

OUR PERFORMANCE

BNDES IN NUMBERS

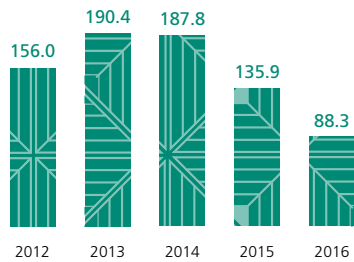
Operational performance

In 2016, we disbursed R\$ 88.3 billion. In comparison with the previous year there was a 35% decrease in disbursements. This performance followed the slowdown of the demand for new investments.

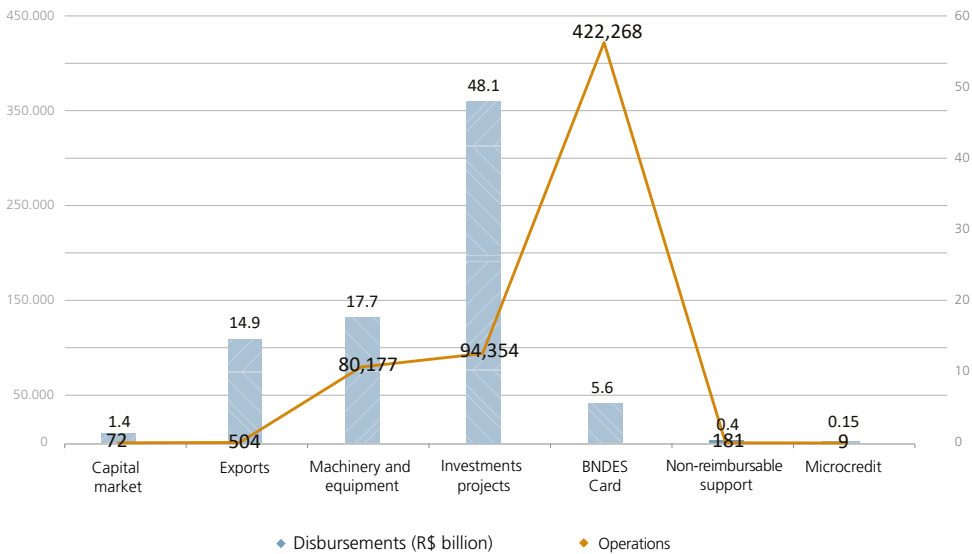
It is also worth mentioning that a relevant part of the disbursements reflects approval of operation of previous years, since the cycle of the process of credit granting takes around ten months. We highlight that our processes have been reviewed so that 50% approvals occur within up to 180 days.

Even in the face of this retraction scenario, we continued operating to supply the Brazilian economy needs of financing, mainly in the segments where there is greater restriction of credit access. The emphasis is on the BNDES PROGEREN disbursements, earmarked to finance companies' working capital, in the amount of R\$ 2.7 billion, and expansion of the participation of micro, small and medium-sized enterprises in our total disbursement. Moreover, it is important to cite the increase in disbursements for exports, transportation material (manufacturing and assembly of vehicles, vessels, railway equipment and aircrafts) and the farming sector.

SERIES OF TOTAL DISBURSEMENTS (R\$ billion)



DISBURSEMENTS AND TOTAL NUMBER OF OPERATIONS, PER PURPOSE



CAPITAL MARKET

Subscription of bonds, corporate securities in public offerings and investment funds (via BNDESPAR)

EXPORTS

Financing of production or commercialization of Brazilian machinery, equipment and services for exportation

MACHINERY AND EQUIPMENT

Support to the acquisition, production or commercialization of national machinery, equipment, and computer and automation products, including for leasing operations and agricultural machinery, equipment, and implements

INVESTMENTS PROJECTS

Financing of undertakings of companies of all sizes, in various economic sectors

BNDES CARD

Pre-approved revolving credit to acquire products, inputs and registered services




NON-REIMBURSABLE SUPPORT

Support for unclaimed funds for initiatives of social, cultural, environmental, scientific or technological character

MICROCREDIT

On-lending for microcredit operators so that they can make small-value loans to formal and informal microentrepreneurs, normally without access to the traditional financial system

