

## PORTFOLIO ENDS 2009 WITH R\$ 132.9 BILLION IN FINANCING

In 2009, the BNDES consolidated a potential project portfolio of the Growth Acceleration Program (PAC) in the amount of R\$ 132.9 billion, which represents a leverage of R\$ 239.5 billion in investment. Shares related to the PAC, operated, mostly, by the Infrastructure, Basic Inputs and Social Inclusion Divisions, are considered priority by the Bank.

The 331 existing projects are subdivided as follows: 163 are in Energy-Infrastructure; 88 in Logistic Infrastructure; 64 in Social and Urban Infrastructure; and 16 in Public Administration. The latter are specifically earmarked to finance the implementation of the Public System of Digital Bookkeeping (SPED). Subsequently following are the project portfolio's performance statement for December 31, 2009.

POTENTIAL PORTFOLIO (POSITION ON 12.31.2009)

AXIS	PORTFOLIO				PERSPECTIVE / FOMENT (B)		POTENTIAL TOTAL (A + B)	
	CONTRACTED / APPROVED (R\$ BILLION)	IN ANALYSIS / ELIGIBLE / CONSULTATIONS (R\$ BILLION)	TOTAL (A)		R\$ BILLION	Nº. OF PROJECTS	R\$ BILLION	Nº. OF PROJECTS
			R\$ BILLION	Nº. OF PROJECTS				
ENERGY	73.94	12.47	86.42	159	8.33	4	94.75	163
LOGISTICS	14.03	6.62	20.65	74	9.97	14	30.62	88
SOCIAL AND URBAN	6.46	0.87	7.33	64	-	-	7.33	64
PUBLIC ADMINISTRATION	0.18	-	0.18	16	-	-	0.18	16
<b>TOTAL</b>	<b>94.62</b>	<b>19.96</b>	<b>114.58</b>	<b>313</b>	<b>18.31</b>	<b>18</b>	<b>132.89</b>	<b>331</b>



The BNDES' disbursements to the PAC have already reached R\$ 66.8 billion, distributed per operation and region, as shown below.

(IN R\$ BILLION)

REGION / OPERATING AXIS	ENERGY	LOGISTICS	SOCIAL AND URBAN	PUBLIC ADM.	TOTAL	%
NORTH	9.56	0.05	0.16	0.007	9.78	15
NORTHEAST	15.20	1.30	0.09	0.003	16.6	25
SOUTHEAST	6.57	3.20	3.08	0.012	12.87	19
SOUTH	4.49	0.40	0.22	0.007	5.11	8
CENTRAL-WEST	3.10	0.08	0.03	0.010	3.22	5
INTER-REGIONAL	17.84	1.37	-	-	19.21	29
TOTAL	56.77	6.41	3.58	0.039	66.8	100
%	85	10	5	0	100	



## *Projects that stood out in 2009*



### *Energy infrastructure*

**PETROBRAS** – support for the investment plan of Petrobras Group, comprising undertakings to maintain self-sufficient energy, refining work, petro-chemicals, fueled transport and storage. This project was contracted in July, in the amount of R\$ 25 billion, and the total investment was R\$ 50 billion.

**JIRAU HYDROELECTRIC POWER PLANT** – construction of the Jirau Hydro Power Plant, with installed capacity of 3,300 MW, in the Madeira River, in the city of Porto Velho (RO), as well as the installation of transmission lines of restricted interest to the generating central. The project was contracted in June, in the amount of R\$ 7.2 billion, and total investment was R\$ 10.5 billion.

**SANTO ANTÔNIO HYDROELECTRIC POWER PLANT** – construction of the Santo Antônio Hydroelectric Power Plant, with installed capacity of 3,150 MW, in the Madeira River, in the city of Porto Velho (RO), as well as the installation of transmission lines of restrict interest to the generating central. The project was contracted in March, in the amount of R\$ 6.1 billion, and total investment was R\$ 13.1 billion.



**SUAPE PETRO-CHEMICAL PLANT** – implementation of three integrated plants to produce terephthalic acid (PTA), polyester fibers and resin for packages, all in the city of Ipojuca (PE). The project was contracted in November, in the amount of R\$ 2.6 billion, and total investment was R\$ 4.4 billion.

**PECÉM THERMOELECTRIC POWER PLANT** – installation of the Pecém Thermoelectric Power Plant, with capacity of 700 MW, at the port industrial complex of Pecém, in the city of São Gonçalo do Amarante (CE). The project was contracted in July, in the amount of R\$ 1.4 billion, and total investment was R\$ 3.4 billion.



### *Logistics infrastructure*

**RONDONÓPOLIS** – expansion of the América Latina Logística (ALL) – formerly Ferronorte – with the construction of 262 km of railway between the cities of Alto Araguaia (MT) and Rondonópolis (MT). The project was contracted in August, in the amount of R\$ 692 million, and total investment was R\$ 780 million.

**CSN TRANSNORDESTINA** – construction of the Transnordestina railway, connecting a railway terminal in the city of Eliseu Martins (PI) to the ports of Pecém (CE) and Suape (PE). The project was contracted in February, in the amount of R\$ 901 million, and total investment was R\$ 5.4 billion.



**STX BRAZIL OFFSHORE S.A.** – construction of two AKER AHTS AH-12 anchor handling tug supply vessels, each one with 300 tons of static traction, with PRO-26 and PRO-27 hulls, for the ship-owner DOF Navegação Ltda. The project was contracted in July, in the amount of R\$ 639 million, and total investment was R\$ 826 million.

**ATLÂNTICO SUL** – construction of five AFRAMAX vessels, with EAS C-011 to C-015 hulls, for Petrobras Transporte S.A. (Transpetro). The project was contracted in May, in the amount of R\$ 540 million, and total investment was R\$ 1.18 billion.



### *Social urban infrastructure*

**BASIC SANITATION COMPANY OF SÃO PAULO STATE (SABESP)** – support for Sabesp’s investment plan in water supply systems, as well as sewerage collection and treatment of the ETA projects in Rio Grande, Litoral Norte, Vale do Paraíba and Mantiqueira, Piracicaba-Capivari-Jundiaí Basin. Besides this, the company plans to implement a Loss Reduction Program. The project was contracted in November, in the amount of R\$ 826 million, and total investment was R\$ 1 billion.



THE BAHIAN WATER AND SANITATION COMPANY S.A. – expanding and modernizing water supply systems in the cities of Cruz das Almas, Irecê, Senhor do Bonfim and Serrinha, as well as the sanitation sewerage system in the city of Itamaraju (BA). The project was contracted in May, in the amount of R\$ 165 million, and total investment was R\$ 174 million.

WATERS OF THE AMAZON S.A. – investments in the water supply system, loss reduction program and sanitation sewerage systems, in the city of Manaus (AM). The project was contracted in January, in the amount of R\$ 120 million, and total investment was R\$ 171 million.

GOIÁS SANITATION COMPANY S.A. – implementation of operational improvements in the water supply and sanitation sewerage systems. The project was contracted in May, in the amount of R\$ 23 million, and total investment was R\$ 29 million.

CAB – ALTO TIETÊ S.A. PRODUCTION SYSTEM – expanding the water treatment system, piping and rendering of services related to the Alto Tietê production system. The project was contracted in April, in the amount of R\$ 275 million, and total investment was R\$ 397 million.



## *The Project Structuring Division and the PAC*

The PAC was launched aiming to accelerate the economic growth of the country through incentives to public and private investment in infrastructure. Part of these public structural investments is to be made possible through public concessions or public-private partnerships (PPPs). The BNDES' Project Structuring Division (AEP) has concentrated its efforts on the fomenting and structuring stage of these projects.

Aimed at carrying out efforts established in the PAC, AEP, throughout 2009, performed the following activities:

- **HIGH SPEED TRAIN** – Presidential Decree N°. 6,256, of 11.13.2007, assigned the BNDES the responsibility to contract and coordinate technical studies related to the High Speed Train Project – Rio de Janeiro-São Paulo-Campinas. With this, over the course of 2009, the BNDES worked in partnership with the Inter-American Development Bank (IDB), under the coordination of the Ministry of Transportation and the National Agency of Ground Transportation (ANTT), to elaborate technical studies and structure the project model. These works resulted in the Minutes for the Call-to-Bid, for the Concession Contract and Annexes, which were made available to the public for a public hearing in December 2009. The project is within the scope of the PAC, with the bid scheduled for the second quarter of 2010.
- **HIGHWAY CONCESSIONS** – the BNDES finalized studies for structuring concessions for stretches of highways BR-040, BR-116 and BR-381, located in the state of Minas Gerais, with the bid scheduled for 2010. It is also rendering consulting services, in partnership







with the Brazilian Project Structurer (EBP), ANTT and the Ministry of Transportation, in concession studies of the stretches on BR-101, in the states of Espírito Santo and Bahia, and those on BR-470, in Santa Catarina. The stretches are part of the 3rd Stage of the Federal Highways Concessions.

- **IRRIGATION PROJECT** – support for studies carried out by the International Finance Corporation (IFC), of the public-private partnership in the Pontal Project, an irrigation perimeter for orchards located in the city of Petrolina (PE), with the bid scheduled for 2010.
- **AIRPORT CONCESSIONS** – observing the assignments established in Decree N°. 6,373, of 2.14.2008, the BNDES coordinated the elaboration of technical, economic-financial, environmental and legal feasibility studies to structure the international airport of São Gonçalo do Amarante, which were finalized in June 2010.



## MICRO, SMALL AND MEDIUM-SIZED COMPANIES

### *BNDES Card stands out in support for MPMEs*

The performance of the BNDES Card was in the spotlight within the Bank's role to support micro, small and medium-sized companies in 2009. Disbursements from the Card reached R\$ 2.5 billion, up 193.1% in relation to 2008. The number of operations reached 174,276, an increase of 189.2% compared to the previous year and accounted for 46.2% of the BNDES' total operations for MPMEs.

Created in 2004, the BNDES Card is exclusively aimed at providing financing for micro, small and medium-sized companies. Clients receive pre-approved rotating credit that may reach up to R\$ 1 million to purchase products listed in the Card's operations portal. Financing



is provided at a pre-established rate (determined on a monthly basis by the BNDES) and interest is the lowest on the market.

Since the product was launched, some 247,370 cards have been issued, with a total credit limit of R\$ 9.1 billion. As an example of the expansion achieved in 2009, some 92,406 cards were issued throughout the year, allowing an addition to the R\$ 4.2 billion credit limit.

There are currently 11,686 manufacturers accredited under the BNDES Card, of which 4,134 were accredited in 2009, which represents growth of 89.5% over 2008. This is due to joint fomentation efforts made by new suppliers, inclusion of products (mainly construction materials), disclosure and efforts by accredited financial agents and media campaigns.

Also in 2009, two new issuing banks entered the operations portal of the BNDES Card: Nossa Caixa, which started operations on August 31 and Banrisul whose start was on December 4.

Fomentation efforts in 2009 aimed at reinforcing the image of the BNDES Card as an agile and accessible product. Other objectives include expanding the number of items authorized in the operations portal catalog to turn it into a credit instrument that would become much more present in the daily routine of micro, small and medium-sized companies. The Card is expected to act as investment-inducing agent for innovation and improving the quality of products and processes in the corporate environment.

Efforts involved fomenting the inputs segment for packages, authorized in December 2008, and including new items eligible for financing with the BNDES Card, such as: civil construction material, on March 24, 2009, and technological services (innovation) on June 8, 2009.

The inclusion of civil construction materials under the BNDES Card brought about heightened growth in accreditation of suppliers and distributors. In 2009, some 1,004 suppliers were accredited, of which 130 were



manufacturers<sup>3</sup>, and 874, distributors. In terms of generating business, the segment accounted for 4,566 transactions, totaling R\$ 46.3 million.

Fomentation activities were key for the results obtained in 2009. There were 134% more requests for the BNDES Card, rising from 95,295 in 2008, to 222,594 in 2009. Likewise, requests from manufacturers for accreditation on the portal were in excess of 152%.

In 2009, the BNDES Card directly benefited 71,777 companies, which carried out at least one purchase, representing an increase of 160% in comparison to the 27,657 companies benefited in 2008. The number of suppliers that carried out at least one sale in 2009 rose 105%, going from 5,468 in 2008, to 11,213 in 2009.

Finally, issuances of cards grew 60% in 2009, while some 40% were unblocked for use, against 29% in 2008, a clear example of the effective results of fomentation.

## OTHER HIGHLIGHTS

In 2009, the total disbursements of the BNDES reached R\$ 137.4 billion. Of this total, R\$ 23.9 billion or 18% was applied in financing MPMEs, including individuals. The performance of micro-companies stood out in 2009, with growth of 47.7% in disbursements, in relation to 2008.

---

<sup>3</sup> In 2009, there were 8,975 requests for accreditation against 3,559 in 2008.



DISBURSEMENTS PER SIZE (R\$ BILLION)					
	2008	%	2009	%	Δ %
INDIVIDUALS	4.21	19.3	5.05	21.1	19.9
MICRO	3.93	18.0	5.80	24.2	47.7
SMALL	5.20	23.8	5.82	24.3	12.0
MEDIUM-SIZED	8.51	38.9	7.25	30.3	-14.8
TOTAL	21.85	100.0	23.92	100.0	9.5

In relation to the number of operations approved, there was expressive growth of 116.4% compared to 2008. Such result is due, mostly, to the increase in the use of the BNDES Card, especially by micro-companies, which were responsible for 41.4% of the total number of operations approved by the MPME segment and individuals in 2009.

NUMBER OF OPERATIONS APPROVED PER SIZE					
	2008	%	2009	%	Δ %
INDIVIDUALS	51,942	29.8	114,823	30.4	121.1
MICRO	60,918	34.9	156,109	41.4	156.3
SMALL	38,829	22.3	74,874	19.9	92.8
MEDIUM-SIZED	22,622	13.0	31,374	8.3	38.7
TOTAL	174,311	100.0	377,180	100.0	116.4



In absolute terms, the growth in disbursements to micro, small and medium-sized companies and individuals compared to 2008 was R\$ 2 billion. The product which most contributed to such performance was the BNDES Card, responsible for 78.8% of growth recorded in 2009. BNDES Finame was the Bank's product which forwarded the most resources to the MPME segment in 2009: 56.2% of the total disbursed was released within the scope of this product.

DISBURSEMENTS PER PRODUCT (R\$ BILLION)

	2008	%	2009	%	Δ %
BNDES FINAME	12.61	57.7	13.45	56.2	6.7
BNDES FINAME AGRICULTURE	2.54	11.6	2.65	11.1	4.2
BNDES CARD	0.845	3.9	2.48	10.4	193.1
BNDES AUTOMATIC	1.78	8.2	2.21	9.3	24.2
BNDES AGRICULTURE PROGRAMS	1.59	7.3	1.78	7.4	11.8
BNDES FINEM	1.28	5.9	0.624	2.6	-51.2
BNDES FINAME LEASING	0.928	4.2	0.382	1.6	-58.9
BNDES EXIM	0.524	0.2	0.664	0.3	26.7
OTHER	0.218	1.0	0.277	1.2	27.1
TOTAL	21.85	100.0	23.92	100.0	9.5



In comparison with the previous year, disbursements grew in almost all regions, with the most notable variation occurring in the Northeast region, up 18.6%. The Central-West region was the only one to present a drop between 2009 and 2008 (-4.2%). The Southeast region remains the leader in disbursements for MPMEs with R\$ 9.9 billion, accounting for 41.5%, while the South represents 34.6%, and the Northeast 10.4%, Central-West 10.1%, and North 3.5%.

DISBURSEMENTS PER REGION (R\$ BILLION)

	2008	%	2009	%	Δ %
CENTRAL-WEST	2.52	11.5	2.41	10.1	-4.2
NORTHEAST	2.09	9.6	2.48	10.4	18.6
NORTH	0.809	3.7	0.828	3.5	2.3
SOUTHEAST	8.90	40.8	9.93	41.5	11.5
SOUTH	7.53	34.4	8.27	34.6	9.9
TOTAL	21.85	100.0	23.92	100.0	9.5



## INNOVATION

### *Supporting innovation: the path to competitiveness*

The innovation agenda is progressively gaining more and more importance in Brazil and in the world. This is owing to the fact that it is key to economic growth and the development of more competitive economies.

Over the last few years, the BNDES has intensified support for innovation, which is a strategic priority for the institution and is considered one of the main tools for competition for companies in the current scenario.

Since the beginning of 2008, innovation has gained importance with the review of support instruments and the availability of financial resources with special conditions. Innovative Capital and Technological Innovation credit lines were created, and the BNDES began focusing on equipping companies with the ability to innovate, offering support for innovation business strategies.

In 2009, one of the highlights was lower interest rates in support lines for innovation. The reduction of interest rates was made possible through the creation of the BNDES' Investment Maintenance Program (BNDES PSI), which includes equalization of interest rates by the National Treasury and is valid up to the end of 2010.

Also in 2009, the BNDES created the Innovation Production line, in addition to the other two mentioned above. The goal of the Innovation Production line is to support investments aimed at establishing, expanding and modernizing production capacity needed to absorb the results from research and development or innovation. This credit line also supports research and development or innovation that offer proven market opportunities, including developing incremental innovations in products and/or processes.







The access of micro, small and medium-sized companies (MPMEs) to financial instruments aimed at innovation has been extended from June 2009, when the BNDES Card started to finance research, development and innovation services (R, D & I). The inclusion of such services within the scope of the BNDES Card is due to the importance that innovation has to boost the competitiveness of companies and their central role in the survival of MPMEs.

