



BRICS Policy Center - Centro de Estudos e Pesquisas - BRICS

# BNDES

This factsheet is an updated version of the Factsheet "Development Banks in the BRICS Countries", published in 2013 by the BRICS Policy Center and Ibase.



SOCIO AMBIENTAL  
PLATFORM



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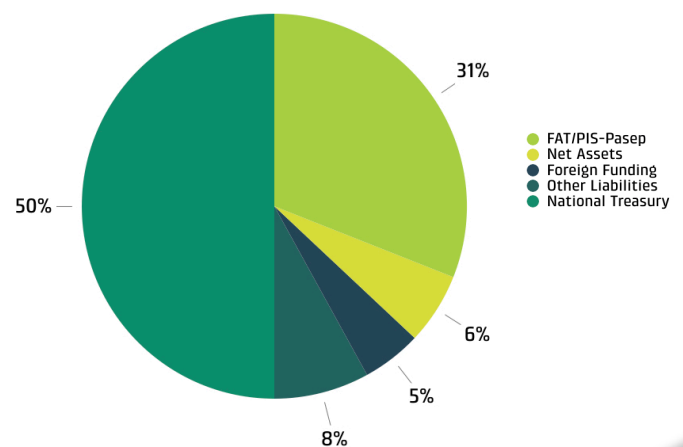
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## Nature and Purpose

- Public Limited Company with legal personality in private law and own property (Article 1 of the Bank's social statute).
- Supports programs, projects, constructions and services related to the economic and social development of the country (Articles 3 and 4).
- The BNDES System is supervised by the Ministry of Development, Industry and Foreign Trade, and composed of four companies: BNDES, FINAME, BNDESPAR and BNDES Limited. Currently, it has four facilities in Brazil (Rio de Janeiro, São Paulo, Brasília and Recife). Facilities abroad (London, Montevideo and Johannesburg) were closed in May 2016 as a result of the bank's organizational restructuring.
- In 2016, the Desestatization Program was created. Reinstating a policy of the 1990s, it reflects BNDES's new orientation, which aims at the privatization, which aims the privatization of Brazilian companies, in contrast with the previous policy of strengthening and internationalizing national companies.

### Capital Structure (2016)

Source: The author, based on [BNDES 2016](#) annual report



## Where do resources come from?

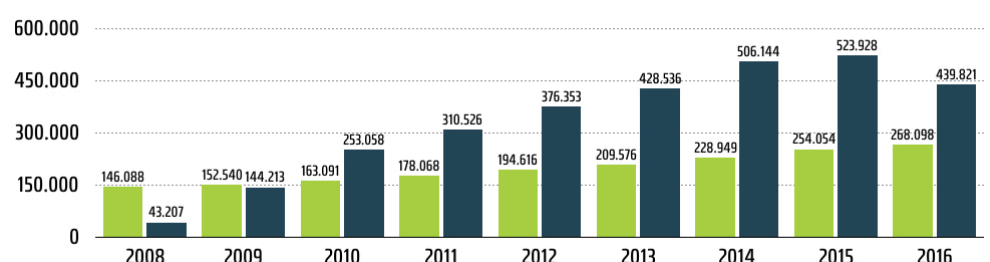
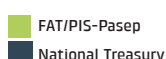
- Within the resource sources that compose BNDES's capital structure, the weight of governmental sources stands out.
- According to the 1988 Constitution, 40% of the Worker Protection Fund (FAT) must be destined to BNDES to be applied in economic development programs, implying a safe fund, which varies according to the rhythm of the Brazilian economy.
- Since 2008, the National Treasury also injects resources into the bank in the form of public bonds with costs largely associated to the Long Term Interest Rate.

- Since 2010, the National Treasury is the main creditor of BNDES, being responsible for 50% of its total passive in 31 December 2016.
- In December 2016, BNDES returned R\$ 100 billion to the National Treasury, as part of its policy of shrinkage and search for new sources of funds, such as the issuance of Property Letters of Credit (LCI), Farming Letters of Credit (LCA) and Financial Letters of Credit (LF).