INCREASE IN THE DISBURSEMENTS

	2015	2016
 EXPORTS	R\$ 6.8 billion	R\$ 14.9 billion
 TRANSPORTATION MATERIAL	R\$ 10.9 billion	R\$ 12.6 billion
 FARMING SECTOR	R\$ 13.7 billion	R\$ 13.9 billion



R\$ **88.3** BILLION

DISBURSED IN



597,565

OPERATIONS WITH



144,912

CLIENTS (not including individuals)



R\$ 14.5 BILLION
GREEN ECONOMY

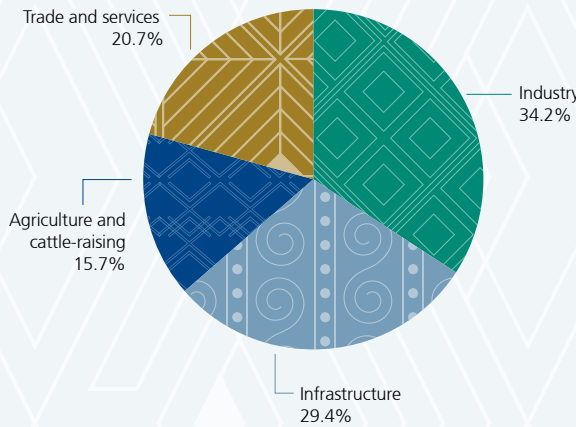


R\$ 3.6 BILLION
INNOVATION

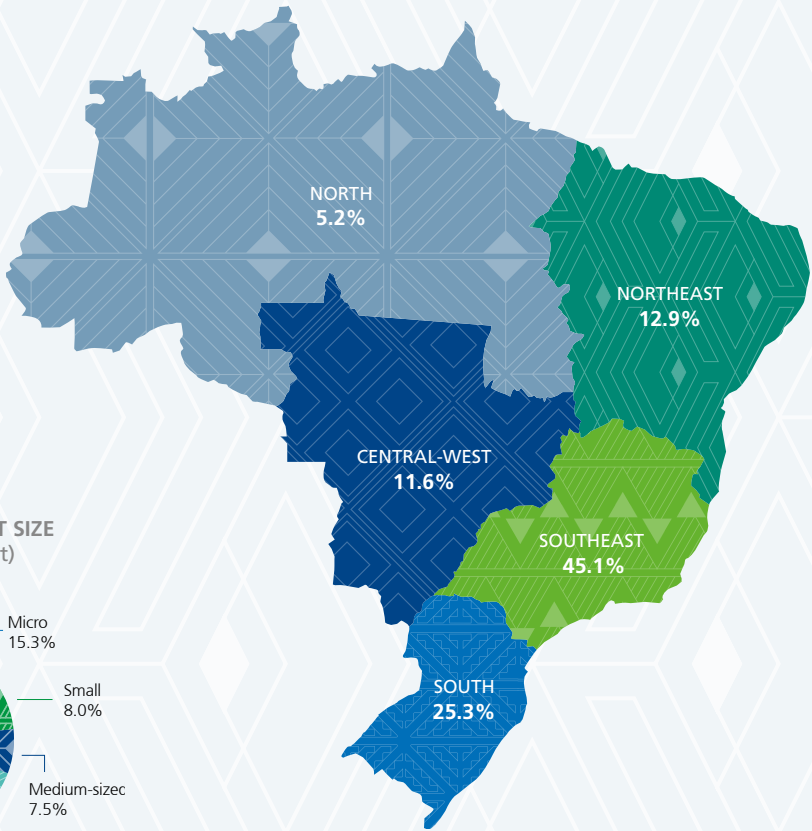


R\$ 9.7 BILLION
SOCIAL DEVELOPMENT

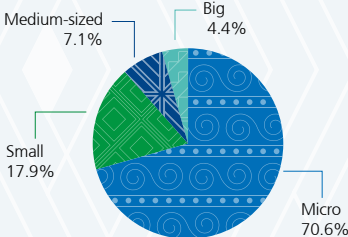
DISTRIBUTION PER SECTOR



DISTRIBUTION PER REGION (% disbursements amount)

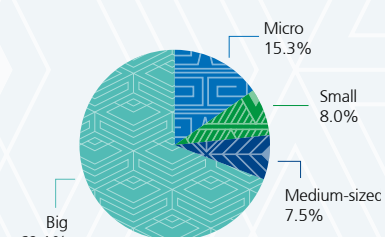


DISTRIBUTION PER CLIENT SIZE (% number of operations)



Micro: companies with annual operational gross revenue smaller than or equal to R\$ 2.4 million.
Small: companies with annual operational gross revenue between R\$ 2.4 million and R\$ 16 million.