Annually the focus of resource allocation from the Technology Fund (Funtec) is redesigned – aimed to financially support projects that seek to stimulate technological development and innovation of strategic interest to the country. In 2009, Funtec started to prioritize projects targeted at addressing issues related to:

- renewable energy;
- environment;
- health;
- electronics;
- new materials; and
- chemicals.



## REGIONAL DECENTRALIZATION

*Disbursements to the North and Northeast regions increase 126% and 189%, respectively*

The year of 2009 was quite significant for the BNDES concerning the challenge of reducing regional and inter-regional socio-economic imbalances. The Northeast and North of Brazil, which are priority regions for the Bank, recorded growth rates in disbursements of 189% and 126%, respectively. These results surpass other regions and account for an increase in participation in the total volume financed by the BNDES.

With regard to the Northeast, disbursements of approximately R\$ 22 billion afforded this region a 16% slice of the total volume in 2009, that is, a higher percentage than the 13% that corresponds to participation of the northeastern economy in the Gross Domestic Product (GDP), according to the latest official data, from 2007. Large projects were responsible for this higher financial flow, although it is important to highlight that the number of operations carried out in the Northeast presented expressive growth, surpassing the national performance and consolidating wider-ranging credit operations for investment in the region. There were more than 38,000 operations carried out in 2009, more than double the number performed in the previous year.

It is important to point out that all states in the northeastern region presented growth in disbursements in 2009 when compared to the previous year. This behavior is mostly due to the combination of the recent vitality of the regional production sector and a selection of public investments lead by state governments and with support from the BNDES.

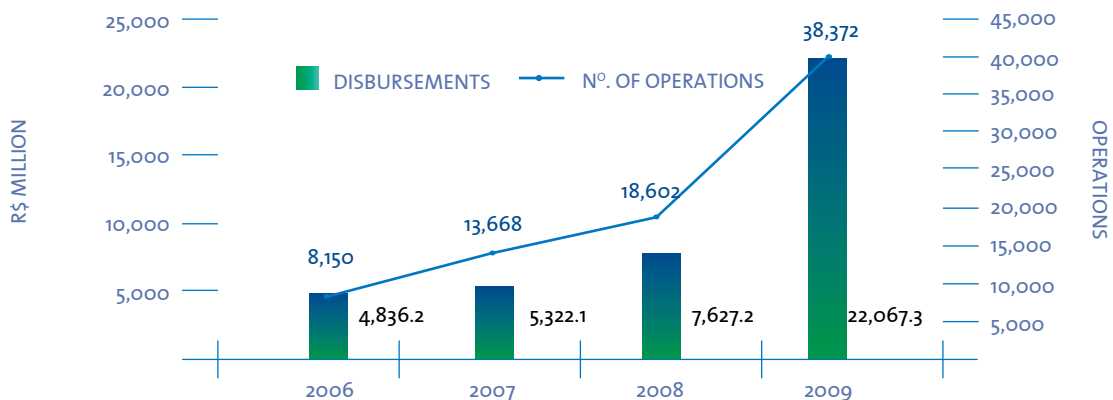
The Northern region also showed expressive expansion in disbursements from the BNDES in 2009, reaching approximately 8% of the total released by the Bank in the country. In financial terms, that means R\$ 11.2 billion. In a similar manner to the northeast, participation in the total disbursed surpassed what the regional economy represents in



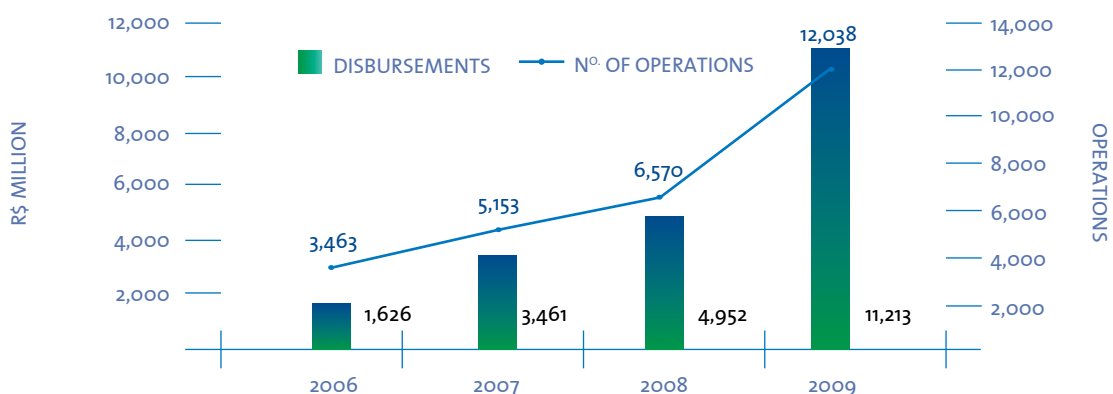
national GDP – close to 5%, according to the IBGE. Infrastructure projects were mostly responsible for the greater volume of resources earmarked for the region, fostering, also, an increase in local demand for goods and services. Furthermore, there was strong growth in the number of credit transactions, up 83% on 2008's figures.

Thus, the presence of large projects was decisive in the increased participation of disbursements in the peripheral regions and, making the most of the favorable circumstance, the Bank prioritized efforts so that effects on production chains of these projects were disseminated locally. Through communication with public and private institutions and based on credit instruments aimed at micro, small, and medium-sized companies, it was possible to foster and expand production groups around large projects, in addition to assisting state and municipal governments in the improvement of social and urban infrastructure, as well as minimizing possible negative effects generated by such projects.

NORTHEAST REGION: DISBURSEMENTS AND NUMBER OF OPERATIONS – 2006-2009



NORTH REGION: DISBURSEMENTS AND NUMBER OF OPERATIONS – 2006-2009





## SECRETARIAT FOR PRODUCTION AND INNOVATIVE CLUSTERS AND LOCAL DEVELOPMENT

The Committee for Production Clusters, Innovation, as well as Local, Regional and Socio-environmental Development (CAR-IMA), in collaboration with the Secretariat for Production and Innovative Clusters and Local Development (SAR), coordinates the BNDES' operation in a wide-array of issues, with emphasis on territorial, socio-environmental and innovation scale.

In 2009, 12 official meetings were attended by the BNDES president and the deputy managing directors from Operational Divisions, and 12 public policy experience workshops were held, in which topics such as social inclusion, regional development and technological innovation were debated.

Discussions were aimed at adopting positions in multiple scales and sectors that are able to mobilize local leadership, within a regional development policy connected to national priorities. The main focus of the operation is to reduce inequalities between the regions and in the scope of these matters, intensifying efforts in the regions and states that have been receiving less support.

The first aspect of this operation is to strengthen the relationship between the structural undertakings, the consolidation of production clusters and local development in its surroundings. Support for structural undertakings, in addition to decreasing the negative impacts commonly generated by large investments, aims fundamentally at reinforcing the boost given to development by adding value to locally produced goods and services and through the commitment of large and medium-sized companies to local integrated development. Three key elements summarize this new operation





model: stimulating the creation of representative institutionality, in charge of defining a territorial development agenda, identifying activities to be financed through a participative financial mechanism, which can be represented by a fund.

In 2009, the BNDES developed efforts in articulating and making policies in the Suape complex, in the Transnordestina railway, in the revitalization and integration of the São Francisco River basins, in the use of hydroelectric energy from the Madeira and Estreito rivers, in the petrochemical complex in Rio de Janeiro and in the Intermunicipal Consortium for the Development of Alto Paraopebas (Codap).

The second operational facet focuses on less developed macro, meso and micro-regions in the country, reinforcing partnerships with the federal, state and municipal governments, supporting the strengthening of their planning systems and executive wings. Partnerships with states were consolidated in a financing line developed in 2009 to stimulate the formulation of alternative policy models that are able to use potentialities as well as include players, activities and regions in cohesive, sustainable development projects.

In partnerships with states, support to low income Production and Innovative Clusters (APLs) stands out. This new operational strategy, developed by the Solidarity Economy Department, uses non-reimbursable resources from the Social Fund. By the end of 2009, the initiative had a portfolio of close to R\$ 100 million of non-reimbursable resources, half of which were obligations of the eight states in the northeast that requested support.



## RISK MANAGEMENT

The economy's swift recovery in 2009, after the fall in the first quarter of the year, is related mostly to efforts made by the Brazilian government. These were directly related not only to financial assistance to maintain liquidity, but also to measures in the exchange market, tax incentives and the expansion of public credit. In this context, the BNDES played a decisive role in warding off the consequences of the international financial crisis in Brazil.

In addition to maintaining the disbursements foreseen in previously budgeted investment programs – especially those related to the Growth Acceleration Program (PAC) –, the BNDES also expanded its participation in credit for micro, small and medium-sized companies (MPMEs) and established short-term credit lines, swimming against the tide of the market (see section I). Also worthy of mention is the establishment of the Investment Guarantee Fund (BNDES FGI), an instrument to complement guarantees of access to credit for MPMEs, an important segment in generating employment and income. The Fund ended 2009 with equity



of R\$ 688 million, which, given its leverage capacity, allows a potential in excess of R\$ 8.2 billion to grant guarantees.

The 39.4% growth in the BNDES' total assets was made feasible through fundraising with National Treasury debt, totaling R\$ 105 billion. In terms of risk management, it is important to point out that resources obtained were mostly under long-term interest rates (TJLP), which allowed the Bank to avoid increases in mismatches between indexes of its assets and liabilities.

Additionally, the BNDES' fundamentally anti-cyclic operations for the Brazilian economy were not accompanied by an expressive variation in terms of default, which went from 0.15% in 2008, to 0.20% in 2009. Despite a 29.7% increase in the balance of the BNDES' risk asset portfolio in relation to the previous period, there was no loss of quality in the credit portfolio, since the percentage of investment grade clients remained at high levels (84.2% in December 2009). Furthermore, the Bank's exposure with financial agents resulting from forwarding operations remained at 2008 levels.





Similarly, the Bank's impacts on regulated capital for market risk were insignificant despite the general increase in volatility. This is because the capital installments required for risk on interest rates and efforts refer exclusively to the financial institution's negotiation portfolio. As it happens, the BNDES, due to its developmental nature, has a small portfolio for negotiating bonds and securities – thus, it is less exposed to oscillations in interest rates and coupons. The Bank's corporate interests (stakes) are classified in the non-negotiation portfolio, which excuses the BNDES from regulated capital for share risks. In fact, since its performance mainly aims at developing the capitals market, the BNDES may delay sales of its participation, thus avoiding financial losses.

Concerning the exchange rate risk, the BNDES has strict internal limits for risk management, using not only resources available in dollars (exchange rate FAT) as well as efforts for mitigating risk (hedge). Finally, the BNDES has no direct exposure to commodities risk, as this installment of regulated capital is also equal to zero.

The BNDES did not suffer from any large operational risks. The capital installment grew, basically, in light of the multiplier applied by the Bank







on the regulated capital installment and on its own portfolio growth. Since the portfolio grew at rates higher than the growth of capital, the Basel index suffered a small drop from 17.67% to 17.58%, although it remained above minimum levels required by Brazil's Central Bank (11%).

Regarding the year's highlights, throughout 2009 the Credit Division continued to monitor the credit risk for financial agents, companies and economic groups, established in September 2008. Aiming at adjusting the credit policy to suit the post-international financial crisis context, ensuring the quality of the BNDES' credit, new risk management norms were instituted for financial credit institutions, companies and non-financial economic groups as well as states and municipalities.

In relation to efforts in the BNDES' Risk Management Division (AGR), the following stand out: conclusion of tender to acquire market risk management software; launch of the call-to-bid to contract credit risk management software; elaboration of the call-to-bid to acquire a business continuity system; improvement of data bases and risk management models; training and intensification of certification work and internal controls.



## CULTURAL SECTOR

*The BNDES is the main promoter for the conservation of Brazilian cultural heritage and the second largest investor in our cinema segment*

Since 1995, the BNDES has systematically supported efforts in the cultural area, namely in historic heritage, archives and collections, cinema, as well as investments in cultural economic activities, especially in the audiovisual and editorial production chains.

The Industrial Division has been, since 2006, in charge of all these efforts, delegating specific responsibility to the Cultural, Entertainment and Tourism Department (AI/DECULT), which was developed with the purpose of pooling together, in a single operating area, all instruments and support efforts for the cultural sector.

DECULT's strategic mission is to develop production chains in the cultural economy. This requires the BNDES make efforts in the cultural sector that are focused on the structuring and the sustainable development of its economic activities. This approach has generated the need to develop financing mechanisms that are more suitable to the needs of the cultural economy and through non-reimbursable resources. The BNDES

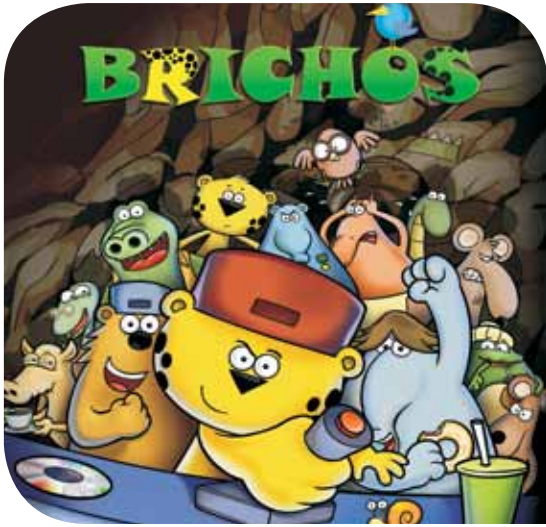


Program for the Development of the Cultural Economy (BNDES Procult), the Financing Funds for the Cinematographic Industry (Funcines), the use of new guarantee modalities and the combination of financing with non-reimbursable resources are some examples of the BNDES' new position in the cultural sector.

APPROVALS AND DISBURSEMENTS IN 2009			
	APPROVALS		DISBURSEMENTS
	Nº. OF PROJECTS	R\$ BILLION	R\$ BILLION
NON-REIMBURSABLE RESOURCES			
Cultural heritage	17	38.55	35.38
Collections and archives	26	7.99	2.43
Other cultural goods and services	13	34.05	9.98
Production of cartoons for TV	1	1.50	1.58
VARIABLE INCOME			
BNDES Procult variable income	2	15.50	15.50
Cinema – calls to bid	26	14.15	10.33
Funcines	2	16.00	0
FINANCING (REIMBURSABLE RESOURCES)			
BNDES Procult Financing	8	31.21	19.11
Publishing houses	-	-	87.98
<b>TOTAL</b>	95	158.97	182.31

The development of the Cultural Fund has fostered the expansion of the Bank's effort to preserve and revitalize Brazilian cultural heritage. With these new resources, it has become possible to support investments that combine the need for restoration of public heritage with opportunities for stimulating economic dynamics – through tourism, for example – and local urban revitalization. Thus, these projects have become promotional instruments for developing and improving management and the public use of restored buildings.





Baseado no livro de Chico Buarque  
**BUDAPESTE**



### *The second largest investor in Brazilian cinema*

The BNDES broadly supports the audiovisual sector, allocating resources for the production of movies, including cartoons, distribution, infrastructure, as well as the expansion and decentralization of movie theaters throughout the country. The main financial instruments the Bank uses to promote the structuring of the audiovisual production chain in Brazil include financing from the BNDES Procult Program, investments in Investment Funds for the Cinematographic Industry (Funcines) and Cinema Calls-to-Bid.

Since 1995, the BNDES' Cinema Calls-to-Bid have provided support to Brazilian cinematographic production through resources from the application of Audiovisual Law (Law N°. 8,685/93, amended from Law N°. 11,437/06). Based on annual public selection processes, some 347 projects have been contemplated since then, requiring more than R\$ 132 million. Such a performance made the BNDES the second largest investor in national cinema.

In 2009 alone, some 26 new projects were chosen, of which eight were documentaries and three, cartoons, in the total amount of R\$ 14.2 million.



### *Support for preservation of Brazil's historic heritage*

Using deductible non-reimbursable investments as fiscal incentives (Rouanet Law), along with resources from its Cultural Fund, the BNDES has enabled the implementation of projects aimed at preserving cultural heritage.

Since 1997, around R\$ 170 million has been earmarked for 135 projects, including the preservation and restoration of buildings. This has consolidated the BNDES' position as the main promoter for conserving Brazilian cultural heritage.

In 2009, some 17 new projects were approved, in the total amount of R\$ 38.6 million, and R\$ 35.4 million was disbursed for restoration works. The latter value represents a 140% rise compared to the previous year – an increase that includes the previously mentioned resources from the Cultural Fund.

### *Collections Call-to-Bid*

Also with non-reimbursable resources from the Cultural Fund, the BNDES, since 2004, has developed the Preservation Program for Collections and Archives, earmarked for efforts to preserve archives, bibliographic and museologic collections of cultural and historic relevance, covering cataloging, cleaning and conditioning, restoration, environmental management, installation of security systems and investments in infrastructure. The program was made operational through annual public calls-to-bid and has already contemplated 123 projects for historic museums, sacred art museums, libraries, city archives, scientific archives, university centers, among others, with a total value of R\$ 24 million. In 2009, the BNDES disbursed R\$ 2.4 million for the recovery of collections and archives.





### *Thursdays at the BNDES (Quintas no BNDES)*

Aimed at disseminating Brazilian culture and opening the doors to a wider public, the BNDES, since 1985, holds concerts in its main auditorium as part of the activities at the BNDES Space. 'Thursdays at the BNDES' presents free Brazilian music concerts on a weekly basis, featuring new talents and famous artists.

In 2009, some 39 concerts were attended by over 10,000 people. Over the last three years, around 28,000 people graced the 116 concerts held. Since 2008, concerts have been selected by means of a public exam. The purpose of this innovation is to increase the chance to participate and to foster transparency in the choice of projects.



