



Management Report - BNDES System 1st half of 2015

To shareholders and other interested parties:

In compliance with the legal and statutory provisions and in keeping with the best practices of corporate governance, we present the Management Report and the Individual and Consolidated Financial Statements of the BNDES concerning the half ended June 30, 2015, followed by the respective Notes and the Independent Auditors' Report.

I. Macroeconomic Environment

In the international scenario, the first half of 2015 featured a number of factors which still causes a high degree of uncertainty in the global economy. The major economies in the world are on diverging paths with respect to the level of activity. With this, the answers in terms of economic policy tend to lack coordination, and may, in the short term, lead to a new downturn in the world economy.

While the debate in the US focuses on the right time to begin normalizing monetary policy – when and how much to increase basic interest rates – the first half marked by the European Central Bank introducing *Quantitative Easing* in the Eurozone. While the job market in the US presents a sharp recovery, with unemployment rates falling, in the Eurozone the situation is quite different. The asymmetric and recessive adjustment strategy in more fragile economies, within a context of a fixed nominal exchange rate (due to the unified currency), has a collateral effect in which the level of activity has plummeted. This has resulted in high unemployment rates in the region, particularly among the young. The difficulty in finding a smoother and shared solution in terms of macroeconomic adjustment indicates that Greece is highly likely to leave the Eurozone at the end of the first half of 2015. Although the chance of a major rift has been ruled out for now, the agreement between that country and international lenders is still under discussion.

In Japan, in its turn, after the initial success of its “Abenomics” (Prime Minister Abe's economic policy, anchored in “three arrows”: i) ultra-accommodative monetary policy; ii) fiscal consolidation in the medium term and iii) liberalizing structural reforms), the economy has lost its drive and started slowing down again. Structural problems, such as the ageing population, low birth rates and low return on investment projects hinder the economy from bouncing back in the medium and long term.

Finally, in China, the rebalancing strategy in its growth model – investments for household consumption – associated with gradual liberalization/financial internationalization and the fight against corruption, led to an (expected) slump in the economic growth rate to around 7.0%. The slowest pace in China's growth has important implications on the dynamics in the international commodity prices, which declined strongly throughout first half of 2015, mainly affecting the emerging economies that export commodities, including Brazil.

In the domestic scenario, the Brazilian economy had a rather troublesome first half in 2015. The changing direction in the economic policy, whether in the fiscal or monetary/credit field, was followed by exogenous shocks (the possibility of energy rationing that was high until the first quarter of 2015 and the political effects of the Federal Police's "Lava-Jato" investigation on the political environment) which spread uncertainties concerning the economy, undermining the confidence of domestic agents.

In this sense, regarding supply, industrial activity, as it did in recent years, continued to show lackluster performance. Structural problems, such as the tendency for high production costs and decreased productivity, combined with cyclical factors, namely high stock volumes, widespread industrial inertia, decreasing business confidence and weak demand, prevented any prospect of production bouncing back in the short term.

Additionally, in the first half of 2015, the pessimistic outlook, which restricted industrial activity in the indicators regarding supply, also hit the services industry and, with greater intensity, the labor market. The nominal revenue from transport-related services and commercialization has been strongly affected by low domestic demand. The slump showed not only that unemployment is increasing, but also that this lagging dynamic has increased in speed, with even more blatant consequences in the real income of workers, which is also falling. Real wages dropped 2.9% in the first half of 2015 compared to the same half in 2014. The net decline in registered jobs reached almost 390,000 jobs in first half of 2015, especially in the construction industry, which alone answered for the loss of 191,000 jobs.

Regarding demand, the problems associated with investment – decreasing production of capital goods and standard construction inputs - still persist. In the year-to-date for 2015, with data up to May, production of capital goods had dropped 20.6% compared to the same period last year. This poor performance is led by capital goods transport equipment segment, with an even sharper downturn is, reaching 26.2% over the same period.

The latest news is on how the falling labor market indicators have affected household consumption. If, previously, household consumption had been extremely resilient to the economic slowdown, showing some expansion, the first half of 2015 marks the end of this process. The drop in real wages of workers, associated with less access to bank credit, strongly affected consumers' purchasing power.

The slowdown in activity, more intense than expected, had relevant effects on the government's tax collection projections. In general, the elasticity of tax collection in relation to GDP is higher than the unit. With this, lower revenue in the first half of 2015 due to less economic activity led the government to revise its primary fiscal surplus goal of 1.1% of GDP announced at the beginning of the year at 0.15% of GDP. It also reassessed every fiscal adjustment strategy previously announced for the 2015-2018 period, so that the new primary fiscal surplus targets are more compatible with how the economy is recovering. However, primary expenditure estimated for 2015 will decrease 1.6% in real terms in relation to 2014 – with an actual decrease of 12.3% in discretionary expenses, which also represents an additional difficulty in reactivating activity levels.

Inflation measured by the IPCA ended the first half of 2015 at 8.9% for the last 12-month period, well above the target of 4.5%. The main factors that contributed to this result were: i) the realignment of relative prices in the economy, between those administered and open - notably due to corrected electricity prices that were frozen - and between domestic and international – more specifically the exchange rate and fuel prices; ii) the persisting inflation in the services industry, which is strongly characterized by its inertia; and iii) the impact on the some foodstuff prices.

This poor performance in economic activity, on the other hand, has facilitated adjustments to Brazil's external accounts. Even with the sharp decline in commodity prices, the strong downturn in the level of activity and adjustments already made to the exchange rate have greatly impacted the dynamics of imports. The trade balance showed a positive result of US\$ 2.2 billion in the first half of 2015, reversing the negative result in the same period of the previous year, which was US\$ 2.5 billion. Exports totaled US\$ 94.3 billion, while imports reached US\$ 92.1 billion. In addition, data from the first half of 2015 showed an approximately 20% decrease in the value of two important lines of services, notably transport and travel, as well as in the primary income account via a fall in the remittance of profits and dividends abroad.

II. Highlights in the first half of 2015

Memorandum of Understanding with Mexico's Foreign Trade Bank

A Memorandum of Understanding was signed with Mexico's Foreign Trade Bank to strengthen co-operation and share experiences, with the aim to promote programs and, in particular, help implement activities and develop projects of mutual interest.

Best Practices Award 2015 from the Latin-American Association of Development Financing Institutions (ALIDE)

Receiving the Award in the category for Financial Products, in recognition for the experience and the results obtained by Criatec, the national seed fund, in which the BNDESPAR is the main investor.

Brazil-France Chamber of Commerce Award

Award for the social initiatives receiving support using resources from the Corporate Social Investments line (ISE) in the surrounding areas of the hydroelectric power plant in Estreito, in the states of Maranhão and Tocantins.