DISTRIBUTION PER CLIENT SIZE (% disbursements amount)

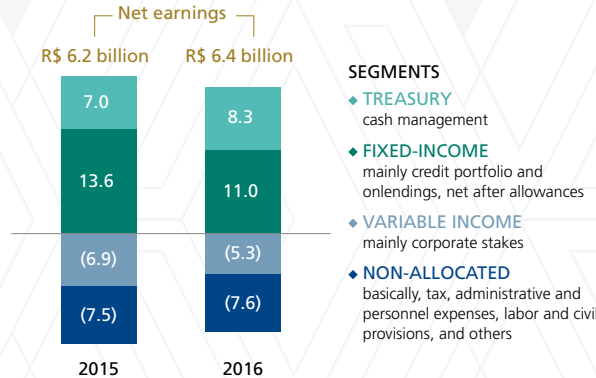


Medium-sized: companies with annual operational gross revenue between R\$ 16 million and R\$ 90 million.
Big: companies with annual operational gross revenue above R\$ 90 million.

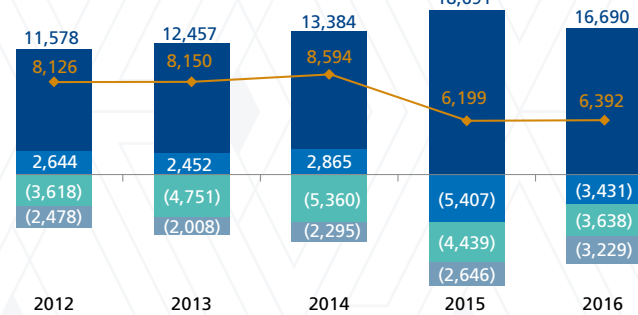
FINANCIAL PERFORMANCE

Our net earnings reached R\$ 6.4 billion in 2016, registering an increase of 3.1% in relation to the net earnings of R\$ 6.2 billion in the previous year. This variation was due to the provisions reduction for losses in investments (impairment), to the recognition of tax credits and to the result of financial intermediation.

INFORMATION PER SEGMENT (R\$ billion)



RESULTS (R\$ million)



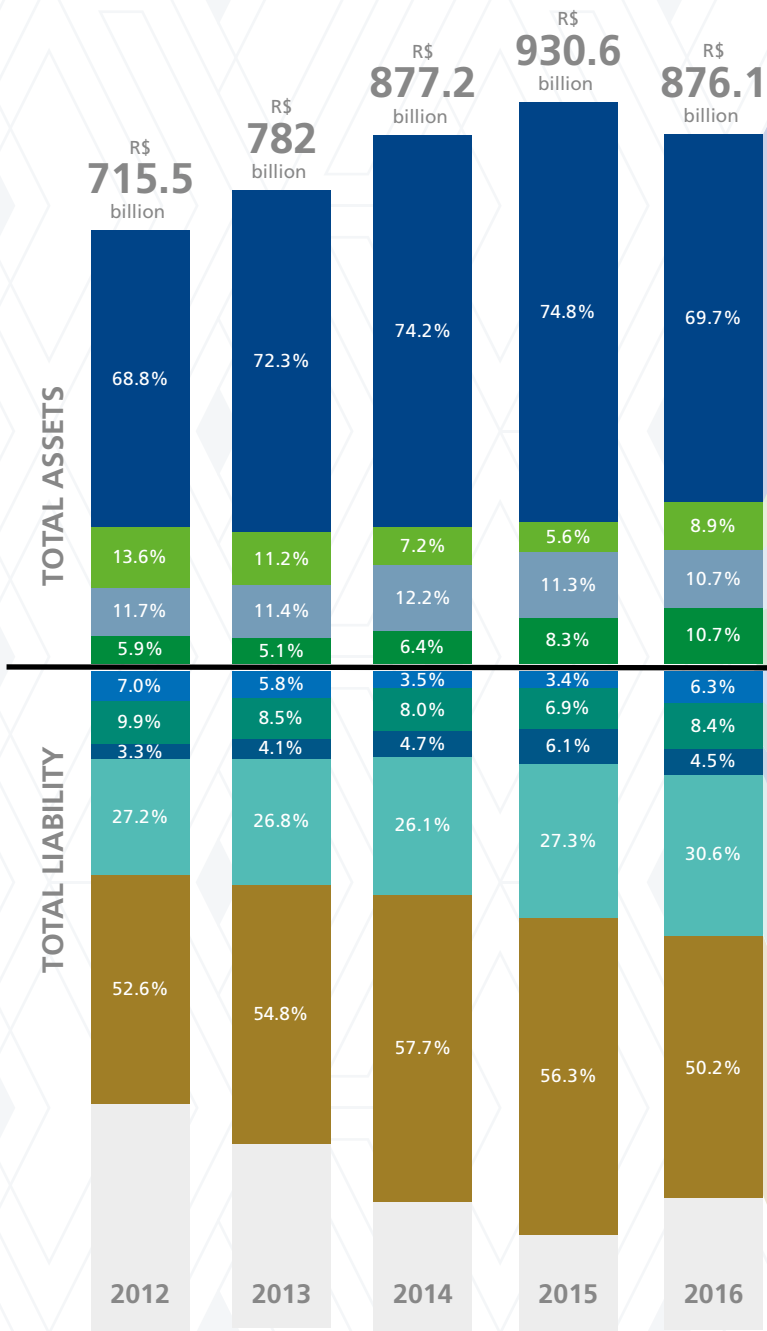
- Financial intermediation results
- Results from corporate stakes
- Tax expenses
- Other revenues and (expenses)
- Net earnings