### *Sponsorship of cultural events and publications*

The BNDES' sponsorship is aimed at disseminating its operations, adding value to the trademark, generating acknowledgement and strengthening the Bank's relationship with its stakeholders. In 2009, the institution supported cultural events and publications in areas, such as cinema, cartoons, new media, music, dance and literature, earmarking around R\$ 3,5 million for these projects.

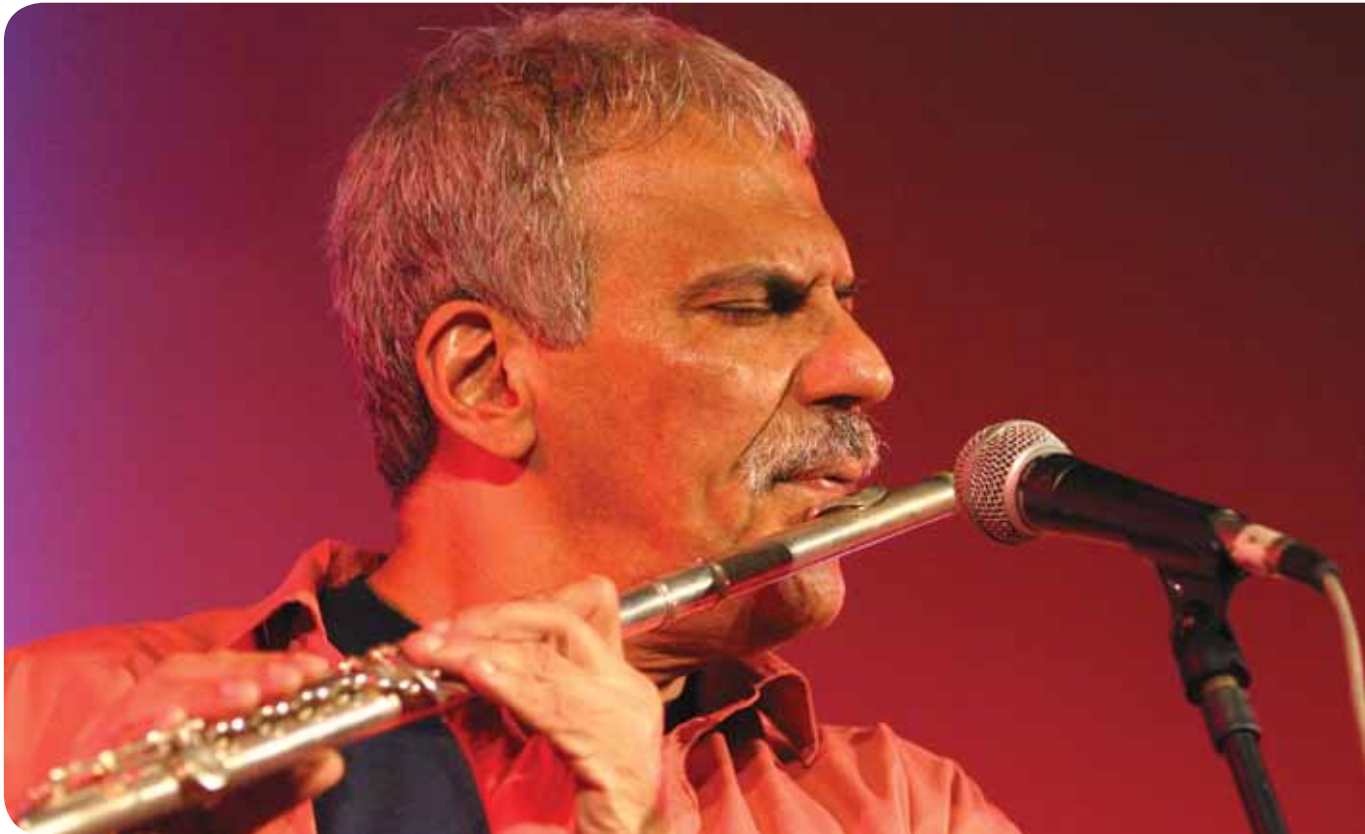
Furthermore, the Bank contributed to projects including the International Literary Festival in Paraty (FLIP), the 2009 Dance Panorama Festival, the Rio Festival as well as the International Music Fair in Olinda (MIMO), helping to disseminate and add value to Brazilian culture.



**PRESENTATION OF THE BUENA VISTA SOCIAL CLUB STARS,  
AT PRAÇA DO CARMO (OLINDA/PE) DURING THE 2009 EDITION  
OF MIMO (INTERNATIONAL MUSIC EXHIBITION IN OLINDA).**







DANILO CAYMMI AND SANDRA DE SÁ, IN CONCERT OF QUINTAS NO BNDES (THURSDAYS AT THE BNDES)



## CAPITALS MARKET

*BNDES' operations stimulate the development of the capitals market*

In the current stage of the Brazilian economy, it is fundamental to assure the continued strengthening of the capitals market and the steady increase in the number of companies with assets traded on the stock exchange. In this context, in keeping with its operating policies, the BNDES System is permanently aimed at supporting the capitalization of Brazilian companies and contributing to the development of the domestic capitals market, through incentives focused on increasing the offer of securities and of democratization of capital ownership in the country.

The Bank operates in this market through its subsidiary BNDES Participações S.A. – BNDESPAR. Operations involve, among other aspects, streamlining the structure of capital to enable new expansion projects; the corporate reorganization of competitive companies; internationalization processes; and sectorial consolidation. In these operations, the BNDES System subscribes bonds and securities—especially shares, convertible or exchangeable debentures, quotas in investment funds and other instruments, which comprise its investment portfolio





in variable-income – within the scope of public or private issuances held by companies that are already taking part in the capitals market or may take part in it in the future.

To be a candidate for this support modality, companies need to meet specific criteria, that is, companies must: be legally constituted in Brazil; present technological and administrative capacity, as well as a proper business plan; demonstrate satisfactory perspectives for return on investments; have their securities traded on the market or agree to, in the future, issue and publicly trade its shares on the Brazilian stock exchange. Companies' operations will be technically assessed by the Capitals Market Division or by the Venture Capital Division. BNDESPAR's board of directors will base their decision on such analysis.

Aspiring to stimulate the development of the capitals market, the BNDES System also develops innovative financial products, aiming at increasing the diversity of products on the national market. These initiatives also assist in the recycling policy of its own investment



portfolio in variable-income and in the opening of alternative funding lines for the BNDES System.

An example is the “Securities Brazil Bovespa Index” (PIBB), released in 2004 and which was the first fund in Latin America that was indexed and traded on the stock exchange, repeating the appreciation of the IbrX-50 index, which comprises the 50 most traded shares on Bovespa at that time. The public offer attended more than 25,000 retail investors and eleven institutional investors. In 2005, with the objective of increasing liquidity in trading PIBB shares and improving the visibility of the product, the Bank injected money into PIBB, selling new shares in yet another public offer. In this second release, which surpassed the performance in the first, the offer reached 120,670 retail investors and 105 institutional investors.

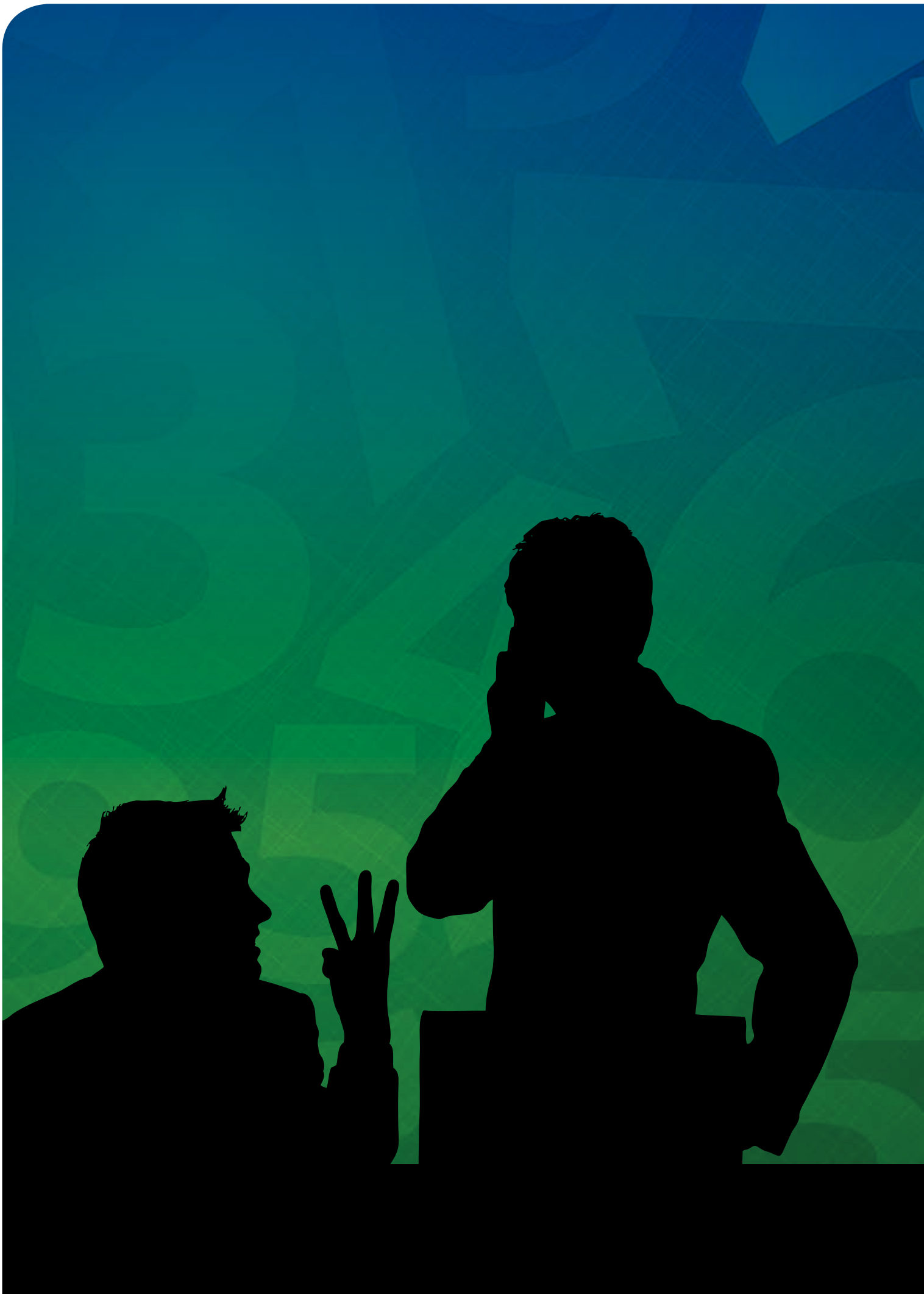
Innovative small and medium-sized companies are also a priority and can receive direct or indirect participation through closed investment funds. These funds, through their regional or sectorial efforts, offer more reach to operations and enable the leverage of private resources from other investors for the capital of these companies. As a natural consequence of its operating cycle, the BNDES System maintains these investments in its portfolio throughout the maturity phase of the undertaking. Once the objectives of the support have been achieved, it is time to proceed to divestment, preferably through the market, thus recycling the resources to be used in new operations.



Therefore, the core goals of the BNDES' operations in Brazilian capitals market are:

- To strengthen the capitals market through support for companies that comprise or are committed to migrating to the BM&F Bovespa's New Market.
- To develop products that make the capitals market more attractive and safer for small investors (retail).
- To develop the closed fund sector, increasing, indirectly, the reach of the BNDES, as well as leveraging private resources in the funds.
- To support small and medium-sized companies in the innovative technological sector.
- To prioritize divestment through the secondary market, with the purpose of democratizing the capital ownership of companies and increasing the liquidity of stock.
- To manage the bond and security portfolios, both its own and those that belong to third parties (FPS, for example), with the aim of creating value for securities in the medium/long terms.
- To promote the use of policies for sustainable development in companies receiving support, including within the socio-environmental scope.







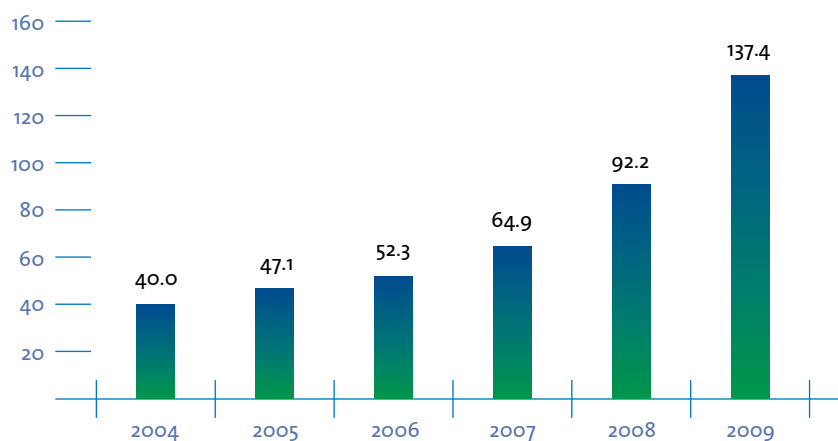
*The BNDES in Numbers*

## DISBURSEMENTS

The BNDES' performance in 2009 was associated to three processes: (1) continued financing for long-term investment projects, especially in industry and infrastructure; (2) anti-crisis efforts within the institution, with the implementation of programs and measures aimed at facilitating credit for the production sector, focusing on minimizing the negative effects of the international financial crisis on investments; and (3) "credit democratization", with a considerable increase in the number of operations earmarked for the acquisition of machinery and equipment and for micro, small and medium-sized companies (MPMEs).

As shown below, disbursements reached the record amount of R\$ 137.4 billion in 2009. This is up 49% on 2008, when releases totaled R\$ 92.2 billion.

BNDES' DISBURSEMENTS – 2004-2009 (IN R\$ BILLION)



Source: BNDES.





## Sectors

Industry and infrastructure accounted for more than 80% of the BNDES' disbursements in 2009. The highlight was the industrial segment, with a growth rate in releases of 63%. The second largest increase was in trade and services (55%), followed by infrastructure (39%) and agriculture (23%).

BNDES' DISBURSEMENTS PER SECTOR (R\$ BILLION)

SECTORS	2008	2009	GROWTH RATE (%)
INDUSTRY	39	63.5	62.8
INFRASTRUCTURE	35.1	48.7	38.6
AGRICULTURE	5.6	6.9	22.5
TRADE/SERVICES	11.2	17.3	55.2
OTHER	1.4	1	-23.4
TOTAL	92.2	137.4	49.0

Source: BNDES.

Industry's performance reflected projects that totaled R\$ 43.3 billion in sectors including chemical/petrochemical, foodstuff & beverage and transport material. Total financing for Petrobras was R\$ 25 billion. Releases to the company, due to its scale and multiple objectives, were made within the scope of industry as well as infrastructure. Some R\$ 19.3 billion was for the chemical/petrochemical sector, and R\$ 5.7 billion went to the transport sector.<sup>4</sup>

<sup>4</sup> Comprises highway and railway transport, auxiliary transport activities and other transport according to the BNDES' sectorial classification.



In infrastructure, the transport sector stood out (R\$ 27.2 billion) due to the releases to Petrobras, but also to merchant marine companies and highway and railway transport firms. In electric energy, R\$ 14.2 billion was disbursed. Also standing apart are projects in the BNDES' portfolio within the scope of the Growth Acceleration Program (PAC). This is the case, for example, for the hydroelectric plants in Estreito, Santo Antônio and Jirau, located in the North of the country.

BNDES' DISBURSEMENTS PER SECTOR (R\$ BILLION)

SECTORS	2008	2009	GROWTH RATE (%)
<b>INDUSTRY</b>	38.9	63.5	62.8
CHEMICAL / OIL	5.6	25.6	355.9
FOOD. / BEV.	10.1	8.8	-12.6
TRANSPORT MAT.	7.5	8.8	16.9
METALS	3.7	5.3	42.5
MECHANICS	3.4	4.2	23.2
OTHERS	8.6	10.7	24.3
<b>INFRASTRUCTURE</b>	35.1	48.7	38.6
ELECTRIC ENERGY	8.6	14.2	63.9
TRANSPORT	18.8	27.2	44.5
OTHER	7.6	7.3	-4.5
<b>OTHER SEGMENTS</b>	18.1	25.2	39.5
<b>TOTAL</b>	<b>92.2</b>	<b>137.4</b>	<b>49</b>

Source: BNDES.





### *Investment Maintenance Program (PSI)*

Aiming at minimizing the drop in investments into the Brazilian economy, which started in the fourth quarter of 2008 due to the escalation of the international financial crisis, the federal government released, at the end of June 2009, the Investment Maintenance Program (PSI). This program reduced not only financing costs for the capital goods, innovation and exports segments, but also extended the terms for repayments and grace periods for use of resources. PSI was made possible due to the Finance Ministry's decision to equalize rates.

The following table shows the Bank's portfolio for PSI distinguishing segments. By the end of 2009, the stock of the Bank's portfolio for PSI reached R\$ 37.1 billion, of which R\$ 300 million was for innovation, R\$ 8.7 billion for exports and R\$ 28.1 billion for capital goods. More than 75% of the portfolio total was earmarked for machinery and equipment to finance buses and trucks (R\$ 7.5 billion), as well as to acquire capital goods (R\$ 20.6 billion) for several segments. From the R\$ 8.7 billion earmarked to finance exports, most was for products of higher added value, such as the production and commercialization of machinery and equipment.