Multi-Annual Plan to Implement and Monitor the Social and Environmental Responsibility Policy

The Plan aims to effectively implement the BNDES' Social and Environmental Responsibility Policy and fosters monthly monitoring, carried out by the Social and Environmental Sustainability Committee, of efforts established in the policy, triggering new work fronts while reinforcing a set of practices and initiatives that the Institution already promotes and which are related to social and environmental responsibility.

Release of BNDES' profile on Facebook

Tool to disclose information on operations and disbursements. See section "VIII. Transparent BNDES"

III. Disbursements

2015 Operational Policy

Since early 2015, with the reviewed operational policies, the BNDES offers better conditions in terms of rates, terms and participation level to industries considered a priority (innovation, infrastructure, renewable energies, public transport, waterway and railway transport, sanitation and improving public administration), environmental projects, corporate social investments, as well as micro, small and medium-sized enterprises (MPMEs). The review also included expanding the use of market cost references in financing and opening up more space for other sources in long-term financing.

For priority industries, the reference for financial cost is the Long-Term Interest Rate (TJLP), currently at 6% per annum. For other industries, part of the financing remains in TJLP, combined with market cost references. With this, the Bank maintains firm support for Brazilian companies, sustaining and expanding investments, while aligning guidelines to rationalize the use of resources as determined by the Federal Government.

By reducing their participation levels and a portion of financing in TJLP, the BNDES stimulates greater market presence when granting long-term credit. However, participation may be increased up to 90%, using market references. The BNDES thus ensures funding to implement the project.

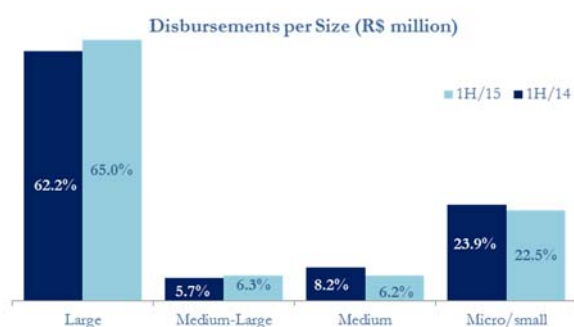
MPMEs have financing referenced to TJLP, and, regardless of the sector, receive support under one sole condition: 100% at TJLP and bank participation of 70%.

The expiry date for the Investment Maintenance Program (PSI) was extended until December 31, 2015. Its interest rates are rather high, although still quite competitive. The PSI rates, which ranged from 4% to 8% per annum, remained between 6.5% and 11% per annum. This measure is in keeping with the fiscal adjustment plan put forward by the Federal Government, while ensuring the stimulus to investment.

Disbursements in the 1st half of 2015

Disbursements from the BNDES System, not including disbursements to the secondary market, reached R\$ 68.775 billion in the 1st half of 2015, a reduction of R\$ 15.281 billion (18.2%) compared with the same period in 2014. In a scenario with no new resources from the Treasury, the trend is for disbursements to taper off in the coming years.

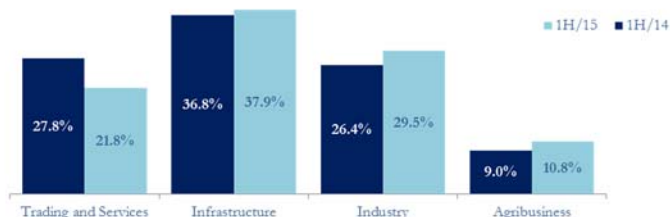
Profile of disbursements



The volume of transactions also decreased (7.2%) between semesters, from 516,991 operations in the 1st half of 2014 to 479,746 operations in the same period in 2015. The decline was registered in companies of all sizes.

Road transport and electricity segments were the highlights, accounting for 11.7% and 7.9% of disbursements, respectively, in the 1st half of 2015.

Disbursements per Sector (R\$ million)



Disbursements per Region (R\$ million)



In the 1st half of 2015, the states that stood out in their respective regions were Pará, Bahia, São Paulo, Rio Grande do Sul and Mato Grosso.

IV. Financing and Job Generation

Investment projects financed by the BNDES are directly related to generating employment and income in the economy, because they stimulate the real economy, and due to the proportion of resources involved.

Estimates for the number of workers required (generated or maintained jobs) during the implementation phase for investments the Bank supported are obtained by using the BNDES Job Creation Model (MGE), an input-product model for the Brazilian economy, which is based on official data from the Brazilian Institute of Geography and Statistics (IBGE)'s National Accounts System, as well as the Input-Product Matrix. It is important to note that the number of jobs the MGE generates does not correspond to the net jobs created in the economy, but rather to the volume of employment related to interventions to make them feasible.

The estimated volume of employment can be broken down into three types:

- direct jobs – this occurs in the sector that has an increased final demand. In fixed investment projects, it is mainly related to civil construction, manufacturing machinery and equipment, as well as business services;
- indirect jobs - jobs in production industries that cater to sectors directly affected by the increased demand; and
- income-effect jobs - jobs that arise from direct and indirect employees spending of part of their income on consumption, especially in sectors producing basic goods (food, clothing, household services etc.).

Jobs generated or Maintained through Investments Receiving Support from the BNDES

Amounts accumulated in the year (investment in R\$ millions and employment in thousands)

Period	Disbursement	Increase in the final demand ¹	Employment			Total
			Direct	Indirect	Income-effect	
1H/14	84,056	68,797	308	338	757	1,403
1H/15	68,786	54,287	266	258	607	1,131

Sources: BNDES, IBGE and Fundação Getúlio Vargas (FGV).

¹ Consists of an estimate of the portion of disbursed resources which represents increase in demand by sectors to implement the investments.

In the 1st half of 2015, the BNDES' disbursements totaled approximately R\$ 68.8 billion and accounted for approximately R\$ 54.3 billion of the increase in the final demand while investments were being implemented. The number of jobs needed to make this amount of investment possible, according to MGE estimates, was 1.1 million. The drop in this indicator compared to results for the same period in 2014 (1.4 million) reflects the behavior of disbursements, which have proportionally fallen, to the same extent. ¹

Regarding the breakdown per type of job, the 1st half of 2015 showed similar results to 2014, with 53% of jobs based on income-effect, some 24% in direct jobs and 23% in indirect jobs. The average number of jobs created or maintained per million invested in the economy increased slightly from 20.4 in the 1st half of 2014 to 20.8 in the same period for 2015, which means that the kinds of sectors impacted by the projects receiving support did not suffer significant changes either.

The main sectors that experienced an increased final demand while implementing investments receiving support from the BNDES, according to calculations estimating the employment rate, are: i) civil construction; ii) manufacture of electrical machinery and equipment; iii) manufacture of cars, trucks and buses; iv) manufacture of parts and other vehicles; v) services provided to businesses; and vi) public industrial utility services. Together, these sectors, in the 1st half of 2015, corresponded to approximately 91% of the final demand, stimulated by the BNDES while investments were being implemented.