### Funding Sources

(in millions of BRL)

Source: The author, based on [BNDES 2016](#) annual report



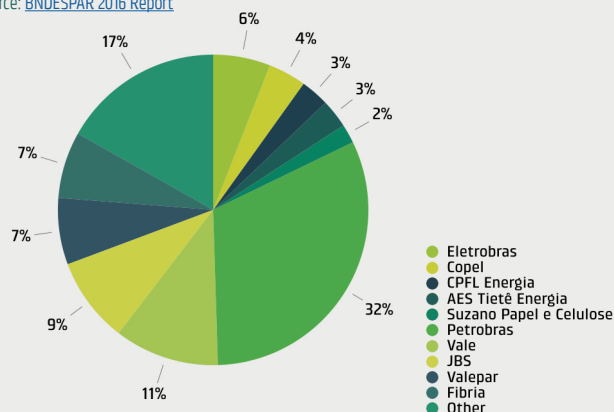
# BNDESPAR

- The integral subsidiary BNDES Participações S.A. (BNDESPAR) supports Brazilian companies with open and closed capital, which may enter the capital market through the subscription of shares, convertible or exchangeable debentures, quotas in investment funds and other securities.
- The portfolio of debentures represents around 12% of BNDESPAR's total assets, which encompasses both simple and convertible/exchangeable debentures, reaching R\$ 9,613 million in 2016 – a reduction of 17.8% in relation to 2015 and 46.7% in relation to 2012, when it reached R\$ 18,020 million.
- The portfolio of corporate shareholdings, which represents 78.5% of BNDESPAR, is composed of investments in affiliated companies, in which BNDES has the power of influence in financial and operational decisions, and non-affiliated companies, in which there is no such influence. The net portfolio of corporate shareholdings, without loss provisions, reached R\$ 63,084 million in 2016, with 74.5% representing investments in non-affiliated societies and 23.2% in affiliated societies.



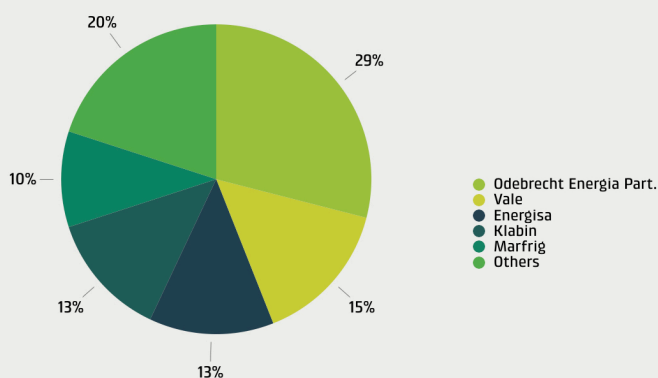
## The Portfolio of Equity Participations (BNDESPAR 2016)

Source: [BNDESPAR 2016 Report](#)



## Debenture Portfolio (BNDESPAR 2016)

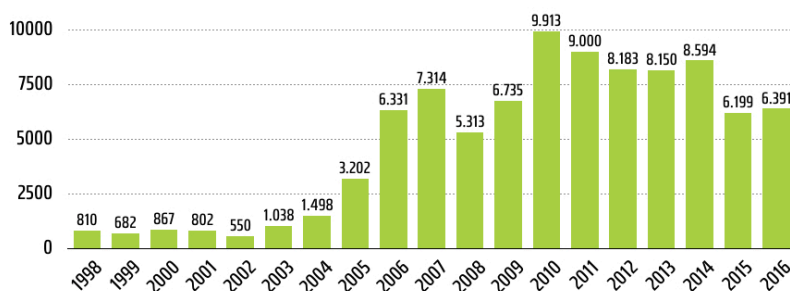
Source: [BNDESPAR 2016 Report](#)