PSI PORTFOLIO (DATA FROM 12.31.2009)

	R\$ BILLION	PARTICIPATION (IN %)
<b>TOTAL (1+2+3)</b>	<b>37.1</b>	<b>100</b>
<b>1. CAPITAL GOODS</b>	<b>28.1</b>	<b>75.7</b>
BUSES AND TRUCKS	7.5	20.1
OTHER ITEMS	20.6	55.6
Transport	2.9	7.9
Agriculture	2.6	7
Electricity and gas	2.1	5.6
Telecommunications	1.8	4.8
Foodstuff	1.5	4
Coke, oil and biofuel derivatives	1.3	3.4
Metals	0.9	2.5
Pulp and paper	0.9	2.3
Others	6.7	17.9
<b>2. EXPORTS</b>	<b>8.7</b>	<b>23.4</b>
MANUFACTURE OF MACHINERY AND EQUIPMENT	7.5	20.3
OTHERS	1.1	3
<b>3. INNOVATION</b>	<b>0.3</b>	<b>0.9</b>

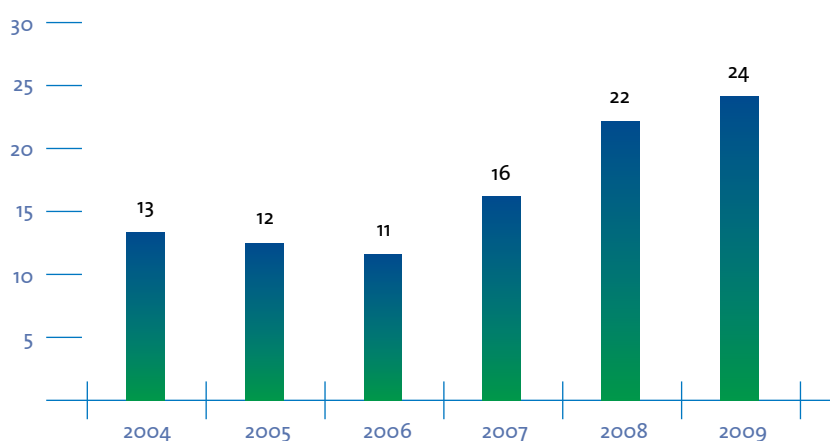
Source: BNDES.



### Micro, small and medium-sized companies (MPMEs)

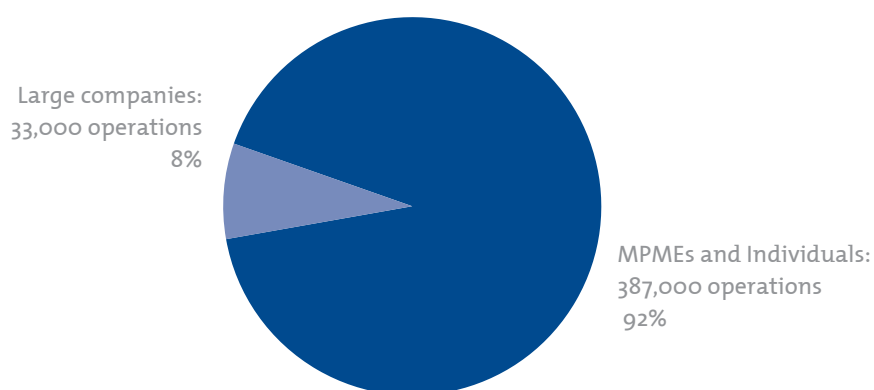
Disbursements to micro, small and medium-sized companies (MPMEs) and individuals increased 9.5% in 2009, totaling R\$ 24 billion. This value represented 18% of the BNDES' releases throughout the year. There was a clear expansion in the volume of credit released. Some 387,000 operations were carried out, more than twice that in 2008.

DISBURSEMENTS TO MPMEs AND INDIVIDUALS (IN R\$ BILLION)



Source: BNDES.

NUMBER OF OPERATIONS PER COMPANY SIZE



Source: BNDES.

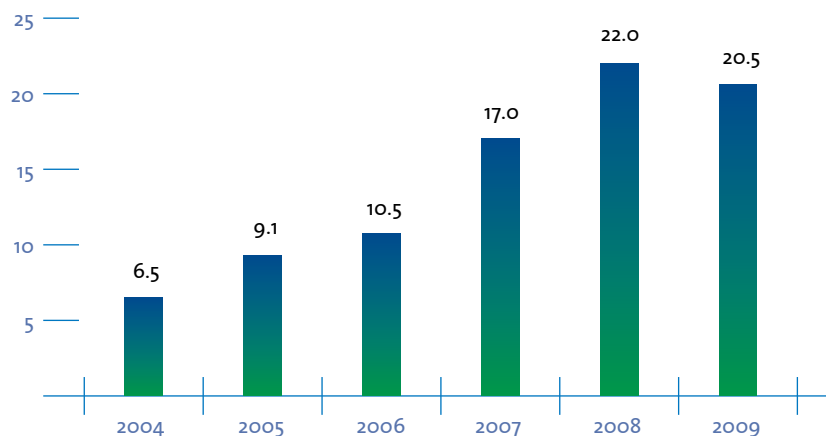


### Disbursements BNDES Finame, BNDES Automatic and BNDES Card

The BNDES supports MPMEs and individuals mainly by assisting financial agents, due to the greater reach of these institutions, providing broader dissemination of operations. Financing is carried out through the following lines of credit (i) BNDES Finame, with financing for the production and commercialization of machinery and equipment; (ii) BNDES Automatic, financing for projects with values below R\$ 10 million; and (iii) BNDES Card, pre-approved rotating credit for micro, small and medium-sized companies to acquire goods and inputs.

The chart below shows the BNDES' disbursements through these operations in 2009. It is clear that there is an expressive path of growth in the volumes released through BNDES Automatic and BNDES Card, which more than compensates the drop in the performance of BNDES Finame. The strong increase in disbursements by the BNDES Card is expressive, rising from R\$ 845 million in 2008 to R\$ 2.5 billion in 2009.

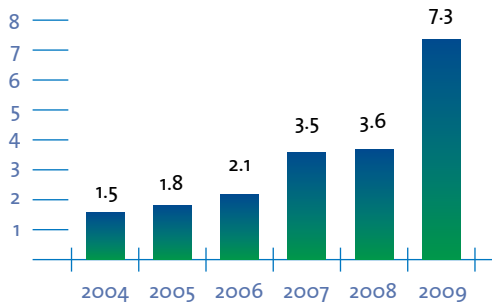
DISBURSEMENTS FROM THE INDIRECT OPERATIONS DIVISION (AOI) – BNDES FINAME (IN R\$ BILLION)



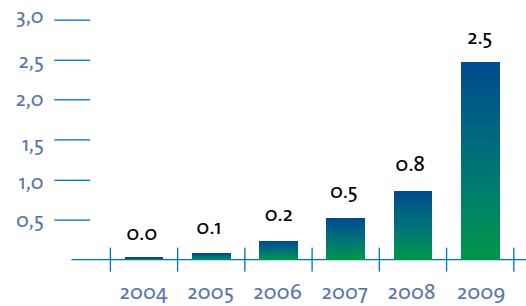
Source: BNDES. Elaboration APE/BNDES.



DISBURSEMENTS FROM THE AOI –  
BNDES AUTOMATIC (IN R\$ BILLION)



DISBURSEMENTS FROM THE AOI –  
BNDES CARD (IN R\$ BILLION)

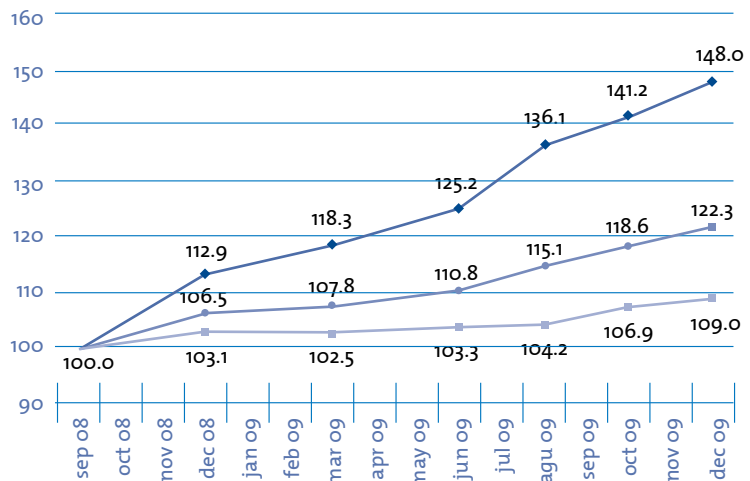
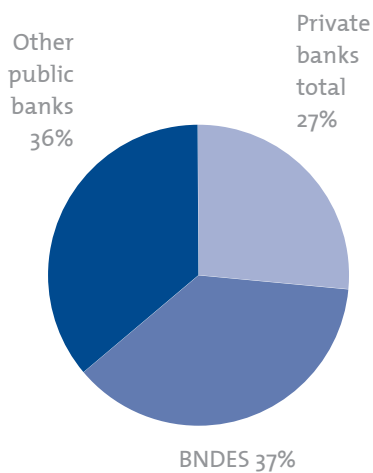


Source: BNDES. Elaboration APE/BNDES.

## IMPORTANCE OF THE BNDES IN SUSTAINING CREDIT

The BNDES was, in conjunction with other public banks, one of the main entities responsible for maintaining the expansion of bank credit in Brazil, over the months that followed the escalation of the international crisis in September 2008. The accumulated growth in the BNDES' credit operations and those of other public banks between September 2008 and December 2009 was 48.0%. The BNDES was the institution that contributed the most to expanding financing operations, accounting for more than one third of the 22% increase in total credit in the economy for the period.

THE ANTI-CRISIS ROLE OF THE BNDES



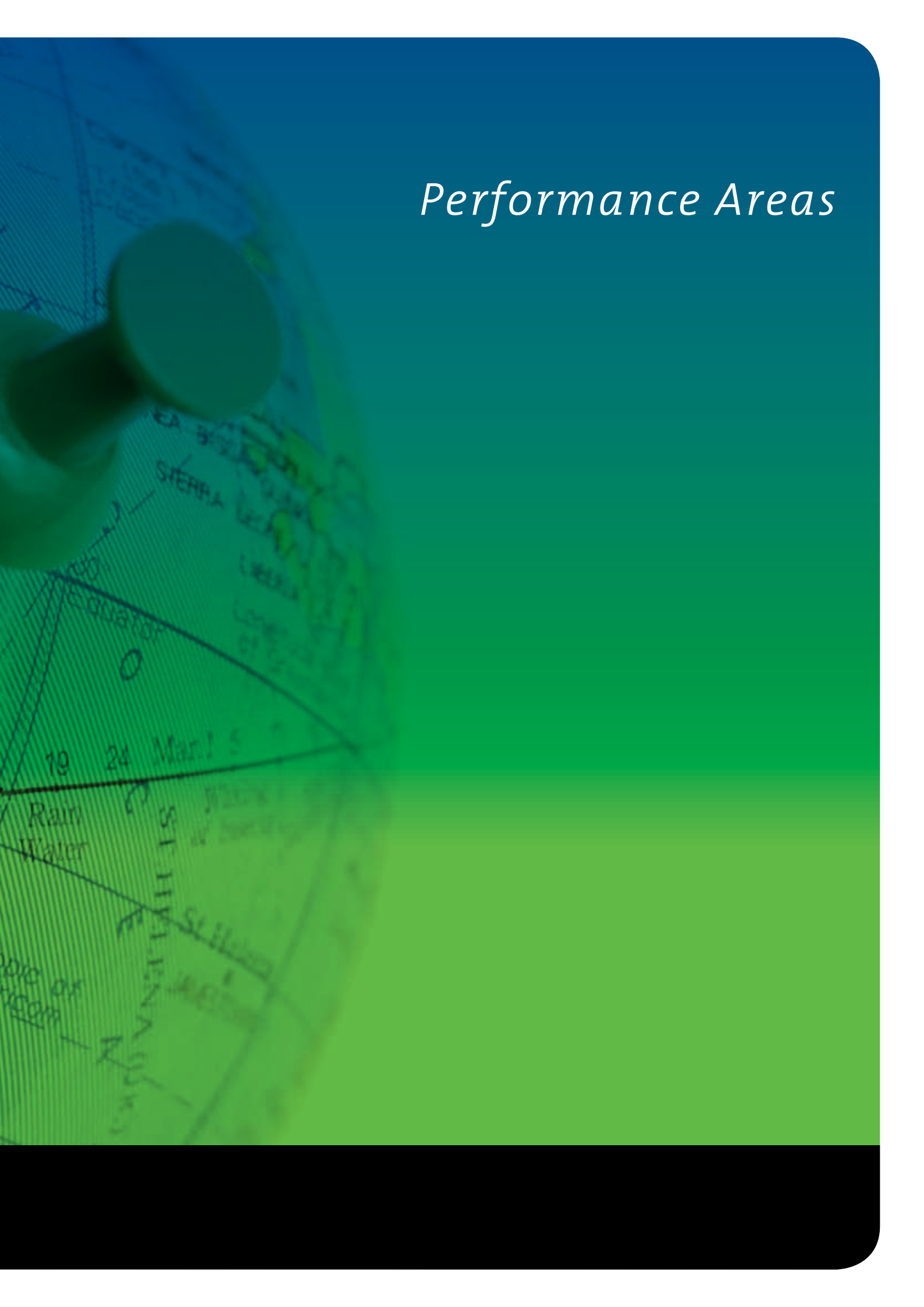
Source: Elaboration APE/BNDES based on Brazilian Central Bank's data.







# *Performance Areas*





## VENTURE CAPITAL DIVISION

SUPPORT IN VARIABLE INCOME SO THAT  
SMALLER-SIZED COMPANIES CAN GROW

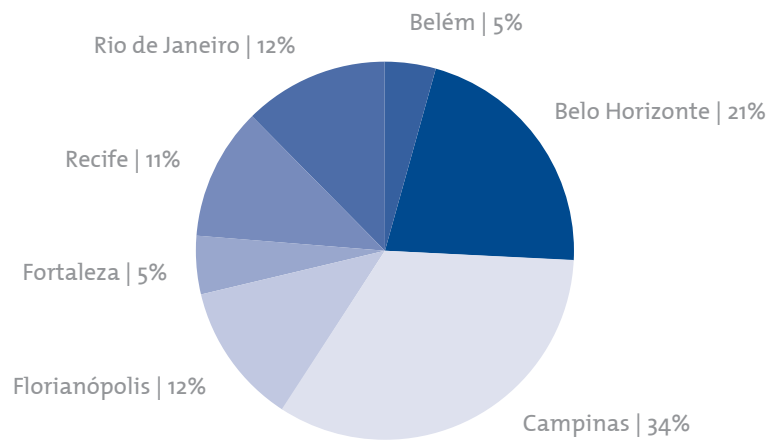
### *Micro, Small and Medium-sized Companies*

Throughout 2009, the Criatec program, aimed at meeting the capitalization needs of innovative small-sized companies, approved 13 investments, whose total amount was R\$ 16.8 million. With these approvals, the Fund reached its first goal: to approve 24 companies in the first 24 working months, totaling R\$ 32 million in approved investments.

The Criatec program operates in different geographic areas through its Regional Managers, as shown in the chart below:

REGION	APPROVED AMOUNT (IN R\$ MILLION)
BELÉM	1,499.1
BELO HORIZONTE	6,652.0
CAMPINAS	10,987.5
FLORIANÓPOLIS	3,899.9
FORTALEZA	1,500.0
RECIFE	3,699.9
RIO DE JANEIRO	3,996.6
TOTAL	32,235.17





In addition to the Criatec program, the BNDES also supports the increase in the innovation capacity in small and medium-sized companies, through direct investments in corporate interest (stake), as well as indirectly, through Venture Capital and Private Equity Funds.

### *Innovation*

Disseminating an innovative culture is a vital key to generating economic impact. This said, in 2008 the BNDES entered into partnership with the Centre for Research in Innovation Management (Centrim) from the University of Brighton (UK) with the purpose of developing the capacity of seven BNDES employees and three from the Financer of Studies and Projects (Finep) to be multipliers of Innovation Management Training. Until the end of 2009, more than 200 professionals from companies of different sizes and sectors took part in the training, as did employees from the BNDES and Finep. This initiative aimed especially at making participants aware of the relevance of the issue and, accordingly, increasing discussions in their work environments so as to bring about practical effects in the respective companies and institutions.



## Capitals market

The Venture Capital Division (ACE) is in charge of financial support operations for small and medium-sized Brazilian companies (SMEs), through financial instruments of variable income. It takes part in promoting, structuring, investing, monitoring and divesting these assets in the BNDESPAR portfolio, in addition to supporting other operational divisions within the BNDES System when using these financial instruments in their operations.

By the end of 2009, BNDESPAR's variable-income assets portfolio, which is managed by ACE, comprising shares, bonus, debentures (direct stakes) and investment funds (indirect stakes) was the following:

ACE PORTFOLIO IN 2009	
NUMBER OF COMPANIES	130
NUMBER OF FUNDS	27
MARKET VALUE (R\$ MILLION)	1,337

Considering direct and indirect stakes managed by ACE, the division, in 2009, carried out an approximate financial transactions of R\$ 519.4 million, of which R\$ 319.8 million was in investments and R\$ 200 million in divestments, with R\$ 2.2 million in inflows from earnings and interest on the portfolio's assets.

In direct stakes (shares and debentures), ACE invested in nine companies, of which three were new, and divested its stakes in five companies, of which four were total divestments. BNDESPAR's portfolio of direct stakes in small and medium-sized companies ended 2009 with a total of 31 stakes. Divestments carried out are equivalent to 11% of the portfolio, totaling R\$ 12.2 million.