V. Economic-Financial Performance

1st half of 2015

The 1st half of 2015 was marked by the R\$ 3.598 billion (97.2%) fall in income from equity investments, which contributed decisively to the R\$ 1.956 billion (35.6%) drop in the net income compared to the same semester in 2014. Growth in the product of financial intermediation, net after taxes, eased such effects on net earnings for the 1st half of 2015.

¹ It was decided to discontinue the series of employment estimates associated with total investments leveraged by the BNDES to align the data from the Management Report with the release of the BNDES' Effectiveness Report.

Main Economic-Financial Indicators

R\$ million, except percentages

Income	1H/15	1H/14	Δ (%)			
Net Income	3,515	5,471	(35.8)			
Product of Financial Intermediation	9,770	5,877	66.2			
Allowance for Loan Losses	(480)	121	(497.6)			
Equity Investments	105	3,703	(97.2)			
Tax Expenses	(526)	(504)	4.4			
Income Taxes	(4,253)	(2,587)	64.4			
Other Expenses, net	(1,101)	(1,138)	(3.2)			
Financial Position	Jun-15	dec/14	Δ (%)	Jun-15	Jun-14	Δ (%)
Total Assets (TA)	911,453	877,219	3.9	911,453	814,364	11.9
Loan Portfolio, net	667,625	651,207	2.5	667,625	588,263	13.5
Securities	110,396	105,033	5.1	110,396	96,620	14.3
Equity Investments	68,324	63,360	7.8	68,324	84,155	(18.8)
Credits from the National Treasury	27,227	26,163	4.1	27,227	21,598	26.1
Cash and Cash-Equivalents	16,099	7,879	104.3	16,099	2,737	488.2
Other Assets	5,683	15,697	(63.8)	5,683	18,254	(68.9)
National Treasury	521,115	506,215	2.9	521,115	464,898	12.1
FAT/PIS-Pasep	240,115	229,077	4.8	240,115	225,409	6.5
International Funding	46,165	41,280	11.8	46,165	34,693	33.1
Merchant Marine Fund (FMM)	18,075	15,418	17.2	18,075	12,612	43.3
Other Liabilities	47,954	54,492	(12.0)	47,954	33,160	44.6
Shareholders' Equity (SE)	38,029	30,737	23.7	38,029	43,592	(12.8)
SE/TA	4.17%	3.50%	19.1	4.17%	5.35%	(22.1)
Prudential Requirements	Jun-15	dec/14		Jun-15	Jun-14	
Basel Ratio	17.0%	15.9%		17.0%	18.4%	
Common Equity Ratio	11.3%	10.6%		11.3%	12.3%	
Tier 1 Capital Ratio	11.3%	10.6%		11.3%	12.3%	
Credit Ratios (%)	Jun-15	dec/14		Jun-15	Jun-14	
Non-performing / Loan Portfolio	0.05%	0.01%		0.05%	0.02%	
Allowance for Loan Losses / Loan Portfolio	0.53%	0.49%		0.53%	0.66%	
Coverage Ratio ^{1/}	11.7	36.1		11.7	27.8	
Profitability		1H/15			1S/14	
Return on Assets (Net Income/TA _{average})		0.39%			0.69%	
Return on Shareholders' Equity (Net Income/SE _{average})		8.44%			13.24%	

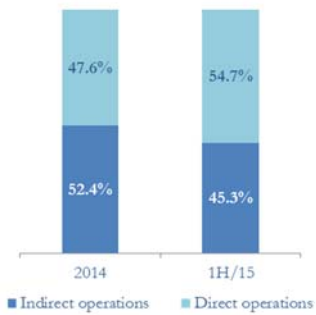
^{1/} Allowance for loan losses / Non-performing loans

Loan Portfolio

This is financing granted by the BNDES either directly, in the case of loan operations, or indirectly, through accredited financial institutions, in the case of interbank onlendings operations.

The loan and interbank onlendings portfolio, net after allowance for loan losses of R\$ 3.579 billion, amounted to R\$ 667.625 billion on June 30, 2015 and accounted for 73.2% of the total assets on the same date.

Loan portfolio by type of operation



The risk spread is not charged on indirect operations, but there is a financial intermediation fee between 0.1% and 0.5%. In these transactions, the risk lies with the financial institution responsible for onlending the BNDES' resources.

Loan portfolio by currency



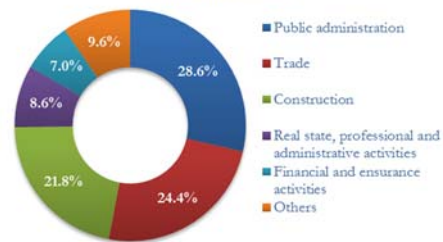
The R\$ 16.4 billion (2.5%) increase in the net loan portfolio reflects the impact of the 16.8% appreciation of the dollar on the foreign currency portfolio.

Gross loan portfolio per sector

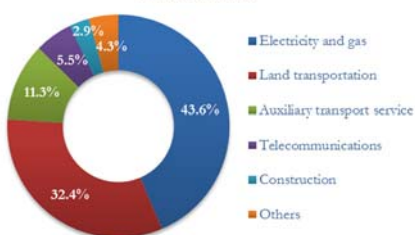
Distribution per Sector



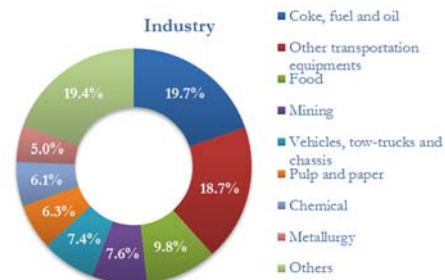
Trade and Services



Infrastructure



Industry



Quality of the loan portfolio

The BNDES continuously monitors the quality of its loan portfolio so as to strategically improve the management of risks and returns. Granted financing is subject to ongoing monitoring and requires guarantees to cover the debtor’s position throughout the term of the contracts.

The classification of the loan portfolio per risk level respects the CMN Resolution N°. 2,682/99, which establishes the classification of credit between AA levels, lower risk, and H, higher risk, and the percentage for allowances to be established for each level.