FINANCIAL INTERMEDIATION RESULTS

Results of the application of resources in credit portfolios, onlendings and bonds and securities, net after allowances, for credit risk deducted from the fundraising costs of financial liability. The reduction of 10.7% in the result of financial intermediation in 2016 mainly comes from the provision growth for credit risk, since the product of financial intermediation, before this provision is deducted, presented an increase of 28.2% in comparison with 2015.

RESULTS FROM CORPORATE STAKES

Results of equity equivalence, revenue from dividends and interests on own equity; divestiture of corporate shares, derivatives from variable income, expenses with impairment and variation in the value of quotas of investments funds in participations. The result with corporate stakes in 2016 was a loss of R\$ 3.4 billion, revealing recovery in comparison to the loss of R\$ 5.4 billion in 2015. The reduction for losses due to impairment explains this improvement, since the other items presented better performance in 2015.



CREDIT PORTFOLIO AND ONLENDINGS

Our main asset includes financing conducted directly by BNDES or through partner financial institutions. The 12.1% fall in relation to 2015 was influenced by both the decrease of credit and onlending operation portfolio, whose liquidation surpassed the liberations by R\$ 103 billion and by the growth of R\$ 8.3 million of the provision for credit risk. In 2016, credits classified between AA and C levels – considered low risk – accounted for 96.4% of the total portfolio, higher than the average of 90.4% in the National Financial System (SFN).

CORPORATE STAKES

Shares that the Federal Government held in BNDES as capital and minority and transitory investments that represent an instrument of support for the process of capitalization and development of national companies as well as strengthening the Brazilian capital market. The 49.8% increase in 2016 reflects the valuation, in the amount of R\$ 28.2 million, of the corporate stake portfolio in non-affiliated companies, influenced by Petrobras, Eletrobras and Vale do Rio Doce shares.

BONDS AND SECURITIES

Comprising mainly public bonds and debentures, which accounted for 98.7% of the balance sheet on 12.31.2106.

OTHER ASSETS

Comprising tax credits and receivables from the National Treasury and Eletrobras/Itaipu, accounting for 99.1% of the balance sheet on 12.31.2016.

NET EQUITY

The 78.0% growth in the net equity reflects the effects of the adjustment of positive equity evaluation, net after taxes, of the corporate stake portfolio in non-affiliated companies, and of the bonds and securities, which reached R\$ 19.5 million in 2016, and the net profit of R\$ 6.4 million in the year.

OTHER ASSETS

The Merchant Marine Fund (FMM), issuance of debentures and Agribusiness Letters of Credit (LCA) accounted for 40.4% of the balance of other assets on 12.31.2016.

