



Loan to Companies (GRI 2.7)

Banco do Brasil, leader in the BNDES/Finame ranking, with R\$ 9 billion in disbursements, is one of the main financiers of Brazilian companies. This strong presence allowed the business loan portfolio to reach R\$ 97.2 billion in 2008, growth of 48.4% in the year.

In the loan granting process and in addition to the financial criteria and norms defined by the Bank and by the financial authorities, it is observed the fulfillment of social and environmental requirements, as those contained in the Equator Principles and in the Global Pact, rules that the Bank voluntarily adhered to. Banco do Brasil also checks if the loan applicants are included in the list of the Ministry of Work and Employment, which identifies companies that subject their employees to degrading forms of labor or slave labor. (GRI FS1, FS2, FS3, HR1)

In this wise, in 2008, Banco do Brasil analyzed five projects in the amount of R\$ 369.5 million, equivalent to 0.4% of the business loan portfolio, according to the Equator Principles standards (project finance over US\$ 10 million). The financed projects, which are from the infrastructure and electric power sectors, take into account the socioenvironmental risk (high, moderate or low). (GRI FS10, FS11)

For projects that involve risk, the credit approval depends on the presentation of counterparts to compensate losses, in addition to the requirement of environmental impact assessment and the prohibition to contract operations from companies that hold practices that do not comply with the Bank's credit grant policies. (GRI FS2, FS3)

Equator Principles

Project Risk (category)	2007		2008	
	Granted	Not Granted	Granted	Not Granted
Category A – High Risk	4	-	-	-
Category B – Moderate Risk	2	-	5	-
Category C – Low Risk	-	-	-	-

Besides conditioning the credit approval to the borrower environmental status, the Bank also conducts a differentiated credit analysis for agribusiness enterprises that evidence the existence of preserved legal reserve area in their properties or adopt an organic system of production.



“Brenco was born with a proposal of producing renewable energy. Building a company from scratch, like ours, requires not only financiers, but also partners who walk by our side and accept the risks of an operation. In this sense, the participation of Banco do Brasil was crucial to the success of this endeavor. Without the knowledge on agribusiness and the concern with social and environmental sustainability Banco do Brasil demonstrates, it would have been much more difficult to establish this company.”

Alfredo Freitas, Financial and Administrative Director of Brenco – Companhia Brasileira de Energias Renováveis

Micro & Small Companies (GRI 2.7)

With strong operation in the small and micro enterprise segment, Banco do Brasil ended 2008 with a loan portfolio of R\$ 34.9 billion, a growth of 41.7% over the previous year.

The line with the highest share in this segment is that of working capital, a product that meets the financial needs of companies, which ended the year with a balance of R\$ 23.6 billion. Investment operations reached a balance of R\$ 9.3 billion, a growth of 45.8% over 2007.

Balance			
	R\$ bilhões		
	2007	2008	Δ 2007 (%)
Working Capital ¹	16.9	23.6	39.5
Investment ²	6.4	9.3	45.8

Banco do Brasil conducted the Business Citizenship Meeting, an event initiated in 2007 that is aimed at encouraging the formalization of small businesses and take corporate advice and bank credit information to entrepreneurs. During the event, about 27 thousand entrepreneurs were advised.

¹ Among the working capital lines, the BB Giro Rápido and BB Giro Empresa Flex were the ones that stood out in 2008. BB Giro Rápido – loan without the need for tangible collaterals, simplified and automated for companies with annual turnover of up to R\$ 5 million. With nine years of existence, the product ended 2008 with a balance of R\$ 5.9 billion. The result represents a growth of 20% over 2007.

BB Giro Empresa Flex – credit line launched in June 2007 that meets in a single revolving credit contract the financial needs for working capital and financing for purchase of goods and services. The credit line reached the balance of R\$ 5.1 billion, a growth of 240.9% in 2008.



Among the receivables lines, emphasis on Desconto de Títulos, which purpose is to advance funds obtained from credit sales, upon discounting of trade bills. The product reached a balance of R\$ 2.6 billion at the end of the period and recorded a growth of 18.2%. In the service to SME, Banco do Brasil is the main partner of the segment. At the end of the period, the Bank had 1.8 million accounts with 1.76 million SME customers, of which 1.72 million were account holders and 37.7 thousand non-account holders companies. According to the company classification criteria defined by the National Statute of the Micro and Small Company (General Law of Micro and Small Enterprise), the volume of funds used by microcompanies reached R\$ 4.9 billion, and by small companies R\$ 15.0 billion. Summed up, the total applied in the Micro and Small Company segment reached R\$ 27.4 billion. The product BB Giro Rápido is responsible for 27.1% of the mentioned volume.

² Proger Urbano Empresarial was the credit line used mostly to finance the investments of micro and small companies in 2008. The credit line, funded by Worker's Support Fund (FAT), recorded a balance of R\$ 5.3 billion at the end of the year, a growth of 30.2% over 2007.

According to the classification criteria defined by the General Law of Micro and Small Enterprise, the balance of investment operations contracted by microcompanies reached R\$ 1.7 billion and by small companies R\$ 7.6 billion. Summed up, the total applied in the Micro and Small Company segment reached R\$ 9.3 billion. The product Proger Urbano Empresarial is the responsible for 57% of the mentioned volume.

Medium and Large Sized Enterprises (GRI 2.7)

Loan operations for medium and large sized legal entities reached R\$ 61.9 billion in 2008, growth of 8.6% over 2007. ¹ Among working capital lines, the BB Capital de Giro stood out in 2008

BB Capital de Giro – fixed credit line aimed at meeting the working capital needs of companies, as well as financing the production of goods for exportation. It has great flexibility for negotiation, whether in the creation of credit replacement schedules, terms and price, which makes it suitable for the structuring of the Bank's big deals. The credit line reached the balance of R\$ 22.1 billion.

Among the receivables lines, Vendor stood out. It is a sales financing program, through which Banco do

Balance			
R\$ billion			
	2007	2008	Δ 2007 (%)
Working Capital ¹	22.60	37.0	63.60
Investment ¹	7.0	9.90	41.20

Brasil's customers (goods and services salesmen) can obtain direct financing for their individual and legal entity buyers. The product reached a balance of R\$ 3.4 billion at the end of the period and recorded a growth of 6.1%. The investment lines in the wholesale segment that deserve mention are the ones funded by BNDES and Finame, destined mainly for purchase of machinery and equipment, which reached the balance of R\$ 6.2 billion, against R\$ 4.3 billion in 2007.