## Disbursements

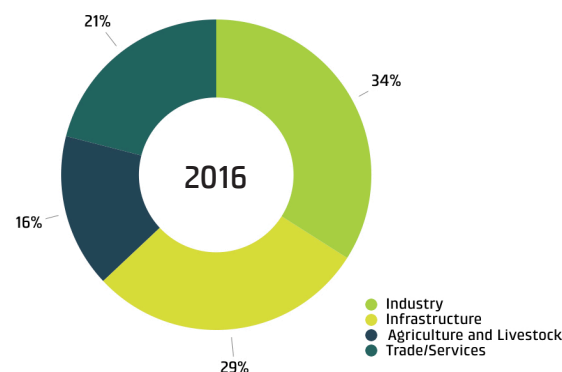
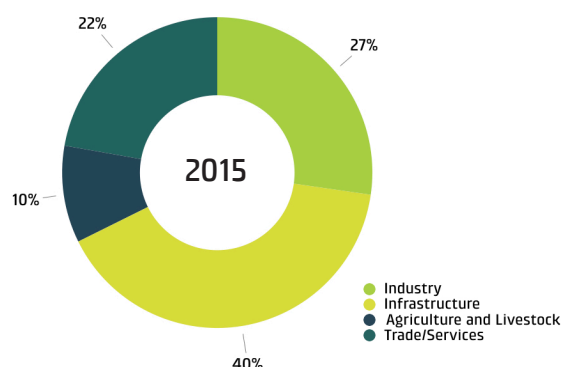
### Net Profits (in millions of BRL)

Source: [BNDESPAR 2016 Report](#)



### Disbursements by Sector

Source: The author, based on [BNDES 2016](#) annual report



### Did you know?

A share of BNDES's profits is destined to Non-Refundable Funds, such as: the Amazon Fund, BNDES Atlantic Forest, Technologic Fund (BNDES Funtec) and Social Fund. However, in 2015, Non-Refundable BNDES funds corresponded to R\$ 400 million, in contrast with total profits and disbursements, which amounted to, respectively, R\$ 6.2 billion and R\$ 136 billion.

# Disbursements by Sector

(in millions of BRL)

INDUSTRY	
Food Products	2.427,07
Paper and Cellulose	1.990,20
Coke, Oil and Fuels	3.689,14
Vehicles, Trucks and their bodywork	2.038,74
Chemical	1.553,32
Other Transport Equipment	5.727,88
Others	24.888,47

INFRASTRUCTURE	
Electricity and Gas	18.491,61
Land Transport	9.455,50
Auxiliary Transport Activity and Energy	4.842,13
Telecommunication	1.868,22
Construction	1.258,19
Others	2.211,37

TRADE/SERVICES	
Public Administration	6.011,36
Trade	3.984,27
Construction	3.425,08
Housing, Professional and Administrative Activity	1.415,47
Financial Activity and Insurance	646,57
Others	1.992,14

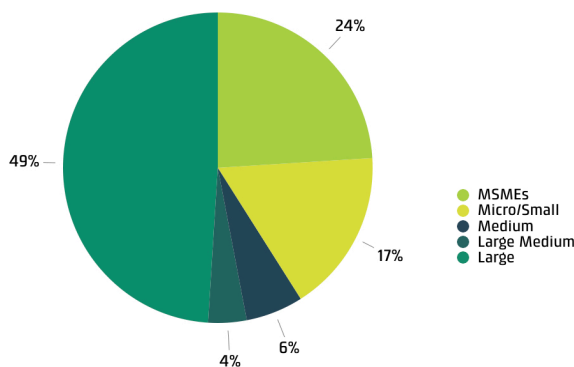
## What does BNDES understand by MSME?

- **MICROENTERPRISE:** operational gross revenue less than or equal to R\$ 2.4 million.
- **SMALL-SIZED ENTERPRISE:** greater than R\$ 2.4 million and less than or equal to R\$ 16 million.
- **MEDIUM-SIZED ENTERPRISE:** greater than R\$ 16 million and less than or equal to R\$ 90 million.
- **MEDIUM-LARGE-SIZED ENTERPRISE:** greater than R\$ 90 million and less than or equal to R\$ 300 million.
- **LARGE ENTERPRISE:** greater than R\$ 300 million.