FUNDRAISING ABROAD

Issuance of bonds, loans from multilateral institutions and other loans. In 2016, we emphasize the investments of R\$ 471 million from KfW, referent to a contract signed in 2015 and R\$ 180 million from the Agence Française de Développement (AFD), related to the contract signed in 2014.

PIS-PASEP AND FAT

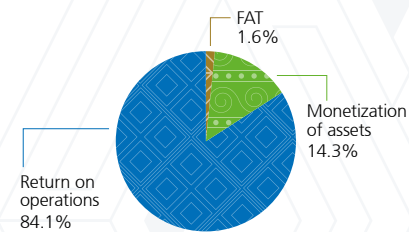
Since 1988, the PIS-PASEP Fund has not received further resources, which are now allocated to the Workers' Assistance Fund (FAT). Of the total of this revenue, 40% is secured to BNDES by the Brazilian Federal Constitution. The cost is mainly pegged to TJLP, or LIBOR plus dollar variation. In 2016, R\$ 16.2 million was raised, coming from FAT, a volume 16.1% inferior to the volume of 2015, being 94.8% from constitutional source.

NATIONAL TREASURY

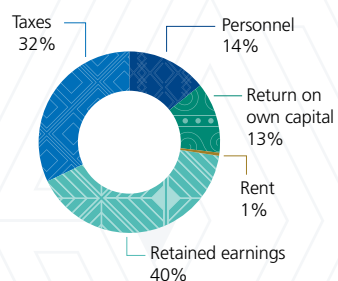
Since 2008, with the increase of onlending resources, the National Treasury has become the main BNDES' source of resources, responsible for 50.2% of the total assets on 12.31.2016, a participation inferior to the 56.3% observed on 12.31.2015 due to the advance payment of R\$ 113.2 billion of debts in 2016.

For comparison purposes, the instruments eligible as core capital are classified as liability with the National Treasury in all fiscal years.

CASH FLOW PER SOURCE OF RESOURCES 2016



ADDED VALUE DISTRIBUTED 2016



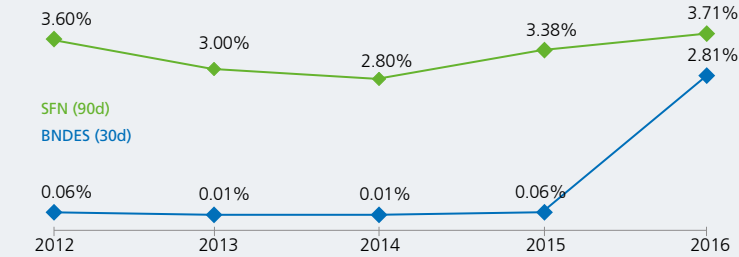
GENERATED AND DISTRIBUTED WEALTH

An important indicator in assessing the social role, the Added Value Statement (DVA), according to a global vision of performance, presents the company's contributions to generate wealth for the economy in which it operates and its effective distribution to employees, the government, financial agents and their shareholders. Wealth generated and distributed by BNDES in 2016 was R\$ 12 billion, a performance 4.6% inferior compared to 2015, caused by a 34.5% reduction of the result of equity equivalence.

Indicators	2015	2016
Basil Index	14.7%	21.7%
Principal Capital Index	9.8%	14.5%
Tier 1 Capital Index	9.8%	14.5%
Return on Total Assets (ROA)	0.7%	0.7%
Return on Equity (ROE)	15.4%	14.8%

BNDES DEFAULT X SFN

Our default rate reached 2.81% on 12.31.2016, an increase in relation to 2015 (0.06%), but still below that registered by the National Financial System (SFN). It reflects the management and quality of our portfolio, the consistence of operational policies and our role as a development bank. The low volume of renegotiations, equivalent to 6.34% of the credit portfolio and onlendings in 2016, is another indicator of our judicious process of credit granting.



In December 2016, there was an **advance payment** of R\$ 100 billion in debts pegged to the TJLP. Although the initial prevision was to pay this amount from 2106, in three annual installments of R\$ 40 billion, R\$ 30 billion and R\$ 30 billion, respectively, one opted for the integral payment of R\$ 100 billion in 2016, considering the flow estimate of BNDES' net disbursements for the next three years and the fact that such anticipation would not affect BNDES' equity structure and the full compliance with the prudent bank rules.

Learn more in the section
Risk management and financial sustainability