*Risk rating for the loan portfolio
As of June 30, 2015*

Risk Ratings	BNDES System	NFS ^{1 2 3}	Private Financial Institutions ^{2 3}	Public Financial Institutions ^{2 3}
AA - C	99.7%	92.9%	91.6%	93.9%
D - G	0.2%	4.6%	5.3%	4.0%
H	0.1%	2.5%	3.1%	2.1%
TOTAL	100.0%	100.0%	100.0%	100.0%

¹ National Financial System

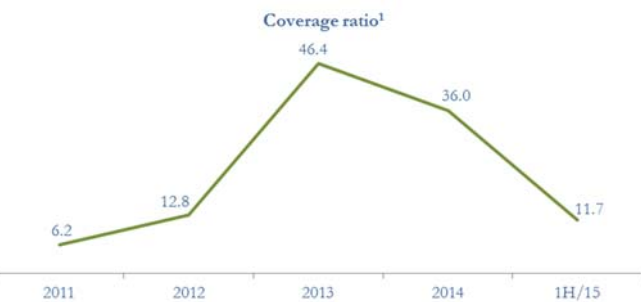
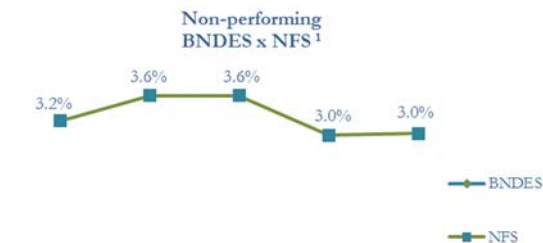
² Source: Central Bank of Brazil

³ As of March 31, 2015. Last available data.

The portion of credits classified between the levels AA and C, considered low-risk, stood at 99.7% of the total portfolio on June 30, 2015. This is higher than the 92.9% recorded by the National Financial System (SFN) on March 31, 2015 (last available data), and the same percentage registered in 2014.

The non-performing rate reached 0.05% on June 30, 2015, higher than the 0.01% recorded on December 31, 2014, but still, one of the lowest rates recorded by the SFN institutions.

The low non-performing rate reflects not only the management and the quality of the loan portfolio, which was above the SFN average, but also the consistency in the BNDES’ operational policies and, especially, the role of the BNDES as a development bank: granting financing with interest rates and terms that are compatible with long-term projects. The volume of renegotiations held by the BNDES for the 1st half of 2015, equivalent to 1.31% of the portfolio on 6/30/15, is another indicator confirming this quality.



¹ Allowance for loan losses/non-performing loans for more than 30 days



Between 2010 and 6/30/15, the BNDES' non-performing rates remained at levels lower than those registered by the SFN, in spite of the fact that the BNDES adopts more conservative criteria when classifying a default: while the SFN considers a loan more than 90 days overdue as a default, the BNDES adopts the lower term of 30 days.

The coverage ratio, which represents the number of times the allowance for loan losses is able to cover non-performing loans, reached 11.7 in 6/30/15.

Securities

These basically comprise debentures and government securities, which accounted for 11.2% and 55.6% of the securities portfolio, respectively, on June 30, 2015.

Debentures represent one of the forms in which BNDES provides support to businesses. The portfolio, which amounted to R\$ 18.288 billion in 6/30/15, comprises R\$ 6.620 billion in investments in simple debentures, as well as R\$ 11.668 billion in convertible/exchangeable debentures.

Equity Investments

These basically include resources the Federal Government incorporated into the BNDES as capital as well as equity investments of a minority and transient nature in order to boost capitalization and develop domestic enterprises, as well as strengthening and modernizing Brazil's capitals market.

On June 30, 2015, of the total equity investments portfolio, some 73.8% represented investments in non-associated companies, while 23.2% was in associated companies, and the remaining 3.0% account for in mutual investment and equity funds and other investments.

Investments in associated companies, in which the BNDES has the power to influence financial and operational decisions, are measured using the equity method. Other investments are measured at fair value and, in exceptional cases, using their acquisition cost.

The equity investments portfolio, after allowance for impairment, reached R\$ 68.324 billion on 6/30/15, up 7.8% for the semester, caused by appreciation in the amount of R\$ 5.512 billion, of the equity investments portfolio in non-associated companies due, most notably, to shares in Petrobras.

Credits from the National Treasury (TN)

Credits from the TN are the amounts receivable from the TN resulting from the compensation equalization programs encouraged by the Federal Government, including Pronaf, Revitaliza, Agricultural programs and, mainly, the PSI.

The R\$ 1.064 billion (4.1%) decrease in credits in the 1st half of 2015 is primarily due to receiving equalization portions fore remuneration from the PSI, amounting to R\$ 4.670 billion.



Cash and Cash Equivalents

The R\$ 8.220 billion (104.3%) increase in the 1st half of 2015 reflects the need for resources to quit financial debts in July 2015.

Source of Funds

Among the sources of funds that make up the BNDES' capital structure, the weight of government sources stands out, representing a significant portion of its financing structure.

National Treasury

Since 2010, the National Treasury has been the BNDES' main creditor, accounting for 53.2% of its total liabilities on June 30, 2015. Of the total, some 87.3% is linked to the TJLP.

There were no new operations with the NT in the 1st half of 2015.

The Workers' Assistance Fund (FAT) and PIS-Pasep Fund

The balance of the FAT's resources at the BNDES was R\$ 206.4 billion on June 30, 2015. Of this total, some R\$ 190.6 billion comprised the balance of Constitutional FAT, while the balance of FAT's Special Deposits represented R\$ 15.8 billion.

In the 1st half of 2015, some R\$ 10.1 billion in new resources from FAT entered the BNDES, of which R\$ 7.8 billion accounted for Constitutional FAT, and R\$ 2.3 billion for Special Deposits.

On 6/30/15, the liabilities with the PIS-Pasep Fund totaled R\$ 33.7 billion earmarked for investment in economic and social development programs. Since the creation of the FAT in 1988, the PIS-Pasep Fund has not received any more resources.

International funding

The external sources of funding are onlendings from multilateral institutions, bond issuance and syndicated loans, which, together, amounted to R\$ 46.165 billion on 6/30/15, equivalent to 5.1% of total liabilities on that date.

The R\$ 4.885 billion (11.8%) increase in the 1st half of 2015 primarily reflects the 16.8% appreciation of the dollar in the period.

Merchant Marine Fund (FMM)

Total liabilities with the FMM were R\$ 18.1 billion, which was earmarked for investment in development programs in the naval sector. Some R\$ 1.7 billion entered during the 1st half of 2015.

Other liabilities

These comprise issuances of debentures by BNDESPAR, Agribusiness Letters of Credit (LCAs) and resources from the Government Severance Indemnity Fund for Employees (FGTS) and the FGTS Investment Fund (FI-FGTS), which, together, account for 43.6 % of the balance on 6/30/15.

In the 1st half of 2015, LCAs were issued totaling R\$ 2.749 billion, of which R\$ 1.543 billion was remunerated at between 93.0% and 95.5% of the CDI and maturing between January 2016 and March 2018, while some R\$ 1.206 billion was remunerated at between 93.0% and 96.0% of the CDI, maturing between April 2016 and June 2018.

The BNDES also has resources coming from the Audiovisual Sectorial Fund (FSA) to invest in programs aimed at developing the entire production chain for audiovisual activities; the National Fund for Climate Change (FNMC), earmarked to finance projects to mitigate and adapt to climate change; and the Amazon Fund (FA), earmarked to finance projects to prevent, monitor and combat deforestation, and to foster conservation and the sustainable use of forests in the Amazon Biome.