Social Development Disbursement 2015 (in % and million of BRL)		
Urban and Regional Development	78.99%	14,929.11
Health	11.4%	2,156.49
Education	4.3%	818.37
Productive Inclusion	1.6%	309.96
Public Management	0.8%	145.53
Social Responsibility	1.0%	185.22
Others	0.9%	166.32
<b>Total</b>	<b>100%</b>	<b>18,900.00</b>

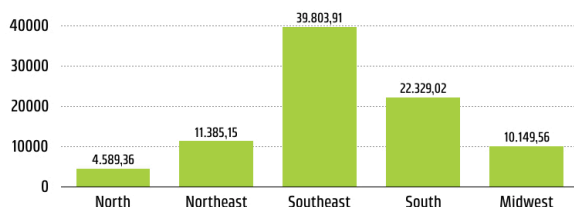
## Disbursements by Company Size (2016)

Source: The author, based on [BNDES 2016](#) annual report



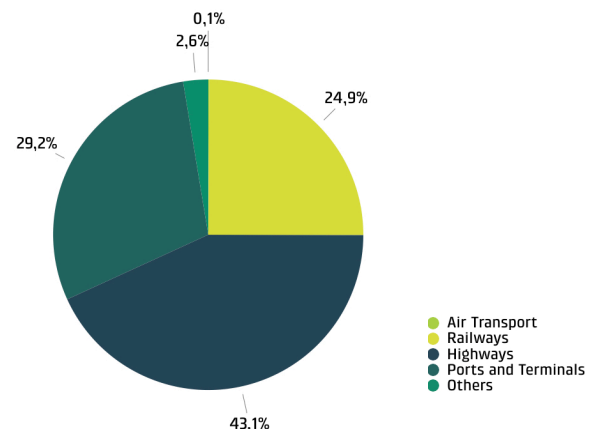
## Disbursements by Region (2016)

Source: The author, based on [BNDES 2016](#) annual report



## Disbursements in Logistics and transportation - 2016

Source: BNDES 2016 annual report

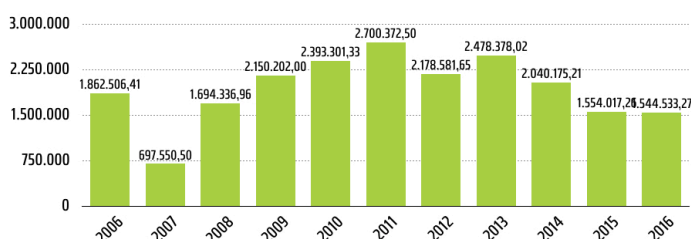


# International Performance

- BNDES's support to the export of national goods and services may be conducted through two existing programs in the bank: BNDES Exim Pre-Boarding consists of the support to the production of goods and services destined to the exports, while BNDES Exim Post-Boarding supports the commercialization, abroad, of Brazilian goods and services.
- The Bank's role in direct financing abroad only became possible after 2002, with the modification of the Bank's statute for the authorization of the financing of direct investment projects abroad. During the three following years, this process was relatively "timid", without a great performance of the Bank in this sense. Only after 2005, with the approval of the norms for the financing of Foreign Direct Investment (FDI), the Bank became one of the main agents in the process of directing investment for the internationalization of Brazilian companies.
- Between 2006 and 2013, BNDES Exim Post-Boarding experienced strong growth, due to what was known as the "national champions" policy, which consisted in providing incentives to the internationalization of some Brazilian companies and sectors. After 2014, these disbursements were reduced, in line with the political reorientation of the bank, which withdrew governmental centrality for directing investments.

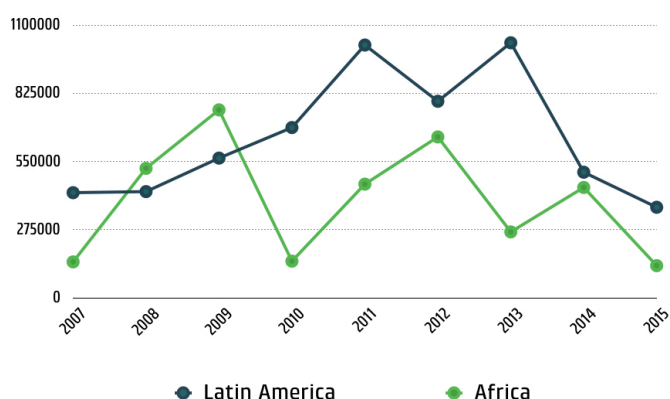
## BNDES Post-shipment Disbursements (USD)

Source: The author, based on [BNDES 2016](#) annual report



## Disbursements in Infrastructure Works (USD)

Source: The author, based on [BNDES 2016](#) annual report



## Series of disbursements in wind energy