In the stakes in investment funds, ACE paid in quotas in 15 funds, and amortized or redeemed quotas in 12 funds. Two calls for new funds were carried out, within the Fund Program approved in 2008. The first fund focuses on the oil & gas sector, and, through a call-to-bid process, Modal Administradora de Recursos S.A. was the approved manager. The Investment Fund in Oil & Gas Stakes (FIP) was pre-selected by the BNDES' Capitals Market Committee to receive investment from BNDESPAR, within the scope of the BNDES' Investment Fund Program, with earmarked capital of R\$ 500 million, from which BNDES may transfer up to 20%. The second fund was aimed at the biotechnology and nanotechnology sector, whose manager, Burrill & Company, was approved in a call-to-bid process. The total earmarked by the BNDES is approximately R\$ 50 million.

To monitor direct investments in small and medium-sized companies through corporate interest (stakes), ACE is developing the Governance and Corporate Management Index (IGGE), a new methodology to assess the current stage of management and governance practices in small and medium-sized companies that are investing. With this new monitoring instrument, it will be possible to identify critical operation points and potential improvements foreseeing a future opening of capital. Among the aspects to be assessed are: strategic planning, auditing, financial policy, production and quality, socio-environmental responsibility, administrative board, among others.





## FOREIGN TRADE DIVISION

### RECORD DISBURSEMENT HELPS MITIGATE THE EFFECTS OF THE INTERNATIONAL CRISIS

In 2008-2009, the BNDES credit lines played an important role in mitigating the effects resulting from the scarcity of credit brought on by the world financial crisis. Especially in 2009, when disbursements reached US\$ 8.3 billion, the BNDES' financing lines for exports set new records for its almost 20 years of existence. Financing increased 26% compared to 2008, a record year which had already represented an increase of more than 50%. The main highlights were capital goods, along with engineering and construction services.

The capital goods sectors were one of the most affected in the entire world by the economic crisis. From a perspective of reduced demand for general products, investment decisions were postponed and, consequently, purchases of capital goods fell. With this, in financing earmarked for the pre-shipping phase, the export modality in the Investment Maintenance Program (PSI), earmarked for companies in the capital goods sector, the BNDES contributed to maintaining the competitiveness of Brazilian exporters in a scenario of strongly depressed foreign demand. Some US\$ 4.5 billion was disbursed, helping a wide array of segments of Brazilian exporters of capital goods, including industrial and farming machinery,



power generation and transmission equipment, telecommunication equipment, buses and trucks.

Support provided to the capital goods sector was also relevant in funding the post-shipment phase, especially that aimed at aircraft exports, another segment severely affected by the scarcity of credit in the international private market. In 2009, disbursements to finance the exports of aircraft reached US\$ 728 million, continuing the return of support to the sector within the scope of the Aircraft Sector Understanding (ASU) of the Organization for Economic Cooperation and Development (OECD). The ASU was reviewed in 2007 after a long negotiation process including, for the first time, Brazil, the third main producer of commercial aircraft in the world. The understanding establishes the most favorable financial terms that may be offered by governmental agencies for export credit in each country, which also provides an efficient system for transparency in the sector.

The BNDES' post-shipment financing in 2009 can be divided into three large groups: in addition to aircraft, support for exports of Brazilian goods and services throughout Latin America and Africa has been significant, especially to meet the demand from infrastructure projects.

Disbursements providing support for the exports of goods and services to importers in Latin America reached US\$ 726 million, a record in the history of the BNDES Exim lines. The main disbursements in 2009 were for exports of Brazilian goods and services to build gas pipelines in Argentina and hydro power plants in the Dominican Republic.

In Africa, the BNDES financing portfolio has operations that were structured throughout the year for a wide array of countries, and the main highlight continues to be the Credit Line to Angola. Memorandums of Understanding signed between Brazil and Angola established a total credit line of US\$ 1.75 billion for the BNDES' operation, fostering support for exports of Brazilian goods and services earmarked for projects prioritized by the Angolan government in efforts to



reconstruct the country after the long period of civil war. The amount made available is already totally pledged to contracted operations, and the portfolio comprises financing for exports of a wide selection of Brazilian goods and services assigned to highway and urban infrastructure projects, sanitation, water supply, power generation and distribution, professional capacity-building centers, equipment for fire departments and civil defense, as well as the construction of an airport. Disbursements reached US\$ 766 million in 2009.

In addition to structured operations, to provide support for Brazilian exporters in the post-shipment phase, a financing line was developed for retail operations, in general those earmarked for the separate commercialization of capital goods. Automatic Exim's purpose is to make credit competitively and swiftly available for external commercialization of Brazilian products through the opening of credit lines for banks abroad, especially in Latin America. The new instrument will allow the BNDES to finance Brazilian exports from a network of accredited banks overseas, in a similar way this is done with its agents in Brazil. The banks abroad will request operations and the funds will be disbursed by the BNDES, in Brazilian currency, in Brazil, directly for the Brazilian exporters.







## PROJECT STRUCTURING DIVISION

THE BNDES ASSISTS IN MAKING FEASIBLE LARGE  
STRUCTURING PROJECTS IN THE BRAZILIAN ECONOMY

Overcoming infrastructure bottlenecks and restrictions to production capacity depends mostly on structuring public investments that may in part be made feasible through public concessions or public-private partnerships (PPPs). Considering that such undertakings require complex elaboration of projects by the public sector, the BNDES has concentrated its efforts on this stage of fomentation and structuring, offering technical assistance and support to governments for the development and implementation of public policies.

It is important to point out that these projects represent large investments that involve a wide array of risks for public entities, for private investors and for the financial agent. In light of this, the success of any given undertaking demands great effort in the structuring phase. Rigorous technical work is needed, along with the adoption of the best market practices to calculate the necessary investments using projections and prospective analyses, risk mitigation and distribution



of responsibilities among players. In addition, it is vital to establish transparency and impersonality in the process, respecting public interest and the legal security of the future undertaking.

The BNDES, through its Project Structuring Division (AEP), seeks to identify, encourage, support, and carry out structuring efforts in public concessions and PPPs, establishing the conditions to make infrastructure projects feasible, including the participation of private resources. To reach these objectives, the Bank developed the Project Structuring Fund (FEP), the Brazilian Project Structuring Effort (EBP – Estruturadora Brasileira de Projetos), in partnership with eight national financial institutions, and a Multilateral Fund in which the BNDES is a partner with the Inter-American Development Bank (IDB) and the IFC (financial arm of the World Bank), whose duties are complementary as described below:

	DESCRIPTION	FOCUS
PROJECT STRUCTURING FUND (FEP)	Statutory fund of BNDES' investment budget Initial lot of R\$ 20 million (2008)	Studies and technical research that directly or indirectly generate projects of a strategic and structuring nature
	<a href="http://www.bndes.gov.br/programas/outros/fep.asp">http://www.bndes.gov.br/programas/outros/fep.asp</a>	
BRAZILIAN PROJECT STRUCTURING EFFORT (EBP)	Private company in which private banks and BNDESPAR have stakes Capital of up to R\$ 100 million over 10 years	Infrastructure projects that are attractive to the private sector Requires payment of project structuring to EBP by the client that wins the concession (Article 21 of Law N°. 8,987/95)
	<a href="http://www.ebpbrasil.com">http://www.ebpbrasil.com</a>	
MULTILATERAL FUND (BNDESPAR, IFC AND BID)	Fund managed by the IFC with resources from BNDESPAR and multilateral entities Capital of US\$ 4.90 million	Concession or PPP pilot projects



Throughout 2009, in addition to activities related with the PAC, the following the project structuring activities of the BNDES can also be highlighted:

**OIL & GAS** – June 2009 saw the conclusion of surveys to diagnose regulatory, institutional, and financial alternatives to oil & gas exploration and production, as well as industrial development of the oil and gas production chain in Brazil. The survey, financed with resources from FEP, sought to provide support for the debate on the most appropriate models to develop Brazil's potential in the sector.

**AIR SECTOR** – from technical cooperation agreements entered into with the Defense Ministry, Infraero and the National Civil Aviation Agency, studies are being financed to subsidize sector planning and allow structuring of projects and investments in the sector. The study for diagnoses and proposals of public policies for the air transport sector in Brazil stands apart, as it involves legal-regulatory aspects, infrastructure, as well as competition in air services and airport administration. The study began in July 2009 and is forecast for release in May 2010.

**RESTRUCTURING OF INFRAERO** – within the scope of the Technical Cooperation Term entered into with the federal government through intermediation of the Defense Ministry, the BNDES contracted a consulting company to carry out specialized technical surveys to elaborate Infraero's restructuring project, with the aim of preparing the company for the opening of its capital, as well as proposing alternative models for management and/or corporate structures. The surveys should be concluded in August 2010.



### *State and municipal projects*

**HEALTH** – the BNDES, with resources from the Multilateral Fund, concluded the studies of the first health PPP in the country, with the concession of the Hospital do Subúrbio in the metropolitan region of Salvador.

**HIGHWAY CONCESSION** – technical studies for structuring the concession of the State Highway System BA-093 – highway network in the metropolitan region of Salvador – were concluded with resources from the Multilateral Fund and tender scheduled for May 2010.

**MINEIRÃO COMPLEX** – studies for modifying the Mineirão complex for the 2014 World Cup began, and an agreement was signed for structuring public concessions and PPPs within the scope of the municipality, with the city hall of Belo Horizonte.





## SOCIAL INCLUSION DIVISION

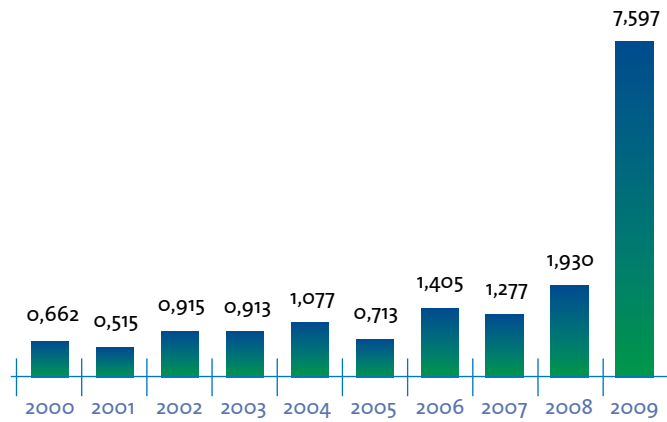
MORE RESOURCES WITH A FOCUS ON NORTH AND NORTHEAST REGIONS

In 2009, the Social Inclusion Division (AS) consolidated its new management model. The process, which began in 2008, mobilized all AS employees, aligning and collectively creating a strategy for the division's operations, transforming the priorities established in the BNDES' strategic planning into concrete efforts.

Surpassing expectations, in 2009, disbursements amounted to R\$ 7.6 billion, a record for the last 10 years. The increase in disbursements is partly due to the creation of the Emergency Financing Program (PEF), responsible for disbursing R\$ 3.7 billion, approximately 47% of the division's total. Excluding the PEF figures, AS disbursements in 2009 reached R\$ 4.1 billion, the highest amount ever recorded for the division.

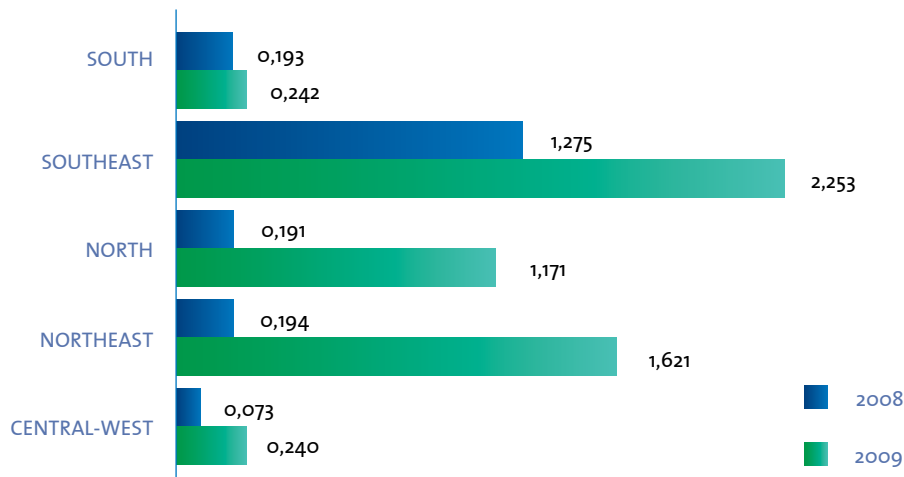


TOTAL DISBURSEMENTS (IN R\$ BILLION)



Besides the increase in the amount released, regional distribution of disbursements reflected an increase in the participation of North and Northeast regions, compared to 2008, which is in keeping with the BNDES' strategic planning "to emphasize regional development".

DISBURSEMENT BY REGION (IN R\$ BILLION) – 2008-2009



Transforming the Social Inclusion Division in 2009 resulted from the combination of a series of internal efforts and external factors that were self-sufficient. The international economic crisis, at the end of 2008, brought about the need to support the states and the Federal



District in order to supply resources that would enable the budget to be carried out. For this purpose, the federal government created the Emergency Financing Program (PEF), which is managed by the Department of Public Administration (DEGEP), through which R\$ 4 billion was made available, with no special conditions, by the National Monetary Council to fund expenditure on capital. The successful experience in operationalizing the program paved the way for another R\$ 6 billion, also with no special conditions, and led to the reformulation of support for states.

The BNDES Line of Credit for States, much more than a mere extension of PEF-BNDES with no special conditions, is the result of a long process of experiences and maturing discussions within the Bank in relation to supporting the public sector. Taking advantage of this new window of opportunity of unconditional financing, a different way of relating to Brazilian states was included in the BNDES' Operational Policies, based on the support for an integrated set of steady investment programs listed in the Multi-Year Plan and by using the best practices for monitoring and assessing projects.

The strategy to support initiatives that generate jobs and income has also been reformulated, migrating from the analysis of independent projects, with great effort and expenditure of resources, to a model in which financial support is given to programs or groups of projects to be operationalized by strategic partners that are capable of doing so. Through this model of operating with partners, the Department of Economic Solidarity (DESOL) plans to attend its target audience on a larger scale and more efficiently.

The BNDES' support for the sanitation sector underwent a process of innovation, especially due to the inclusion of the private initiative and new ways of structuring investments sought by the state sanitation companies (CESBs), such as associations with the private sector in full or partial concessions and administrative public-private partnerships (PPPs).



Given this movement in 2009, the Department of Environmental Sanitation (DESAM) sought to develop, with investors in the sector (private and CESBs), solutions to support investment in environmental sanitation, especially in project finance.

In the educational area, an agreement was signed between the BNDES and the Ministry of Education (MEC) for the implementation of the Program for Improving Higher Education Institutions (IES). Effective for the next five years, IES has a budget of R\$ 1 billion. To gain access to funding, institutions must have an institutional project approved by MEC and must present a number of prerequisites in order to meet quality standards. In addition, MEC will establish performance goals as indicators of improved educational quality and monitor the academic performance of the institutions that receive support.

Public safety, which is a key element for promoting the changes needed to promote citizenship, was one of the main aims of innovative activities under the Department of Social Operations (DEPOS). Support for the São Paulo state government includes the construction of 13 prisons within the plan to adapt the structure of the prison system in that state. For the state of Rio de Janeiro, funding will target the implementation of the state's Decent Police Station Program, which includes the construction of police stations and the "Police City" Complex.

In urban mobility, the BNDES helped put together and propose financing instruments for the public and private sectors in order to enable projects in the public sector and encourage private sector participation. Among these are management groups to enable public-private partnerships for acquiring and modernizing the fleet of the Paulista Metropolitan Trains Company (CPTM) and the implementation of a new electronic ticketing system in the city of Sao Paulo. In 2009, operations were contracted aimed at expanding the capacity of subways in Brasília and Rio de Janeiro.





For 2010, we expect the maintenance of the management and development model in new initiatives that will contribute to adding value to the work done so far. One of the challenges foreseen is to strengthen the Client's Opinion to bring greater effectiveness to implemented actions.





## INFRASTRUCTURE DIVISION

### HIGHLIGHTS FOR THE PAC PROJECTS IN ENERGY AND LOGISTICS

In 2009, support for investment projects within the Growth Acceleration Program (PAC) remained the main driving force behind the Infrastructure Division's operations. In the period, some 108 infrastructure projects were approved, with financing of R\$ 28.1 billion and investments of R\$ 60 billion. From these projects, some 51 were in the PAC, with support of R\$ 16.1 billion and investments of R\$ 31.5 billion.

In this same period, a total of 113 infrastructure projects were contracted, with financing of R\$ 37 billion and investments of R\$ 84 billion. From the contracted projects, 53 were in the PAC, with support of R\$ 23.3 billion and investments of R\$ 50 billion.

Standing out in 2009 were the activities of the oil & gas production chain of the Department of Gas, Oil, Co-generation and Other Energy Sources (DEGAP), which were transferred to the Basic Inputs Division (AIB). However, operations related to the wind power plants were incorporated into the Telecommunications Department (DETEL), while operations with thermoelectric plants were included in the Electric Energy Department (DEENE). Operations regarding these energy sources in 2009 are included in the current departments.



### *Electric Energy Department (DEENE)*

In 2009, DEENE released a total of R\$ 11.6 billion to the electric energy sector. Regarding credit approvals, there were 27 new operations in the department, with associated financing of R\$ 12.5 billion. With this, once again the electric sector proves its anti-cyclical capacity to provide the Brazilian economy with investments that are needed to maintain GDP growth.