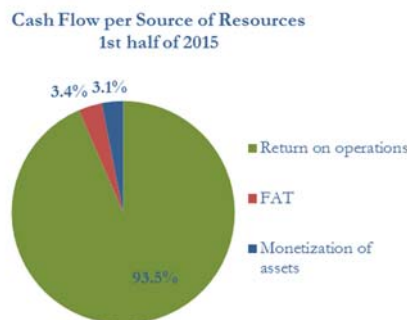
In the 1st half of 2015, some R\$ 230 million was received from the FSA and R\$ 48 million from the FA. No resources came from the FNMC.

Shareholders' Equity

The R\$ 7.292 billion (23.7%) increase in the shareholders' equity in the 1st half of 2015 reflects the net income of R\$ 3.515 billion in the half and the positive adjustment to fair value of R\$ 3.778 billion mostly coming from the portfolio of investments in non-associated companies.

Flow of Resources

The net resources used by the BNDES in the 1st half of 2015, some R\$ 68 billion, came from the sources listed in the chart below.



Returns on loan operations represented the main source of resources in the 1st half of 2015, contributing 93.5% to the total, highlighting the importance of the volume and the quality of the Bank's loan portfolio in financing its releases.



Income from Financial Intermediation

This is the product of financial intermediation net of the effects of allowances for loan losses.

Product from financial intermediation

Income from investing resources in loan portfolio, as well as in securities, net after allowances for loan losses, and in cash equivalents.

The product from financial intermediation amounted to R\$ 9.770 billion in the 1st half of 2015, an increase of R\$ 3.893 billion (66.2%) in the same period in 2014 due to growth in the loan portfolio, management of cash resources to compensate for lower income from equity investments, and adjustments, in March 2014, to fundraising costs in establishing the volume of official equalizing credit operations.

Allowance for loan losses

The expense for allowance for loan losses totaled R\$ 480 million in the 1st half of 2015, as opposed to the income of R\$ 121 million in the same period in 2014, were marked by the R\$ 233 million (84.1%) fall in the volume of recoveries of credits and the impact of R\$ 368 million, caused by the growing portfolio and the lower risk levels of some clients.

Income from equity investments

This includes income from dividends and interest on shareholders' equity (JCP), equity in earnings (losses) of subsidiaries and associates, divestments, derivatives and equity investment funds, allowances for impairment and other income, mainly from the BNDESPAR portfolio.

Income from equity investments amounted to R\$ 105 million in the 1st half of 2015, a reduction of R\$ 3.598 billion (97.2%) over the same period in 2014, due to the R\$ 2.296 billion (87.2%) fall in income from dividends and JCP as well as the R\$ 819 million increase in impairment expenses, partially offset by the R\$ 685 million increase in result from sale of variable income securities.

Regarding the income from dividends and JCP in the 1st half of 2015, the main highlights were Vale (R\$ 164 million) and Cia Estadual de Gás (CEG), amounting to R\$ 43 million, which together accounted for 61.2% of the total income. In the 1st half of 2014, the highlight was Petrobras, whose income reached R\$ 1.842 billion (70.0% of total income), with no equivalent in the 1st half of 2015, because Petrobras did not pay dividends in that period.

The total R\$ 1.155 billion in expenses for allowances for investment losses (impairment) in the 1st half of 2015 refers to the portfolio of non-associated companies and incurred due to the significant decline in the fair value of the respective shares in relation to their cost value.

Result from sale of variable income securities of R\$ 974 million in the 1st half of 2015 was mainly impacted by transactions involving JBS, Klabin and Suzano Papel e Celulose, which reached R\$ 917 million (94.1% of the total result).

The decision to divest investments considers market conditions and the maturity of portfolio investments. For this purpose, the BNDES monitors the market in search of better opportunities for price, volume and time of sale, because, as a result of managing its cash flow well, it does not need to incur losses when divesting investments for cash flow.

Tax Expenses

Taxes, almost entirely, comprise federal taxes and social contributions, such as PIS-Cofins, income tax and social contributions on net income.

The R\$ 1.688 million (54.6%) rise between the semesters accompanies the 66.2% increase in the product from financial intermediation.

Other Expenses, net

These comprise net monetary restatement on assets and liabilities (SELIC), administrative and personnel expenses, labor and civil provisions, among others.

Information per Segment

The BNDES' assets and income per business segment were based on its activities: (i) financing (fixed income); (ii) capital market (variable income); and (iii) treasury.

Breakdown of segments

- "Fixed Income": includes assets, revenues and fundraising costs, basically tied to loan and debentures portfolios;
- "Variable Income": includes assets, revenues and fundraising costs, tied to the variable income portfolio, comprising equity investments as well as mutual equity and investment funds; and
- "Treasury": includes assets, revenues and fundraising costs, basically tied to managing the BNDES System's cash and cash-equivalents.

Segment	R\$ million							
	1H/14				1H/15			
	Assets		Income		Assets		Income	
	(A)	%	(B)	%	(A)	%	(B)	%
Fixed Income ^{1/}	631,649	78.8%	5,603	56.1%	720,317	80.1%	7,506	77.3%
Variable Income	86,129	10.7%	3,129	31.3%	69,399	7.7%	(686)	-7.1%
Treasury	84,013	10.5%	1,260	12.6%	110,161	12.2%	2,889	29.8%
Allocated	801,791	100.0%	9,992	100.0%	899,877	100.0%	9,709	100.0%
Non-allocated	12,573		(4,521)		11,576		(6,194)	
Total	814,364		5,471		911,453		3,515	

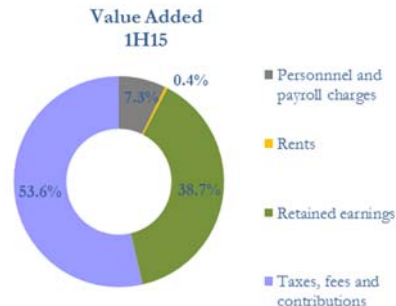
^{1/} Includes allowance for loan losses.

To calculate total the net income, the non-allocated expenses represented by other expenses (administrative, personnel, allowances etc.), of R\$ 4.5 billion in the 1st half of 2014 and R\$ 6.2 billion in the same period in 2015, should be deducted.

It should be noted that the different portfolios are subject to different tax rates. The variable-income portfolio is subject to less taxation.

Statement of Value Added (DVA)

An important indicator for assessing the social role of an institution, the statement of value added, according to a global vision of performance, presents its contribution to generating wealth for the economy in which it operates, and its effective distribution among employees, the government, financial agents and its shareholders.



The wealth generated and distributed by the BNDES during the 1st half of 2015 was R\$ 9.087 billion, in keeping with the R\$ 9.293 billion generated in the same half in 2014.

