



The Brazilian development bank

BNDES's Green Bond

September 2018

Importance of BNDES' bond issuances

Alternative source of funding to international loans raised with multilaterals and agencies
– goal to become a frequent issuer and access new markets

BNDES acting as an emerging market issuer promotes Brazil's visibility abroad

**STRATEGIC presence
of BNDES in the
international market**

Externalities for the funding of Brazilian companies
– raising funds from major investors

Last international bond issuances



Issue Date	Amount Issued (million)	Coupon	Maturity
1998 – 2008	US\$1,000	6.369%	06/16/2018
2009	US\$1,000	6.500%	06/10/2019
2010	US\$1,000	5.500%	07/12/2020
2010	€750	4.125%	09/15/2017
2011	CHF 200	2.750%	12/15/2016
2013	US\$1,250 US\$1,250	3.375% 5.750%	09/26/2016 09/26/2023
2014	€650	3.625%	01/21/2019
2014	US\$1,000 US\$500 (Retap 2023)	4.000% 5.750%	04/14/2019 09/26/2023
2017	US\$1,000	4.750%	05/09/2024

Green Bond Strategic Objectives



1

Reflect BNDES priority for the theme of Socio-Environmental Sustainability, highlighting the projects financed by the Bank.



2

Amplify and diversify source of funding and investor base



3

New benchmark point in BNDES international bond curve



4

Strengthening the BNDES and Brazil's visibility to international investors

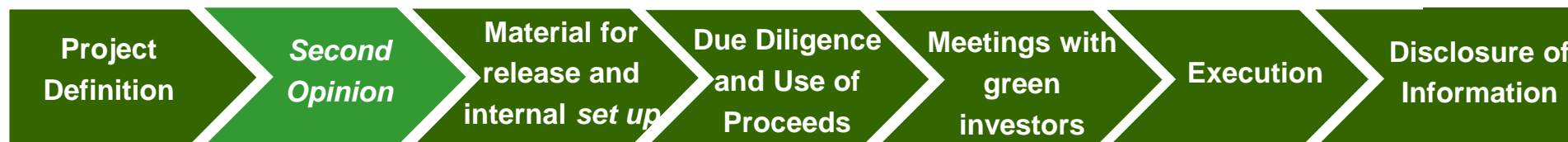


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Pave the way to Brazilian companies issue green bonds abroad



Process of Green Bond issuance



- Definition of project selection and monitoring criteria
- Definition of how to measure project impacts
- Certification of projects by specialized consultants: CICERO, Vigeo, DNV GL, Sustainabilitycs, etc
- Production of materials (Prospectus, Framework, Environmental Policies) with the maximum transparency possible
- Preparation of Due Diligence
- Definition of the Use of Proceeds
- Roadshow with green investors
- USA and Europe
- Definition of the terms and conditions of the issuance based on investors' feedback
- Execution of the transaction subject to market conditions
- Disclose annually the projects' disbursements through reports and website
- Disclose indicators measuring the impacts of the projects
- Assurance Report of the independent auditor

FRAMEWORK – Based on *Green Bond Principles*

Use of Proceeds	<ul style="list-style-type: none">- New or already existing wind or solar generation projects in the portfolio of the Bank
Process for project evaluation and selection	<ul style="list-style-type: none">- List of eligible green projects approved by BNDES' Board of Executive Officers
Management of the proceeds	<ul style="list-style-type: none">- Prior to allocation to eligible green projects, the net proceeds will be held in cash, cash equivalents or Brazilian government securities- Use of resources will be reviewed annually to identify any need for reallocation
Reporting	<ul style="list-style-type: none">- Information on the allocation of the net proceeds and environmental impacts disclosed on BNDES website and updated annually until full allocation- The information will include assurance by independent auditors as to the allocation of the net proceeds

Environmental Project Incentives

- **Green projects receive better terms and conditions**
 - Renewable energy, energy efficiency, forestry, climate change management

Aggregate Financing to Wind Power Generation

- **BNDES credit approval for wind power generation (2003 to 2016)**
 - Number of projects: 87
 - BNDES credit: R\$ 28.5 billion



Green Loans Raised Through Multilateral and Governmental Agencies

- **BNDES has signed loan agreements with JBIC, KFW and AFD to support green projects in Brazil (2009 to 2015)**
 - 9 loan agreements totaling US\$ 1.9 billion
 - Wind, solar, biomass, small-scale hydro power plants, energy efficiency

BNDES 2024 – Green Bond



- First Green Bond of a Brazilian Bank
- 2-team Roadshow and nearly 70 meetings in Paris, London, Los Angeles, Boston and New York
- Eligible Green Projects: new and existing solar and wind projects
- USD 1 billion, coupon 4.75%, 7 year tenor
- Demand reached USD 5.1 billion, with more than 370 investors
- The final pricing outcome of 4.80% implied only 5bps of New Issue Premium and a 60bps differential between BNDES yield and the Republic of Brazil

Allocation by Type

- Asset Manager: 68%
- Hedge Fund: 13%
- Insurance & Pension Fund: 9%
- PB & Bank Portfolio: 9%