In the electricity generation segment, some R\$ 10.8 billion was approved in credit to expand the installed capacity of 4,975 MW. In transmission, total credit approved was R\$ 1.1 billion to expand 3,160 km of the nationally connected system. In the distribution segment, a total R\$ 596 million in financing was approved for two concessionaries. In addition, four specific destinations for credit of R\$ 477 million in this segment were approved for a credit limit made previously available.

The main highlights among the approvals were the Jirau Hydroelectric Power Plant (R\$ 7.2 billion), which is part of the Madeira River Complex, with installed power of 3,450 MW, and the Thermoelectric Power in Pecém (R\$ 1.4 billion), installed in the industrial complex of the port with the same name, in the state of Ceará, with capacity of 700 MW.

Also in the spotlight was the approval of approximately R\$ 58 million in credit for additional efforts to those required in environmental licensing of the hydroelectric power plants and the transmission lines. The purpose of these efforts is to promote local and regional sustainable development, improving the standard of living of the population involved and generating income.



## Telecommunications Department (DETEL)

DETEL, in 2009, carried out operations within the scope of telecommunications and alternative energy, including small hydroelectric power stations (PCHs) and wind power plants (UEE). A total of 44 projects were approved in the amount of R\$ 7.3 billion. Disbursements corresponded to R\$ 4.6 billion.

In 2009, investments in telecommunications represented 70% of the approved projects in the department, reaching about R\$ 5 billion. Disbursements were approximately R\$ 3.2 billion, comprising land line and cell phone operators, cable TV and digital TV. It is important to point out the approval of the R\$ 4.4 billion investment plan of the Oi group (including Brasil Telecom).

In the renewable energy sector, the amount of R\$ 2.4 billion was approved, corresponding to an installed capacity of 700 MW. The value disbursed was R\$ 98 million.

Support for generating wind energy represented 50% of approvals within the period, with 15 wind power parks being financed. It is important to highlight that, with the success of the bid carried out at the end of 2009, expectations are for even more expressive growth in the number of approved operations in 2010. Among the operations approved in 2009, that carried out with the Bons Ventos group stands apart. It was in the amount of R\$ 264 million, corresponding to 155 MW, and the indirect operation with the IMPSA group, of R\$ 840 million, corresponding to 218 MW.

In addition, 19 new PCHs were approved, corresponding to R\$ 1.2 billion and total capacity of 305 MW. Disbursements were 33% higher than those in the previous year, totaling R\$ 1.3 billion.



### *Logistics and Transports Department (DELOG)*

DELOG, over 2009, disbursed R\$ 2.9 billion. Some 29 operations were approved, which reached R\$ 7.1 billion in financing.

The projects related to the highway transport sector were responsible for 36% of approvals in the period, in keeping with the importance given to this segment within the scope of the strategic investments established in the PAC. Also standing out was the waterway segment, with 28.4%, and railways, with 28.2%.

In turn, releases to the highway sector accounted for 46.7% of the amount disbursed, while the railway sector represented 29.8%, the air sector, 7.56%, and ports, 6.0%.

The main highlight of the period was on account of approvals of projects in the second phase of the federal government's highway concessions program; the 2009-2012 investment program of América Latina Logística (ALL), in the amount of R\$ 2.2 billion; the increase in the railway network (Rondonópolis-Railway Corridor), in the amount of R\$ 692 million; and the support for the fluvial and coastal navigation sector, with the EISA shipyard building two vessels in the amount of R\$ 302 million, and the Wilson Sons Shipyard constructing 18 vessels in the amount of R\$ 232 million.

Another highlight was the approval of the first financing stage for Rumo Logística, in the amount of R\$ 372 million, earmarked for the development of a multimodal, high-performance logistics system, which will reduce transportation costs of grains to the Port of Santos and, as a consequence, will increase the competitiveness of Brazilian agribusiness in the international market.





## BASIC INPUTS DIVISION

MORE THAN 80 OPERATIONS, WITH CLOSE  
TO R\$ 45.2 BILLION IN APPROVALS.

In 2009, the BNDES played a relevant role in financing sectors, such as oil, gas, steel, metals, mining, cement, chemical and petrochemical, paper, pulp and forestry products. Disbursements in the year for these sectors reached R\$ 40.9 billion, of which 71% went to the oil & gas industry and its production chain, 15% to basic industry, 7% to paper and pulp and forestry products, and 5% to the chemical and petrochemical industry.

In 2009, the BNDES' Board of Directors approved 60 operations related to these sectors, totaling R\$ 41.6 billion in financing, which corresponds to investments of R\$ 100.4 billion. In addition, 26 projects were approved within the scope of the Bank's Credit Limit product, representing an additional volume of support to the tune of R\$ 3.6 billion and total investments of R\$ 8.3 billion.

Brazil's basic inputs sector was strongly affected by the international financial crisis, especially due to the expressive drop in commodity prices. Exceptions were on account of chemical industries (aimed at



the domestic market), and the contracts signed in the iron ore sector, which guaranteed a steady price. However, in the beginning of the second half of 2009, the sector started to present signs of recovery, in both production and prices.

### *Industrial sector*

The mining-metals sector, especially the steel industry, supplies inputs for almost all production sectors. It is technologically up-to-date with competitive advantages throughout the entire production chain.

With the world economic crisis, Brazilian steel production recorded a strong fall in the first half of 2009. However, in July of the same year, it started showing strong signs of recovery, reaching, in December, the same level before the crisis. The sector ended 2009 with total steel production 21.3% below 2008's figures.

Concerning iron ore, demand increased more swiftly than expected in 2009 due to the fast recovery of Chinese steel production, increasing the transoceanic trade close to 30 million tons above that recorded in 2008.

Operations approved in 2009 comprise mining projects and bauxite processing; expansion of long steel and aluminum production capacity; modernization of steel plants; implementation of cement production units; modernization of nickel and zinc production units; implementation of logistic infrastructure; and technological innovation.



### *Chemical and petrochemical sectors*

Impacts from the international economic crisis on the chemical industry were relatively modest in Brazil since production aimed almost completely at the domestic market. Therefore, Brazilian production recorded slight growth compared to 2008.

With this, it was possible in 2009 to maintain investments at recent levels. Standing out was the organic chemical segment, resins and elastomers, basically for the implementation/expansion of production capacity, research, development and innovation. There were also investments into the transformed plastics industry, especially in the indirect modality.

Also in 2009, a new cycle of petrochemical investments started in the country. Highlights include projects with important social and regional dimension, such as the *Companhia Petroquímica Suape* and the first steps to implement Comperj, which will enable the expansion of petrochemical production from heavy oil.

### *Pulp, paper and forestry products sector*

In 2009, even with the crisis, Brazil maintained the position from the previous year and was consolidated as the fourth main world producer of pulp in the market, passing traditional countries, such as Sweden and Finland.

In this sector, there was important business development. One that stands apart is the acquisition and incorporation of Aracruz by Fibria, which is the new company name of VCP, the world's main producer of short fiber pulp. The BNDES was fundamental in this operation, taking part with capitalization, in addition to approving financing to implement a eucalypt pulp production unit in the city of Três Lagoas (MS).







Also in the pulp sector, worthy of note is financing to industrial forest projects from Klabin, in addition to the opening of a credit limit for Suzano.

The wood panels sector was also affected by the world financial crisis, which stimulated the incorporation of Duratex and Satipel, as well as the acquisition of Arauco by Tafisa. Due to high investments carried out over the last few years, in 2009 there was no significant organic growth in the sector.

### *Gas & oil sector and production chain*

The discovery of the pre-salt layer brought about several changes in the sector, pointing out the need to redefine its strategies. Thus, together with the development of the national equipment industry, Brazil may leverage nationwide development of the entire production chain in the sector. For such, recent studies carried out by the BNDES indicate the need for fund transfers in the order of US\$ 80 billion over the next 10 years, not considering Petrobras' investments.



In this sense, seeking a unified dialog with the main clients and participants in the Oil & Gas sector, the BNDES' Board of Directors approved the development of a new structure for AIB, with the incorporation of the Department of the Gas & Oil and Production Chain (DEGAP).

In 2009, the DEGAP approved support operations for Petrobras' investments plan, including undertakings to maintain energy self-sufficiency, refining, petrochemicals, fuel transportation and storage. In addition, the department provided support for the construction of offshore support vessels, others to transport oil and byproducts, for the development of shipyards and the custom-made capital goods industry.

In general, of the projects approved by AIB in 2009, we can highlight:

COMPANIES	PROJECTS	BNDES SUPPORT	PROJECT VALUE
		(R\$ BILLION)	
VALE (PA)	Onça Puma (nickel)	1.15	4.20
VSB (MG)	National Equip. for steel plants	0.45	4.04
ARCELOR (ES/MG)	Expansion hot strip line	0.44	1.12
MINERAÇÃO RIO DO NORTE (PA)	Bauxite mining	0.35	0.52
PETROQUÍMICA SUAPE (PE)	PTA/POY/PET	2.59	4.39
BRASKEM (RS)	Ethileno	0.56	0.80
OXITENO NE	Ethilene oxide/polyethylenegicols	0.14	0.31
HEXION (RS)	UF/PF/formaldehyde	0.07	0.11
VCP (MS)	Pulp line	0.67	3.86
KLABIN (SP/PR/SC)	Forest and industrial projects	0.62	0.71
SUZANO (SEVERAL STATES)	Forest and industrial projects	0.26	0.30
JARI – PEC (PA)	Special credit program	0.09	0.09
PETROBRAS (SEVERAL STATES)	Energy infrastructure	25.0	50.0
COMGÁS (SEVERAL STATES)	Sundry investments plan	0.67	1.16
ESTALEIRO ATLÂNTICO SUL (PE)	5 Aframax type vessels	0.54	1.18
LUPATECH (SP/RS/RJ)	Acquisitions/moderniz./expansion	0.44	0.49





## ENVIRONMENT DIVISION

EFFICIENT CARBON INDEX, SOCIO-ENVIRONMENTAL GUIDELINES AND BNDES MATA ATLÂNTICA ARE HIGHLIGHTS IN 2009, ALONGSIDE THE FIRST OPERATIONS OF THE AMAZON FUND

### *Efficient Carbon Index*

The BNDES and BM&FBOVESPA announced the development of the Efficient Carbon Index at the 15th Conference of the Climate Convention Parties (COP-15), in Copenhagen. Based on the IBrX 50, an indicator comprising the 50 most traded shares on BM&FBOVESPA, the indicator will consider the inventory of greenhouse gas emissions of companies based on the reassessment of their participation.

With this, comparing the companies' participation in the IBrX-50, those with greater efficiency in greenhouse effect gas emissions in relation to others in the sector will increase their weight in the new index. On the other hand, companies that are less efficient in greenhouse effect gas emissions will see their participation reduced in the new index.



It is expected that setting up a Brazilian share index based on greenhouse effect gas emissions will result in positive impacts, such as: incentives for publicly-listed Brazilian companies that are more liquid to measure and manage their emissions; greater transparency of companies regarding greenhouse effect gas emissions; and the creation of investment opportunities for investors who are concerned about environmental matters. In the same manner, the BNDES and BM&FBOVESPA believe that such cooperation will contribute to disseminating an environmentally-sustainable corporate culture, as well as helping to prepare companies for the future in a low carbon economy.

The technical cooperation agreement with BM&FBOVESPA was entered into in 2009, when all index feasibility surveys had been carried out, and talks between the BNDES and BM&FBOVESPA teams and the companies were just beginning.

### *Socio-environmental guidelines*

The BNDES is developing a series of Socio-environmental Procedural Guidelines for 52 sectors supported by the Bank. Guidelines aim to direct procedures for project analysis and follow-up, and will result in socio-environmental policies that are specific to each sector.

The most important socio-environmental aspects will be characterized by applicants with information regarding the project and the company, including qualitative data or environmental indicators. Guidelines will contain the minimum criteria for project approval, as well as the directives for BNDES clients to improve their performance.



## *Mata Atlântica*

In 2009, the Bank launched the BNDES' Mata Atlântica initiative which will make financial support available for reforestation projects in this environment, one of the richest in biodiversity and most threatened in Brazil. The initiative's focus is on forest restoration projects in conservation units and public property, as well as in riverine vegetation. The non-reimbursable resources are from the Bank's Social Fund (comprised by part of the institution's profit).

Some 55 previous consultations were received from states, municipalities, NGOs, and foundations, while 27 were accepted for analysis, from the states of Bahia, Minas Gerais, Rio de Janeiro, São Paulo, Paraná, Santa Catarina, and Rio Grande do Sul. Of this total, 14 projects involved riverine vegetation, six will operate in conservation units and seven in both.





## CAPITALS MARKETS DIVISION

REMUNERATION ON INVESTMENTS IN VARIABLE INCOME  
REACHES AN EXPRESSIVE R\$ 3.6 BILLION IN 2009

The Capitals Markets Division (AMC) foments and structures financial support from the BNDES System through corporate interest, convertible/exchangeable debentures, investment funds, and other variable-income instruments, together with the Bank's other divisions. It is also responsible for managing investments in large companies that integrate BNDESPAR's portfolio, including divestment of assets through structured offers, auctions and sales on the stock market.

AMC also manages the variable-income portfolios of the Social Participation Fund (FPS), Investment Guarantee Fund (FGI), and the BNDES, deposited in the National Privatization Fund (FND) – Decree N°. 1,068/1994).

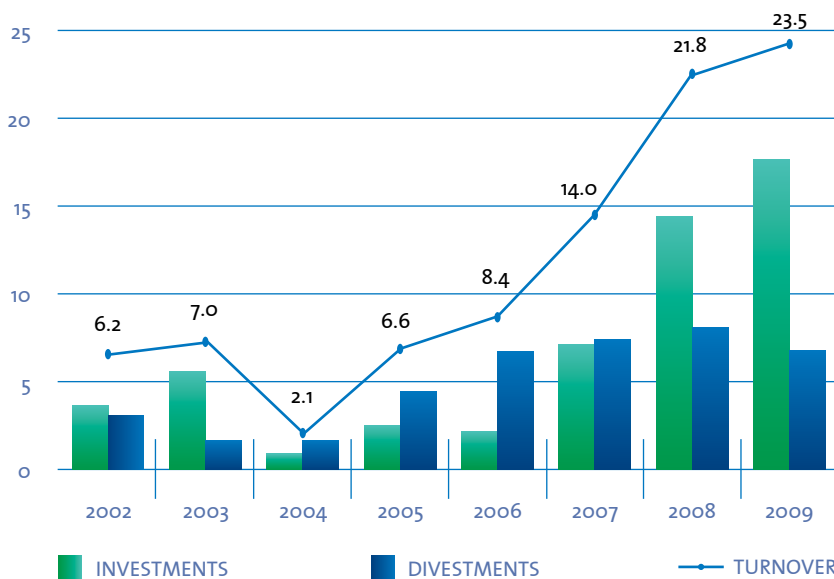


## Performance

Remuneration on the variable-income portfolio of the BNDES System, which mainly includes dividends, interest on its own capital, interest and debenture premiums totaled R\$ 3.6 billion in the year, a record amount in the series, with 46% growth in relation to the previous year, representing 4.6% of the portfolio's average market value.

Also standing apart was BNDESPAR's portfolio (which includes bookkeeping operations), which reached a new record: R\$ 23.5 billion in the period. Despite the fall in divestment in light of unattractive asset prices as a result of the economic crisis, investments grew 22% in relation to last year, totaling R\$ 17.1 billion in 2009 and reinforcing the anti-cyclic role carried out by the BNDES in the economy.

BNDESPAR (IN R\$ BILLION)



Performance Areas

ANNUAL REPORT 2009

The variable-income portfolios managed by AMC ended the year in the following position:

	BNDESPAR		FPS		FGI		BNDES <sup>1</sup>		AMC <sup>2</sup>	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Nº. OF COMPANIES	198	186	41	42	7	-	30	29	166	158
Nº. OF FUNDS	31	29	1	1	-	-	-	-	2	1
MARKET VALUE (IN R\$ BILLION)	102.7	59.0	1.75	1.1	0.7	-	0.1	0.1	103.5	58.8

1 The BNDES portfolio refers to shares deposited in the National Privatization Fund (FND), within the scope of Decree N°. 1,068/94.

2 AMC monitors large companies in BNDESPAR's portfolio (companies with problems not included), as well as the companies of the FPS, FGI, and BNDES' portfolios.

Within the scope of BNDESPAR's portfolio, at the end of 2009, the BNDES System took part in 10 fiscal councils, 24 administration boards, and 29 investment fund committees, as well as being the signatory of shareholders' agreements in 62 of the 155 companies in which it held shares, contributing to improve the transparency and governance of supported companies.

### *Main operations and activities*

Since the onset of the international crisis at the end of 2008, the anti-cyclic role of the BNDES has established a large part of operations carried out by AMC in 2009, among which the following stand out:

**FOODSTUFF** – operations in the sector were marked by the support to strategies for sectorial consolidation and internationalization. Highlights include investments, via convertible and exchangeable debentures, in JBS (equivalent to US\$ 2 billion) and via participation in raising the capital of Marfrig (R\$ 170 million) and RFoods (R\$ 400 million), a company resulting from the merger between Perdigão and Sadia.





**PAPER AND CELLULOSE** – support, in the amount of R\$ 2.4 billion – via an increase in capital for Votorantim Celulose e Papel S.A. (VCP) and via subscription of exchangeable debentures of Votorantim Industrial (VID) –, to adjust the capital structure at VCP, in light of the acquisition of a controlling stake in Aracruz S.A., and to maintain the company’s investment plan which went on to be renamed Fibria S.A.