Despite the 35.8% fall in net income between semesters, the generated amount to be distributed remained stable due to the increase in federal taxes expenses.

As the Federal Government is the BNDES' sole shareholder, its stake in the wealth generated in the 1st half of 2015 was R\$ 8.374 billion, equivalent to 92.3% of the total wealth generated, against R\$ 8.639 billion in the same period in 2014 (93.0% of total wealth generated), taking into account the amounts for federal taxes, income from dividends and interest on shareholders' equity and retained earnings.

VI. Risk Management and Internal Controls

Within the context of the activities conducted to help improve internal controls and risk management within the BNDES System, highlights in the 1st half of 2015 include:

Internal controls

- developing continuous monitoring for the level of service to meet internal standards;
- furthering assessment of internal controls on work processes;
- furthering studies related to compliance activities; and
- implementing initiatives to further disseminate the culture of control within the Institution.

Operational risk

- completing the project to develop and implement a Business Continuity Management System for the BNDES;
- starting the corporate project Business Continuity Strategies, which aims to apply contingency solutions focused on technology and alternative workplaces;
- improving the methodology to identify and evaluate operational risks;
- including topics related to analyzing operational risks to help evaluate proposals for new products, programs and policies of the BNDES System; and
- developing advanced methodology to calculate regulatory capital concerning operational risks.

- implementing pricing for debentures, stock options and bonds issued abroad according to the rules in the Guidelines for Pricing and Mark-to-Market of Financial Instruments approved in late 2014;
- continuously developing an integrated model to manage assets and liabilities for long-term risk management at the BNDES;
- calculating prudential adjustments referred to in CMN Resolution N°. 4,277/13, which came into force on 6/30/15; and
- developing a management methodology to monitor the liquidity risk of the BNDES, designed for a three-month period, based on the LCR (Liquidity Coverage Ratio).

Credit risk

- incorporating revenue from export operations which are equivalent to the profitability calculation for the BNDES' lines of credit and programs;
- developing and refining managerial models to calculate economic capital for the loan portfolio, whose focus is related to individualizing recovery rates due to the many collateral packages the BNDES receives;
- improving the economic capital methodology for the shares portfolio; and
- improving capital self-assessment methodologies to apply in the ICAAP report.

Risk Management in Numbers

On June 30, 2015, the BNDES presented comfortable figures for the minimum capital required by the Central Bank of Brazil: the Basel Index totaled 17.0%, and the Indexes of Common Equity Tier 1 and Tier 1 Capital were equal to 11.3%, in compliance with the minimum values required by the regulator.

Additional information is disclosed in the Risk Management Report, available at [www.bndes.gov.br/SiteBNDES/bndes/bndes_pt/Institucional/Relacao Com Investidores/Relatorio Gestao Riscos/](http://www.bndes.gov.br/SiteBNDES/bndes/bndes_pt/Institucional/Relacao_Com_Investidores/Relatorio_Gestao_Riscos/).

R\$ million, except for percentages

Own resources and Basel Index	Basel II		Basel III		
	2011	2012	2013	2014	Jun/15
Regulatory Capital - RC	99,084	89,599	108,669	97,851	110,897
= Tier 1 Capital (T1)	51,849	48,633	72,446	65,234	73,931
(+) Common Equity Tier 1 (CE)	-	-	60,418	65,234	73,931
(+) Additional Tier 1 Capital (AC)	-	-	12,028	-	-
= Tier 2 Capital	48,044	41,176	36,223	32,617	36,967
(-) Deductions from RC	809	211	-	-	-
Risk-Weighted Assets (RWA)*	481,059	582,214	580,237	615,706	652,894
= Credit Risk (RWA _{CPAD})	471,800	538,280	545,944	575,861	597,647
(+) Market Risk (RWA _{MPAD})	652	27,071	23,257	28,055	30,191
(+) Operational Risk (RWA _{OPAD})	8,607	16,863	11,036	11,790	25,076
Interest Rate Risk (R_{ban})	1,461	2,347	2,278	2,383	2,565
Basel Index / Regulatory Capital Index (RC/RWA)	20.60%	15.39%	18.73%	15.89%	16.99%
Common Equity Tier 1 Ratio (CE/RWA)	-	-	10.41%	10.59%	11.32%
Tier 1 Capital Ratio (Tier I/RWA)	-	-	12.49%	10.59%	11.32%

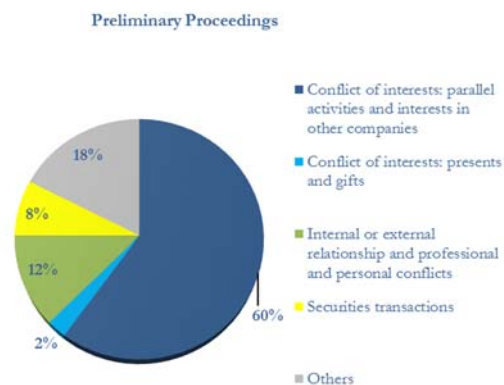
*Due to the new rules from Basileia III, which took effect in 2013 (particularly the CMN Resolution n° 4.193/13), for comparative purposes, the amounts of RWA (Risk-Weighted Assets) present between 2010 and 2012 are the amounts of Regulatory Capital Required (RCR), disclosed in the Notes, divided by the 0.11 factor.

VII. Management of Ethics

Managing ethics at the BNDES is conducted by the BNDES Ethics Committee (CET/BNDES) and the Secretariat of the Ethics Committee (SECET/BNDES), linked to the Presidency of the BNDES.

The Code of Ethics and the Internal Regulation of the BNDES System, as well as the external rules and standards, guide the management of ethics through educational efforts, upgrading and improving standards, as well as establishing and taking appropriate measures when the Code of Ethics is breached.

In the 1st half of 2015, the CET/BNDES filed 40 Preliminary Proceedings. The main issues addressed are summarized in the chart below.