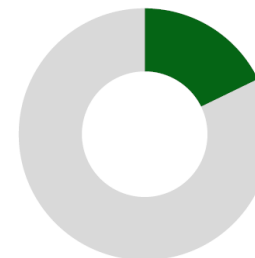


Allocation by Region

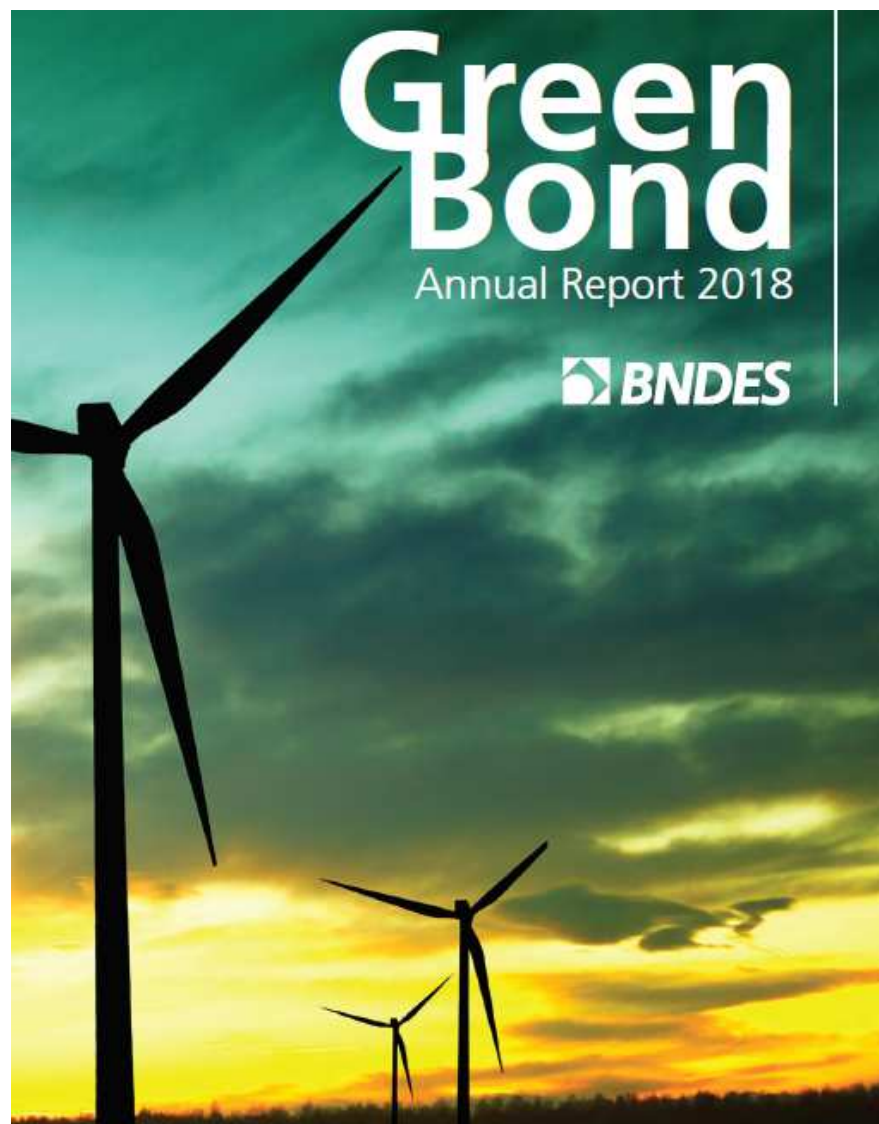
- US: 50%
- EMEA: 44%
- LATAM: 4%
- APAC: 1%



Green vs Conventional



■ Green: 18% ■ Conventional: 82%



Project	Installed capacity (MW)	Commitment value (R\$)
UEE Calango 6	84	274,867,500.00
UEE Atlantic 2 (Morrinhos)	180	494,212,000.00
UEE Brazil Energy (Guirapá I)	170.2	390,958,852.00
UEE Contour Picos 2 (Chapada do Piauí II)	172.4	575,079,500.00
UEE Rio Energy 1 (Itarema)	207	652,522,000.00
UEE Santa Vitória do Palmar	207	679,380,000.00
UEE São Clemente	216.1	658,330,000.00
UEE Servtec 2 (Bons Ventos da Serra 2)	86.1	225,540,000.00
Total commitment		3,950,889,852.00
Total disbursement up to December/ 2017		3,528,504,012.80



UEE Brazil Energy (Guirapá I)

BW Guirapá I is a 170.2 MW wind generation facility located at Pindaí and Caetitê, Bahia state. It is composed of seven wind farms with 92 wind turbines in total and produces enough electricity to power up approximately 366,000 households.

BW Guirapá I construction work is finished. The wind farms have been operational since February 2016.

Commitment value

R\$ 390,958,852.00

Performance indicators

Installed capacity: 170.2 MW
Reduction of 45,761 tons of CO₂Eq per year



UEE Atlantic 2 (Morrinhos)

Morrinhos is a 180 MW wind generation facility located at Campo Formoso, Bahia State. It is composed of six wind farms with 90 wind turbines in total and produces enough electricity to power up approximately 423,000 households.

Morrinhos construction work is finished. The wind farms have been operational since April 2016.

Commitment value

R\$ 494,212,000.00

Performance indicators

Installed capacity: 180 MW
Reduction of 58,690 tons of CO₂Eq per year