**LOGISTICS AND TRANSPORT** – highlights include investments in LLX Logística, via corporate interest to the tune of R\$ 150 million, aimed at meeting the cash flow needs of the Porto do Açu (RJ) project, and in América Latina Logística (ALL), in the amount of R\$ 250 million, via debentures immediately converted into company shares aiming at granting support to new investments in expanding the railroad system.

**ELECTRIC POWER** – after an interruption in 2008 in light of adverse market conditions, the joint public offer of shares from Light S.A. was resumed by the BNDES System and by Electricité de France (EDF). The Bank sold a total of 451 million shares. Of the total of shares offered, approximately 20% was purchased by individuals.

**MINING, METAL WORKING AND STEEL** – highlights include the sale of R\$ 564 million in CSN shares on the stock market and the investment of R\$ 65 million in Magnesita Refratários, through corporate interest, aiming at consolidating the company’s internationalization trend.



**OTHER INVESTMENT OPERATIONS** – the BNDES System purchased approximately R\$ 1 billion in shares of publicly-listed companies on the secondary market (BM&F Bovespa), aiming at the future constitution of a variable-income structured product, similar to the PIBB (Brazil Bovespa Index Papers).

Within the scope of the Support Program for Public Offer of Debentures, the BNDES subscribed simple debentures of several companies in public offers, investing R\$ 787.8 million per year, mainly in companies in the electric and telecommunications sector. In December 2009, the portfolio of simple debentures purchased in public offers totaled R\$ 1.4 mil million at market value.

**OTHER PORTFOLIOS** – adhering to the recommendation of the FPS Director Council, in 2005, to gradually reduce exposure in variable income, in 2009, some R\$ 27 million was monetized in shares that integrated the Fund. With a contribution from the federal government in the amount of R\$ 580 million in shares of companies listed on the BM&F Bovespa, the FGI was constituted in August 2009 and ended the year with a market value to the tune of R\$ 686 million.





## INDIRECT OPERATIONS DIVISION

HELP FROM FINANCIAL AGENTS TO DEMOCRATIZE CREDIT

The Indirect Operations Division (AOI) is responsible for financing the acquisition or production of machinery and equipment, as well as investment projects up to R\$ 10 million, through financial agents accredited at the BNDES.

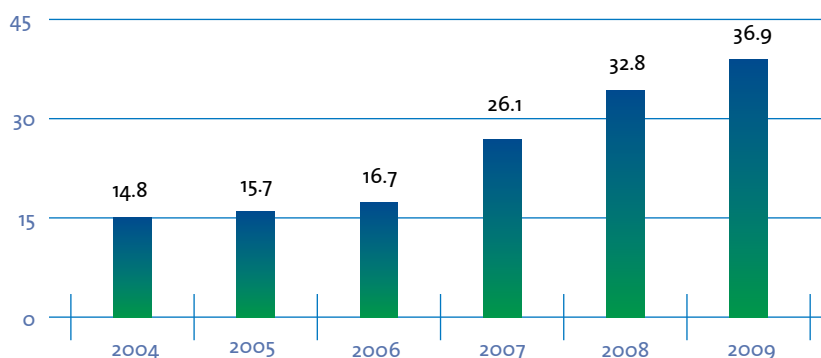
Emphasis is given to micro, small and medium-sized companies through several modalities of products managed by the division: BNDES Finame, which finances the production and commercialization of new, locally manufactured machinery and equipment that is accredited at the BNDES, as well as associated working capital; BNDES Finame Leasing, earmarked for commercial leasing operations; BNDES Finame Agricultural, for machinery and equipment earmarked for the farming sector; BNDES Automatic, aimed at investment projects of up to R\$ 10 million; the BNDES Card, with rotating credit for micro, small and medium-sized companies; in addition to agricultural programs from the federal government.

AOI's total disbursements reached R\$ 36.9 billion in 2009, accounting for 27.1% of the total disbursed by the BNDES and an increase of 12.3%



compared to 2008. In absolute terms, disbursements increased R\$ 4.1 billion, on account of the BNDES Automatic (R\$ 3.65 billion), the BNDES Card (R\$ 1.6 billion) and agricultural programs (R\$ 1.14 billion). On the other hand, BNDES Finame (R\$ 1.5 billion) and BNDES Finame Leasing (R\$ 1.0 billion) saw their disbursements fall. The number of approved operations reached 403,126 in 2009, more than twice the number in 2008 (104.9%), propelled by operations with the BNDES Automatic (which increased 1,589% on account of the Procapcred program, and representing 86% of the total of this modality) and of the BNDES Card (with an increase of 189%).

AOI TOTAL DISBURSEMENTS (IN R\$ BILLION)



## Products

The main highlight in terms of growth was the BNDES Card (193%), followed by the BNDES Automatic (100%) and the agricultural programs (61%). In absolute terms, the highlight was the BNDES Automatic, on account of the Credit Special Program (PEC): with an increase of R\$ 3.6 billion in disbursements, going from R\$ 3.6 billion in 2008 to R\$ 7.3 billion in 2009.



---

AOI DISBURSEMENTS PER PRODUCT (IN R\$ BILLION)

---

PRODUCT	2008	2009	Δ %
BNDES FINAME	22.16	20.68	-6.7
BNDES FINAME AGRICULTURAL	2.70	2.81	4.1
BNDES FINAME LEASING	1.65	0.64	-61.4
BNDES AUTOMATIC	3.65	7.30	100.3
AGRICULTURAL PROGRAMS	1.87	3.01	61.2
THE BNDES CARD	0.846	2.48	193.0
TOTAL AOI	32.868	36.922	12.3

### Size

Disbursements earmarked for individuals and micro, small and medium-sized companies reached R\$ 22.9 billion, with an increase of 13% in comparison with the previous year. Participation of operations with individuals and micro, small and medium-sized companies remained almost stable at around 62% of the division's disbursements.

---

AOI DISBURSEMENTS PER SIZE

---

SIZE	2008		2009		Δ %
	R\$ BILLION	%	R\$ BILLION	%	
INDIVIDUAL	4.22	12.8	5.05	13.7	19.9
MICRO	3.64	11.1	5.62	15.2	54.3
SMALL	5.08	15.5	5.66	15.3	11.4
MEDIUM	7.36	22.4	6.62	17.9	-10.0
SUBTOTAL	20.30	61.8	22.95	62.2	13.1
LARGE	12.57	38.2	13.97	37.8	11.1
TOTAL	32.87	100.0	36.92	100.0	12.3



## Equipment

Disbursements for machinery and equipment through BNDES Finame, BNDES Finame Leasing and BNDES Finame Agricultural represented 65.3% of the total of AOI disbursements in 2009 (R\$ 24.1 billion of a total of R\$ 36.9 billion). Due to the financial crisis, there was a 9.0% drop compared to the previous year. The fall was across-the-board for all the groups.

AOI DISBURSEMENTS PER EQUIPMENT  
BNDES FINAME, BNDES FINAME LEASING AND BNDES FINAME AGRICULTURAL

EQUIPMENT	DISBURSEMENTS				
	2008 (R\$ BILLION)	%	2009 (R\$ BILLION)	%	Δ %
TRUCK	11.86	44.8	11.76	48.8	-0.8
BUS	3.57	13.5	2.79	11.6	-22.0
OTHERS	0.47	1.8	0.41	1.7	-12.9
Transport	15.90	60.0	14.956	62.0	-5.9
Road machinery	1.67	6.3	1.56	6.5	-6.5
OTHERS	5.58	21.1	4.28	17.8	-23.3
Non transport	7.25	27.4	5.84	24.2	-19.4
Agricultural equipment	3.34	12.6	3.32	13.8	-0.7
TOTAL	26.48	100.0	24.11	100.0	-9.0

## Service to the client

Client services is an important instrument for communication between AOI and beneficiaries of operations, machinery and equipment manufacturers, the financial institutions that carry out on-lending of the BNDES' funds and several business and governmental organizations.

Through the communication channels used, clients are aware of the progress of their operations and can clarify doubts on the norms of



several products and programs. Besides this, they can obtain information on procedures for the performance of operations, as well as accreditation of products and manufacturers in the Computerized Manufacturers Registration (CFI) of the BNDES and in the BNDES Card. With advertising campaigns to disseminate the AOI's products and programs, especially the BNDES Card, the amount of client service in 2009 recorded an increase of 21.8% related to 2008.

AMOUNT OF SERVICE BY AOI/DESCO PER MEANS

MEANS	2008	2009	Δ %
PHONE	231,925	339,020	46,2
FAX – NUMBER OF CONSULTATIONS	178,297	148,387	-16.8
E-MAIL	23,177	30,879	33.2
CONTACT US BNDES CARD (ONLINE)	7,769	18,207	134.4
LETTERS, MINUTES AND NOTES	185	184	-0.5
TOTAL	441,353	536,677	21.6

### *Foment efforts*

Management Areas for Relations with Financial Agents and Other Institutions (GERAIs) are aimed at promoting the BNDES' products and programs, training financial agents and contacting partners who can contribute to the dissemination of information on the Bank's financing lines.

In 2009, some 100 foment activities were carried out in 53 cities, across 22 states, reaching all the Brazilian regions.



## *Lectures*

In 2009, the AOI/DERAI participated in 55 lectures, including 14 institutional (BNDES Closer to You) and 41 MPME lectures, reaching 7,017 businesspeople, employees of financial agents and other stakeholders.

## *Information stations*

DERAI's main external support are information stations. In 2009, two new stations were opened, in the states of Roraima and Acre. With this, the network has 55 stations, distributed across 25 states, which were responsible for attending 8,263 individual over the year.

## *Training financial agents*

In 2009, in-house training underwent a revamp. Among the initiatives, we highlight:

- development of new modules: PAC-Online, Finame Leasing and BNDES Card;
- internalization of training, associated to credit seminars;
- training aimed at specific agents, at the request of operational departments; and
- flexibility of content with courses lasting only one day.





During the year, 11 classes of in-house training sessions were carried out for 463 students, comprising representatives of accredited financial agents, in addition to representatives of information stations and the BNDES' employees. Some 4,737 training classes were also carried out remotely via trein@BNDES.

### *Normative operations*

Regulatory activities resulting from internal decisions and legislation applicable to automatic indirect support enabled wide dissemination of the criteria, conditions and operating procedures of BNDES Automatic, BNDES Finame, BNDES Finame Leasing and BNDES Finame Agricultural products, as well as programs created or supported by the BNDES. In 2009, 120 circulars, 6 normative letters and 28 memos were issued.





## ECONOMIC RESEARCH DIVISION

FIRST EDITION OF THE PROGRAM FOR PROMOTION TO RESEARCH IN ECONOMIC DEVELOPMENT AND CONTRACTING OF NEW PROJECTS WERE HIGHLIGHTS IN 2009.

In 2009, the BNDES advanced a few steps towards its objective of consolidating its image as the financier of applied research in matters related to the economic development of Brazil. The first edition of the Economic Development Fomentation Program (PDE) – parallel to contracting new projects and developing research already underway – made 2009 a special year for the Economic Research Division (APE).

The Department of Research and Operations (DEPEQ) at APE started 2009 with four operations in portfolio, as follows: Investment Perspectives in Brazil (PIB); Perspectives of the Brazilian Financial Industry and the Role of Public Banks (PIF); Analysis of Mapping and Policies for Local Production Systems in the South, Southeast and Central-West of Brazil; and Perspectives of Social Investments in Brazil (PIS). Throughout the year, eight approved operations were added to the portfolio, with the PDE standing apart.



The 2009 edition of the PDE began at the end of 2008, when the Technical Cooperation Agreement was signed with the National Association of Graduate Centers in Economy (Anpec), with the objective of assisting the BNDES in disseminating, selecting, and assessing submitted research projects. In 2009, five research topics were proposed to the academic community, and APE/DEPEQ had visited 19 centers associated to Anpec to disseminate the topics and promote the participation of researchers.

Academics from various Brazilian universities submitted 56 research projects to the PDE 2009, of which 18 were on regional development – the economy in the Northeast; three on the relation between the investment rate and the trade balance; 10 were related to recent transformations in the Brazilian work market; 12 on the financial system; and 13 on the international insertion of the Brazilian economy. The regional distribution of subjected articles is presented in the table below:

ARTICLES BY UNIVERSITY		REGION	TOTAL
UFC	6	Northeast	13
UFPB	1		
UFPE	6		
UCB	5	Central-West	5
UFF	1	Southeast	23
UFMG	4		
UNICAMP	7		
FGV-SP	3		
PUC-SP	4		
USP	4		
UFPR	9	South	15
UEM	3		
UFSC	1		
UFRGS	2		
TOTAL OF ARTICLES SUBMITTED			56



After the selection stages, 14 research projects were selected to receive financial support from the BNDES, of which 10 were approved in 2009.

Considering the success of the inaugural edition and seeking acknowledgement of its permanent role in providing financing for economic research, the new edition of the PDE was released in December 2009 with the following topics: (i) regional sustainable development: in the case of the Amazon; (ii) structure and interest rates in Brazil; (iii) income growth and distribution; (iv) income transfers, public financing and fiscal federalism; and (v) growth, production capacity and investment.

In addition to the release of this program in 2009, APE/DEPEQ contracted another financing operation, aiming at analyzing the policies for Local Production Systems (APLs), in the North and Northeast of Brazil, and assessing the impacts of large federal projects in the northeastern states. Such a project will last 18 months and has financing of up to R\$ 2,569,960.80.

The four financing operations that were already underway presented considerable results with the delivery of more than 150 research reports and the presentation of various seminars open to the public, at the BNDES as well as at universities located in the cities of Florianópolis (SC), São Paulo (SP), Campinas (SP), Belo Horizonte (MG) and Natal (RN). Participating in these events were university professors, researchers, and students from the institutions that received financing, in addition to government representatives and technicians from various divisions at the BNDES.

The following table shows the importance of 2009 in terms of values released. While disbursements in 2008 totaled R\$ 661,615.41, in 2009 this figure reached R\$ 5,519,404.32.



PROJECT	AMOUNT CONTRACTED (R\$)	TOTAL DISBURSED 2009 (R\$)
INVESTMENT PERSPECTIVES IN BRAZIL (PIB)	4,804,365.00	2,493,099.28
PERSPECTIVES OF THE BRAZILIAN FINANCIAL INDUSTRY AND THE ROLE OF PUBLIC BANKS (PIF)	1,206,005.57	1,024,467.78
ANALYSIS OF MAPPING AND POLICIES FOR LOCAL PRODUCTION SYSTEMS IN THE SOUTH, SOUTHEAST AND CENTRAL-WEST OF BRAZIL	1,281,862.48	626,335.94
PERSPECTIVES OF SOCIAL INVESTMENTS IN BRAZIL (PIS)	3,601,863.00	350,000.00
ANALYSIS OF MAPPING AND POLICIES FOR LOCAL PRODUCTION SYSTEMS IN THE NORTH AND NORTHEAST OF BRAZIL AND THE IMPACTS OF LARGE-SCALE FEDERAL PROJECTS IN SELECTED NORTHEASTERN STATES	2,569,960.80	1,025,501.32
TOTAL	13,464,056.85	5,519,404.32

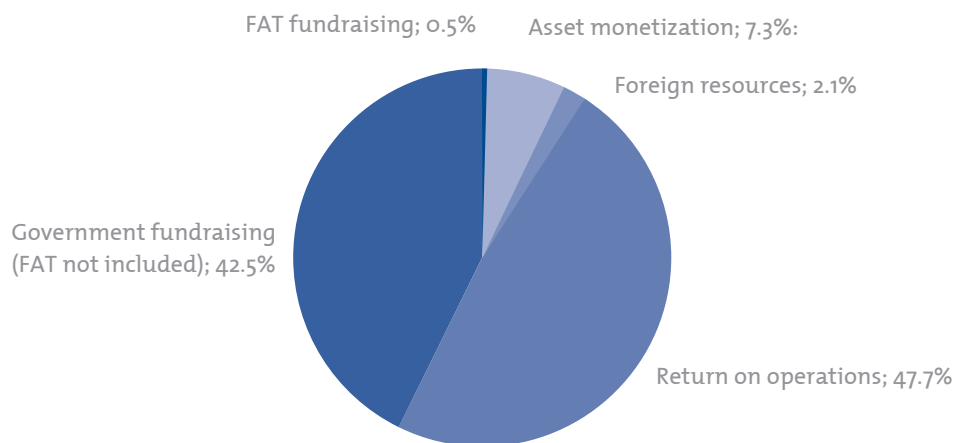




## FINANCIAL DIVISION

RETURN ON OPERATIONS AND FUNDRAISING THROUGH THE FEDERAL GOVERNMENT WERE THE MAIN SOURCES OF FUNDING

NET CONTRIBUTION OF THE SOURCES OF FUNDING IN 2009



Source: BNDES Financial Division.

- 1) The Return on Credit Operations is the receipt of credit services, without differentiation of the sources of funding. From the net contribution of sources, outflow corresponding to a given source were deducted. Outflow without a clearly defined source was proportionately discounted from the listed net contributions.
- 2) Sources of funding from the domestic market were not considered in the chart as they present negative net contribution.



The BNDES' disbursements in 2009 reached R\$ 137.4 billion. The Return on Credit Operations represented a larger contribution, with 47.7% of the resources generated in 2009, showing the importance of the volume and the quality of the Bank's credit portfolio in financing the disbursement budget.

Government fundraising is highlighted as the second source, representing 42.5% of the net resources raised in 2009, and as the additional source that made it possible to reach a record disbursement volume.

Net income from profits and asset monetization of Variable Income and Fixed Income, while Foreign Resources represented 7.3% and 2.1% of the net resources raised in 2009, respectively.

Finally, the net contribution of the Workers' Assistance Fund (FAT), shown in the inflow of new resources discounted from the service of the respective debt, represented 0.5% of the BNDES' net resources.