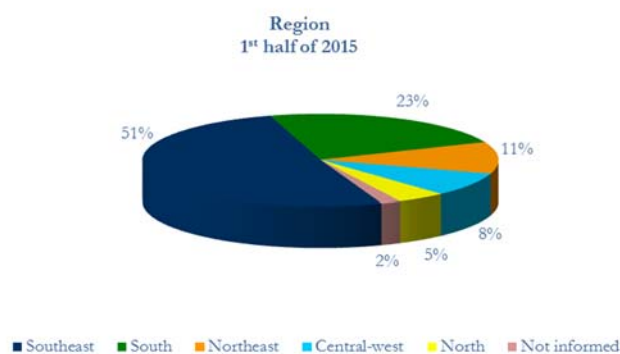


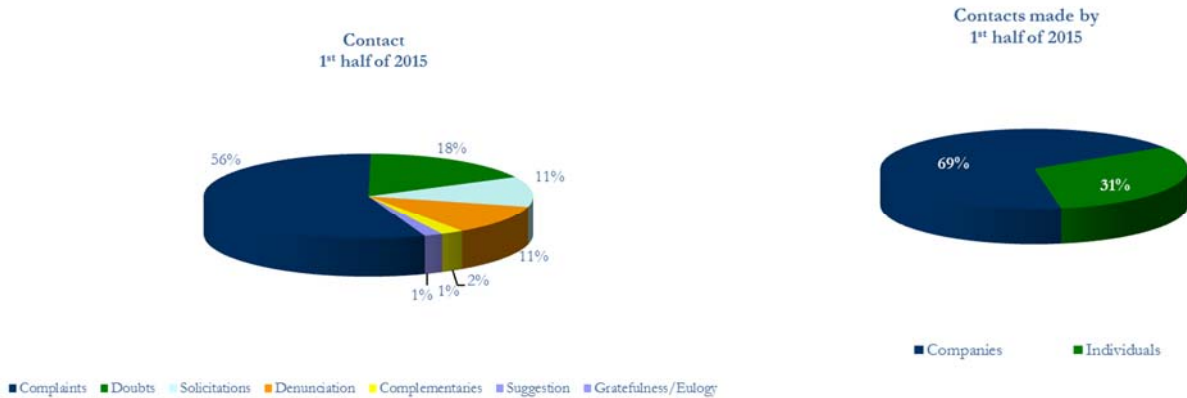
Ombudsperson's Office

The Ombudsperson's Office provides citizens with a channel to actively participate together with the BNDES' management. When notifications are received, it handles queries and responds to interested parties on an individual basis, seeking to promote internal reflection on the issues raised and striving to improve the Institution's practices.

In the semester, the Ombudsperson's Office received and processed 769 queries, the same level as in 2014. Approximately 65% of the requests come from applicants or beneficiaries in indirect operations carried out by accredited partners.

Profile of queries





Efforts to increase transparency and dialogue with civil society groups were the main issues in the period. These matters stood out in the agenda of the Ombudsperson's Office due to its participation in the Bank's initiatives aimed at complying with the CMN Resolution N°. 4,327/14, which establishes guidelines to implement the social and environmental responsibility policy in financial institutions, as well as in the Forum with civil society representatives.

By participating in the Bank's internal forums, the Ombudsperson's Office disseminates information gathered from the queries sent by citizens, contributing to the internal debate, including recurring issues on its agenda for discussion.

VIII. Transparent BNDES

In its firm commitment to transparency in its operations, the BNDES seeks to strengthen its relationship with its stakeholders through the following initiatives:

External Communication Channels

The BNDES' Call Center

The BNDES' Call Center provides external public service regarding the products and services of the BNDES system and other matters related to its operational activities through the following channels: telephone (0800 702-6337), mail and e-mail via an electronic form available at www.bndes.gov.br/faleconosco.

During the 1st half of 2015, approximately 58,700 queries were made, of which 90% via telephone. In a satisfaction survey conducted to assess the service provided, some 80% of respondents considered the service EXCELLENT and 15% considered it GOOD. These figures highlight the general public's preference for the service via telephone, and their satisfaction with the service provided.

On-site Service

The BNDES maintains a channel for direct dialogue with clients and the general public, providing corporate guidance in its offices in Brasília, Recife, Rio de Janeiro and São Paulo.



In the 1st half of 2015, face-to-face service was provided to approximately 190 individuals in the Rio de Janeiro office alone. The most common type of service provided was guidance for micro and small entrepreneurs. In a satisfaction survey conducted to assess the service provided, some 98% of respondents considered the face-to-face service an important channel for resolving doubts.

Citizen Information Service (SIC)

This service is responsible for handling requests for information that fall under the Access to Information Act. It provides customer service via the following channels: on-site (in Rio de Janeiro), via telephone (0800-887-6000), mail, e-mail (sic@bndes.gov.br) or via the eSIC System (www.acessoainformacao.gov.br/sistema/).

In the 1st half of 2015, the SIC received 333 requests for information, all answered within the legally established deadlines.

Institutional Lectures

The BNDES receives delegations and groups of students from local and foreign educational institutions for institutional lectures, due to the global interest in Brazil's economy and the Bank's role as one of the main players in national development.

In the 1st half of 2015, some 23 institutional presentations were offered to a total audience of 400 visitors.

"BNDES Closer to You" Lectures

These are events held in partnership with information stations, through an agreement established between the BNDES and other institutions. The aim is to disclose financing modalities offered to micro, small and medium-sized companies.

In the 1st half of 2015, seven lectures were held across five states, reaching a total audience of 886 people.

The BNDES' website and its presence on Social Networks

In the 1st half of 2015, the BNDES' website received approximately 2.4 million visitors - an average monthly audience of 400,000 visitors, representing a 60% increase compared to the previous year. The number primarily reflects significant progress in the focus on transparency for financing operations and the BNDES' disbursements in Brazil and abroad in the second quarter. This is further enhanced by the Bank's advertising campaigns, more specifically with online materials.

Transparent BNDES Section

Online since 2008, the Transparent BNDES section allows internet users to consult the Institution's operations and disbursement amounts. This semester, the section incorporated interactive panels in the Tableau Software, a powerful technological solution that makes it possible to swiftly and intuitively cross-reference data.



Tableau Tool

Implemented in April, the Tableau tool offers a new way to consult the BNDES System's disbursements and operations.

Consulting disbursements now has maps and interactive charts that make it possible to cross-reference different information, such as company size, the region in Brazil and economic sector, for a deeper and more rapid analysis. In addition to ensuring more qualified access to data, the new visual presentation of information makes it much easier for the general public to understand the figures.

Consulting operations now allows the public to search for an operation using the client's name, date of operation, type of support (direct or indirect), operating division in the BNDES responsible for the operation, and the support modality (reimbursable and non-reimbursable), and it is also possible to combine different criteria to get the expected result.

In June, consultations on operations were further expanded, making it possible to itemize interest rates, terms and guarantees for non-automatic direct and indirect operations dated as of 2012. In addition, a unique query for exports of engineering services operations abroad was created.

Improving consultations, together with the advertising campaign, resulted in a significant increase in the number of visitors to the Transparent BNDES section. In the second quarter of 2015, the section received more than 954,000 visitors, more than 914,000 new visitors; surpassing 1.6 million page views. In the same period in 2014, these figures were 35,000 visitors, 15,000 new visitors; totaling over 82,000 page views.

Effectiveness Report

In June 2015, the BNDES' first Effectiveness Report was launched in the Transparent BNDES section, covering the period from 2007 to 2014. The report brings together economic, territorial, environmental and social effects of the Bank's operations and systematically organizes information and studies produced or receiving support from the BNDES while monitoring and assessing its performance.

Social Media

In the 1st half of 2015, the BNDES launched its fanpage on Facebook, which expands its footprint in social networks, which began in 2010, with the launch of the Bank's Twitter profile.

The official channels and profiles on online social networks also received more views. Even without launching new videos, the BNDES YouTube channel (youtube.com/bndesgovbr) received nearly 74,000 views and totaled 1,409 people enrolled in the 1st half.

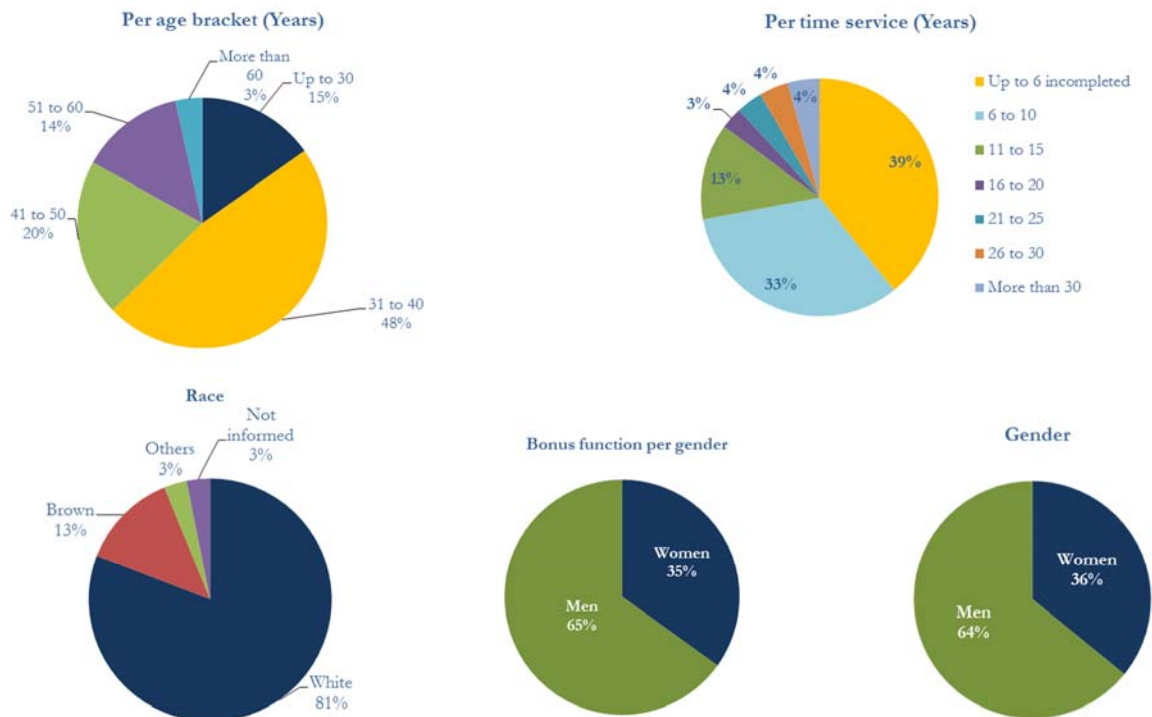
During this period, other profiles continued disseminating important information to society through notes on Twitter (@[bndes_imprensa](https://twitter.com/bndes_imprensa)), using presentations available on Slideshare (slideshare.net/bndes) and others mentioned above.

IX. Human Resources

The BNDES ended the 1st half of 2015 with 2,887 employees. This figure is very close to that at the end of 2014, which ended with 2,881 employees.

Historically, the BNDES has a low employee turnover rate due to its remuneration policy and its favorable working environment. Only 25 employees left during the 1st half of 2015.

Staff Profile



Learning and Knowledge

Throughout the 1st half of 2015, the BNDES maintained its focus on personal and professional development for employees. In this period, driven by the urgency to develop skills to meet the organization's growing needs, the Bank invested approximately R\$ 6.6 million in training, certification programs and language courses in Brazil and abroad, involving a total of 59,048 training hours and resulting in an average of 21 hours training per employee, with 51 new employees participating in graduate courses.

In customized training, some 20 classes were held on different topics in the 1st half, with 356 enrollments. Training was conducted by internal instructors, ensuring better use of content in training for work.



Internships and the Young Apprentice Program

The BNDES Internship Program provides an opportunity to develop and further professional training for students from several higher-level educational backgrounds. Selecting interns is done by a third party, who is a partner in managing the Program, which currently has 313 interns. The Program, apart from a scholarship, also offers transport and meal allowances, as well as healthcare (medical and dental).

With a four-hour workday, the maximum period in the internship is 720 days. The final date is established either when this period ends, or when the course has been completed.

In addition to the Internship Program, the BNDES also promotes the Young Apprentice Program, which offers technical-professional training methodology to adolescents aimed at helping insert them into the formal job market, thereby helping reduce the main cause of youth unemployment: the lack of professional experience. Apprentices must be between 14 and 18 years of age and enrolled in at least grade 9 at high school. The maximum period a youth can take part in the program is two years.

Currently, the Program maintains 34 young apprentices, distributed across several areas, such as the Copies Sector, Documentation Management, the Library, Travel Division, Study Center, among others.

Valuing Diversity

The BNDES maintains an ongoing commitment to eliminating all forms of inequality and discrimination not only in the workplace but also in institutions that are part of its chain of relations.

This commitment aims at promoting the Bank as an inclusive company that is able to understand and meet the needs of society. This commitment is also detailed in its Mission Statement, its Declaration of Values, as well as its Code of Ethics.

The specific efforts developed in the 1st half of 2015 include:

- Meeting with the International Labor Organization (ILO) in Brazil, where partnership opportunities were discussed to improve the working conditions for women in companies within the BNDES' chain of relations;
- At the invitation of the Ministry of Health in partnership with the State Health Department, taking part in the opening of the 2nd Breastfeeding Workshop for Working Women, presenting how the BNDES implemented its Breastfeeding Rooms;
- Launching the guidelines "Maternity from the economic and social point of view" based on ILO studies in Latin-American countries, including Brazil. The goal is to present information on motherhood to dispel myths and prejudice, as well as making it possible to envisage new insights into the role of families, the State and society in reproducing human life.



X. Rating

Rating Agency	Foreign Currency - Long Term		Local Currency - Long Term	
	Global Scale Issuer Rating	Outlook	Global Scale Issuer Rating	Outlook
Moody's	Baa3	Stable	Baa3	Stable
S&P	BBB-	Negative	BBB +	Negative

XI. BACEN Circular Letter N°. 3,068/01

The BNDES declares to have the financial capacity and the intention to hold the securities classified as "Held to Maturity", in the amount of R\$ 6.746 billion, until the maturity date.

XII. Acknowledgment

We thank our employees for their dedication and talent, which allows us to achieve consistent results; we also thank our clients, who motivate us in our continuous quest to develop our services; and the market, for its vital support and trust.