### *Capital structure*

From the sources of funding that comprise the capital structure, what stands out is the weight of that from the government, representing the main part of the financing structure. In 2009, with the R\$ 100 billion inflow of raised funds within the scope of Law N°. 11,948/09, the National Treasury became the main creditor for the BNDES, followed by the FAT, which took second place.

The breakdown of the capital structure foresees, with a level of uncertainty and a time lag, the structure of sources for return on credit.



BNDES SYSTEM – SOURCES OF FUNDING – BALANCE ON DECEMBER 31

SOURCES OF FUNDING	2009		2008	
	R\$ MILLION	%	R\$ MILLION	%
NATIONAL TREASURY	144.21	37.3	43.21	15.6
FAT	122.50	31.7	116.57	42.0
PIS-PASEP	30.04	7.8	29.52	10.6
LOANS ABROAD	16.46	4.3	17.49	6.3
OTHERS	45.79	11.8	45.25	16.3
NET EQUITY	27.63	7.1	25.27	9.1
TOTAL LIABILITY	386.63	100.0	277.29	100.0

### *Fundraising through the National Treasury*

Law N°. 11,805, of 2008, authorized the release of R\$ 15 billion in credit from the federal government to the BNDES, in the form of federal public bonds, of which R\$ 10 billion was raised in 2008, and R\$ 5 billion, in January 2009.

Law N°. 11,948, of 2009, authorized the release of R\$ 100 billion in credit from the federal government to the BNDES, also in federal public bonds, in four tranches. The cost of fundraising, for approximately 85% of the debt, was based on the long-term interest rate (TJLP), according to the provisions in MPs 453, 462 and 465. Some R\$ 6 billion referring to the first tranche was later converted into a hybrid instrument of capital and debt, while the cost of the R\$ 8.7 billion in the July tranche was based on the cost of foreign fundraising, in North American Dollars, from the National Treasury.

To complement the monetization of bonds received, operations with repurchase agreements were carried out, reaching a total of approximately R\$ 14 billion on December 31, 2009.





### *Hybrid*

In October, the federal government and the BNDES entered into contract to dismember debt in the amount of R\$ 6 billion, renegotiating the financial conditions and incorporating clauses characterizing the hybrid instrument of capital and debt, within the terms of Resolution CMN N°. 3,444/07. This was the first hybrid instrument contract in the country to get certification from Central Bank to be elected to Capital Level I and Level II.

### *Workers' Assistance Fund (FAT)*

On December 31, 2009, the balance of the FAT's resources at the BNDES was R\$ 122.5 billion. Of this total amount, R\$ 99.5 billion comprised the Constitutional FAT balance, and R\$ 23 billion, the balance of the FAT's Special Deposits.

Throughout 2009, R\$ 10.1 billion new resources entered the BNDES from the FAT, of which R\$ 9.6 billion came from the Constitutional FAT and R\$ 500 million from the FAT's Special Deposits, allocated in the FAT Program to Foment Micro and Small Companies.

### *Fundraising via debentures*

In December, BNDESPAR concluded the fourth public offer of simple debentures of its issuance in the amount of R\$ 1.25 billion. This was the first within the scope of its Second Program for the Public Distribution of Debentures. Fundraising surpassed the initial placement expectation of R\$ 1 billion and was carried out in two series: the first with pre-established interest rates, and the second indexed to the IPCA, in the amounts of R\$ 640 million and R\$ 610 million, respectively.



One of the operation highlights was the individuals' strong demand for securities. The amount of R\$ 343.1 million, or 27% of the final offer, was allocated for this class of investors. It was significantly higher than previous offers in absolute terms and up 91% on values issued in 2007 (the last, until then, was offered by BNDESPAR). This result consolidates the BNDES' efforts to extend offers and to incorporate individuals as well as other retail investors in the corporate fixed-income market.

#### *Financial protection operations in the local market*

In 2009, several hedge operations were carried out by using derivative instruments with BM&FBOVESPA and with local financial institutions. At the end of that year, the position held by the BNDES in derivatives reached around R\$ 6.2 billion.

#### *Fundraising through the Audiovisual Sectorial Fund (FSA)*

On December 10, 2009, a contract between the BNDES and the National Movie Agency (Ancine) was signed, aimed at transferring resources of the Audiovisual Sectorial Fund (FSA) for investment in a new program earmarked for the development of the entire audiovisual production chain. The initial allocation of R\$ 37,871,923.00 was credited to the BNDES' account on December 22, 2009.





## INDUSTRIAL DIVISION

BANK PROVIDES CONSISTENT SUPPORT TO THE PRODUCTION STRUCTURE OF THE COUNTRY

In 2009, the year in which Brazilian industry suffered the impact of the international crisis, the Industrial Division (IA) stood out for its continued support to the industrial sector by promoting a diversified, sustainable, competitive production structure and by playing an important role in supporting innovation.

Disbursements in the area reached R\$ 14.6 billion in 2009, of which R\$ 3.2 billion was in variable-income. There was a 22.5% increase in disbursements for operations in fixed-income, compared to 2008. Also in 2009, the BNDES Board of Directors approved AI operations to provide financial support to the industrial sector totaling R\$ 18.9 billion.

Among the segments, standing apart is agribusiness, which has increased its portion of disbursements in variable-income (88%), as well as the ethanol sector, with a larger stake in both fixed-income disbursements (43%) and in total disbursements in the area (35%).



Performance Areas

ANNUAL REPORT 2009

In relation to the agribusiness sector, whose disbursements reached R\$ 4.3 billion in 2009, highlights include support for expanding capacity, modernizing existing industrial units and implementing new industrial units for various agricultural production cooperatives, operating in several segments (chicken, pork, grains, dairy etc.).

In the ethanol sector, the BNDES' support was maintained despite the context of the crisis. Disbursements exceeded R\$ 5 billion taking into account the importance of biofuels for the national energy makeup and its potential for inclusion in the energy sectors in a variety of countries. Recently, the Environmental Protection Agency of the United States (EPA) classified ethanol from cane sugar the only advanced fuel of the first generation, while the Vehicle Manufacturers Association of Japan approved the blend of up to 10 % ethanol with gasoline. This represents an important step towards consolidating an international ethanol market.

Investments, earmarked mainly for the expansion and implementation of sugar cane processing plants to produce ethanol and sugar, as well as to co-generate electricity, are aimed at maintaining the leadership built by Brazil in this sector.

Within the scope of heavy industry, in 2009 support was provided for projects to modernize and expand industries, especially in machinery and equipment. Benefits to this sector impact other segments of the national economy.

The BNDES' support for this segment also contributed to increasing the competitiveness of the domestic automobile industry. This was made possible by financing investments in engineering and fixed infrastructure related to launching different models of cars and heavy vehicles, as well as developing engines that will provide improved environmental performance. The projects approved in the BNDES Pro-engineering Program totaled R\$ 829 million in funding, with total investments of R\$ 1 billion.



Consumer goods and trade and services sectors include a wide variety of segments supported by the Bank, with a remarkable feature: intensive generation of employment. In 2009, support for companies in the non-durable consumer goods segment stood apart, having benefited from the government's swift response to the global financial crisis.

Within the scope of the Industrial Health sector, the main highlight was the support for projects aimed at developing technologies for the cultivation and manipulation of human cells for therapeutic purposes, by supporting the set up of the National Network of Cellular Therapy (RNTC), organized by the Ministry of Health and the Ministry of Science and Technology. Cell therapy is one of the most promising areas in terms of new treatment, particularly in relation to degenerative diseases and heart diseases. The results of such development will provide significant savings for the Health System in the country. The RNTC enhances research groups' activities in existing stem-cell research and encourages the creation of new groups in this field. Brazil has highly-trained staff to monitor the progress of science and has positioned itself at the technological frontier.

In the electronic sector, the main effort was in support for innovation by using several products made available by the Bank. In 2009, the innovation portfolio in the sector reached 65 operations, between those approved and contracted, representing a total commitment of R\$ 1.5 billion in resources.

The increased demand for investment projects in software and IT services has motivated the Bank to raise the budget for the Prosoft program from R\$ 1 billion to R\$ 5 billion. The portfolio of Prosoft-Enterprise provided support to 80 companies up to December 2009, with emphasis on small and medium-sized companies.

The Industrial Division is also responsible for the Department of Culture, Tourism and Entertainment (DECULT), which has activities related to cultural industries (see p. 74, Cultural Sector).





## INTERNATIONAL DIVISION

THE BANK EXPANDS ITS INTERNATIONAL OPERATIONS AND OPENS  
A NEW SUBSIDIARY IN LONDON AND ITS OFFICE IN MONTEVIDEO

Once it was perceived that there was a need for leadership in the BNDES operations outside the bank, the International Division (AINT) was created in December 2008. The following efforts were broadly outlined: expand external funding operations, develop institutional relations at an international level, support internationalization and develop proposals for strategic international action.

To carry out such efforts, AINT not only performs specific tasks through its Departments and Foreign Branches, but also gathers intelligence for foreign operations, coordinates relations with private and governmental institutions, especially financial organizations and agencies. Besides this, the division coordinates the signing of conventions, contracts and agreements, among others.



AINT also maintains an important interface with the Planning Division to prepare instructions for requesting support, to create programs and products, as well as to develop products that support investments in Latin America, Africa and other regions.

Fundraising through international multilateral organizations and government agencies accomplished in 2009 amounted to US\$ 1.136 billion. Of this amount, US\$ 1 billion was raised with the IDB and US\$ 136 million through the Kreditanstalt für Wiederaufbau (KfW).

The contract with the IDB to finance long-term production credit to micro, small and medium-sized companies (MPMEs) in Brazil, worth US\$ 1 billion, formalized the use of the most recent program within the scope of the first Conditional Agreement for Credit Lines (CCLIP) from 2005, worth US\$ 3 billion, and marked the beginning of negotiations for a new agreement of equal value for 2010. The resources contracted in the third program were fully disbursed in 2009.

Fundraising of US\$ 136 million through KfW, earmarked to finance the implementation of electric-wind power plants in Brazil, signified the revival of relations that began in the 1960s, since the last fundraising contract with the German bank had been signed in 2000. Approximately 60% of the total contract value was disbursed in 2009.

In foreign markets, AINT raised US\$ 1 billion in funds through bonds in the international market with 10 year maturity (2019). The operation was concluded in June 2009 and funds were earmarked for the Bank's budget.

In 2009, the BNDES played an important role in supporting Brazilian direct investments abroad. It disbursed R\$ 2.3 billion in new projects (greenfield) and the acquisition of companies. Industries in the sectors such as agro-industry, capital goods, construction and engineering, electronics, energy, services, technical services and information technology have benefited from lines of credit. This support has enabled Brazilian investments in Germany, Argentina, Australia,



Costa Rica, Egypt, Ecuador, Spain, United States, France, Holland, India, Ireland, Italy, Mexico, Paraguay, Peru, Russia and Turkey. Most investments were aimed at expanding industrial capacity, acquisitions, construction of new plants, as well as setting up subsidiaries and expanding their activities. Since the beginning of its operation in 2005, disbursements from the Internationalization Line of Credit have exceeded R\$ 9 billion.

The BNDES' international operations started with the creation of its office in Uruguay, inaugurated on August 27, 2009. Montevideo was chosen due to the fact that it is home to the headquarters of the Secretariat and the Mercosur Parliament, the General Secretariat of the Latin American Integration Association (ALADI) and several other institutions involved in committees, councils and technical working groups dealing with regional integration.

The main duties of this office include supporting the international insertion of Brazilian companies, advising on the BNDES lines of financing, with emphasis on foreign trade operations and participation in events in Mercosur that are of institutional interest.

Following the implementation of the Montevideo office, AINT took on the task of setting up the UK subsidiary with the ultimate goal of implementing the policy to support the internationalization of Brazilian companies. The main purpose of BNDES Limited is to acquire corporate interest (stakes) in other companies. Limited is wholly-owned by the BNDES and is not authorized to conduct financial transactions.

With the operational support of AINT, BNDES Limited currently has an operational office and has contracted services to meet the English legal requirements. The office has made it possible for the Bank to participate in meetings and events sponsored by local institutions that are related to their assignments.





It is expected that the effective role of the subsidiary will include the opening of other foreign branches aimed at easing constraints on sources of existing resources in Brazil and expanding the offer of credit.



PRESIDENT OF THE REPUBLIC

Luiz Inácio Lula da Silva

MINISTER OF DEVELOPMENT,  
INDUSTRY AND FOREIGN TRADE

Miguel Jorge

**BNDES**

ADVISORY BOARD

CHAIRMAN OF THE ADVISORY  
BOARD

Miguel Jorge

VICE-CHAIRMAN OF THE ADVISORY  
BOARD

Luciano Coutinho

ADVISORS

Alessandro Golombiewski Teixeira  
Carlos Roberto Lupi  
Eduardo Eugênio Gouvêa Vieira  
Artur Henrique da Silva Santos  
Paulo Bernardo Silva  
Luiz Eduardo Melin de Carvalho e Silva  
Pedro Luiz Carneiro de Mendonça  
Antonio Johann

FISCAL COUNCIL

Reginaldo Braga Arcuri  
Carlos Eduardo Esteves Lima  
André Luiz Barreto de Paiva Filho  
Clayton Campanhola  
Francisco Moreira da Cruz Filho  
Eduardo Coutinho Guerra

AUDITING COMMITTEE

João Paulo dos Reis Velloso  
Attilio Guaspari  
Paulo Roberto Vales de Souza

HEAD OF AUDITING DEPARTMENT

Ricardo Fróes de Lima

**BNDESPAR**

ADVISORY BOARD

Miguel Jorge  
Luciano Coutinho  
Ivan João Guimarães Ramalho  
João Paulo dos Reis Velloso  
Roberto Teixeira da Costa  
Martim Ramos Cavalcanti

FISCAL COUNCIL

Cleber Ubiratan de Oliveira  
Ricardo Schaefer  
Cláudio de Almeida Neves  
André Proite  
Fábio Estorti de Castro  
Jorge Kalache Filho  
Antonio Pedrosa Parracho

**FINAME**

ADVISORY COUNCIL

Luciano Coutinho  
Maurício Borges Lemos  
Eduardo Eugênio Gouvêa Vieira  
Gabriel Jorge Ferreira  
Maria Luísa Campos Machado Leal  
Luiz Cláudio Portela Ferreira  
Luiz Aubert Neto  
Francisco de Assis Crema  
Helena Kerr do Amaral  
Roberto Smith

**BOARD OF DIRECTORS**

PRESIDENT

Luciano Coutinho

VICE-PRESIDENT

Armando Mariante Carvalho Junior

MANAGING DIRECTORS

Eduardo Rath Fingerl  
Elvio Lima Gaspar  
João Carlos Ferraz  
Luiz Fernando Linck Dorneles  
Maurício Borges Lemos  
Wagner Bittencourt de Oliveira

HEAD OF PRESIDENT'S OFFICE

Marcos Paulo Veríssimo

DEPUTY MANAGING DIRECTORS

Caio Marcelo de Medeiros Melo  
Carlos Roberto Lopes Haude  
Cláudia Pimentel Trindade Prates  
Claudio Bernardo Guimarães de Moraes  
Cláudio Figueiredo Coelho Leal  
Ermani Teixeira Torres Filho  
Fábio Sotelino da Rocha  
Gil Bernardo Borges Leal  
Henrique Amarante da Costa Pinto  
Hugo Ribeiro Ferreira  
Julio César Maciel Ramundo  
Luciana Giuliani de Oliveira Reis  
Luciene Ferreira Monteiro Machado  
Margarida Maria Sá Freire  
Nelson Fontes Siffert Filho  
Paulo de Sá Campello Faveret Filho  
Ricardo Luiz de Souza Ramos  
Roberto Zurli Machado  
Selmo Aronovich  
Sergio Eduardo Weguelin Vieira  
Sergio Foldes Guimarães  
William George Lopes Saab

**BNDES – BANCO NACIONAL  
DE DESENVOLVIMENTO  
ECONÔMICO  
E SOCIAL**

Av. República do Chile, 100  
20031-917 – Rio de Janeiro – RJ  
Tel. (21) 2172-7447 Fax (21) 2172-8961

**OFFICES**

BRÁSÍLIA

Setor Bancário Sul – Quadra 1 – Bloco J  
13º andar – 70076-900 – Brasília – DF  
Tel. (61) 3204-5600 Fax (61) 3204-5635

SÃO PAULO

Av. Presidente Juscelino Kubitschek, 510  
5º andar – Vila Nova Conceição  
04543-906 – São Paulo – SP  
Tel. (11) 3512-5100 Fax (11) 3512-5199

RECIFE

Rua Antônio Lumack do Monte, 96  
6º andar – Ed. Empresarial Center II  
Boa Viagem – 51020-350 – Recife – PE  
Tel. (81) 2127-5800 Fax (81) 2127-5806

LONDRES

BNDES LIMITED

1 Cornhill – EC3V 3ND  
Londres – Reino Unido  
Tel. (44) 20 3008 6741  
Fax: (44) 20 3008 6742  
bndeslimited@bndes.gov.br

MONTEVIDÉU

BNDES URUGUAI

Avenida Luiz Alberto de Herrera,  
1248, Torre II – 3º piso  
World Trade Center Montevideo  
11300 – Montevideo – Uruguay  
Tel. (59) 82 6228875  
bndesuruguay@bndes.gov.br

www.bndes.gov.br

faleconosco@bndes.gov.br

**PUBLISHED BY THE PRESIDENT'S OFFICE**

Departamento de Divulgação

**GRAPHIC DESIGN**

Refinaria Design

**PRINTING**

Gráfica Goldengraff



