



Fundo Amazônia

(Administered by Banco Nacional de
Desenvolvimento
Econômico e Social - BNDES)

Financial statements
December 31, 2015

Fundo Amazônia

(Administered by Banco Nacional de
Desenvolvimento
Econômico e Social - BNDES)

Financial statements
December 31, 2015

Content

Independent auditors' report on the financial statements	3
Balance sheets	5
Statements of Income	6
Statements of changes in shareholders' equity	7
Statements of cash flows	8
Notes to the financial statements	9



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Independent auditors' report on the financial statements

To
The Administrator
Fundo Amazônia
Brasília - DF

We have audited the accompanying financial statements of Fundo Amazônia ("Fund"), which comprise the balance sheet as of December 31, 2015 and the related statements of income, changes in shareholders' equity and cash flows for the year ended December 31, 2015, as well as the summary of significant accounting policies and other notes to the financial statements.

The Administrator's responsibility for the financial statements

The Fund's Administrator is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil applicable to nonprofit entities in accordance with the provisions of Resolution CFC 1409/12 and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the independent auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Fundo Amazônia as of December 31, 2015 and the performance of its operations for the year then ended, in accordance with accounting practices adopted in Brazil applicable to nonprofit entities in accordance with CFC Resolution 1409/12.

Rio de Janeiro, April 25, 2016

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ

(Original report in Portuguese signed by)
Bruno Vergasta de Oliveira
Accountant CRC RJ-093416O-0 T-SP

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

BALANCE SHEETS
December 31, 2015
(In thousands of reais)

	Note	2015	2014
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,365,746	1,768,599
Prepaid expenses	5	68,395	54,413
Total assets		2,434,141	1,823,012
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Available project funds	6	2,365,746	1,768,599
Support funds	7	68,395	54,413
SHAREHOLDERS' EQUITY			
Accumulated surplus/deficit		-	-
Total liabilities and shareholders' equity		2,434,141	1,823,012

See the accompanying notes to the financial statements.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

STATEMENTS OF INCOME
Years ended December 31, 2015 and 2014
(In thousands of reais)

	Note	2015	2014
INCOME			
Income from donations for investments	6	127,509	167,955
Income from donations for support	3.3	1,163	1,050
Financial income	4	234,986	154,786
EXPENSES			
Expenses with donations for investments	6	(127,509)	(167,955)
Expenses with remuneration of available project funds	6	(234,986)	(154,786)
Administrative expenses	8	(1,163)	(1,050)
SURPLUS /DEFICIT FOR THE YEAR		<u>-</u>	<u>-</u>

See the accompanying notes to the financial statements.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
December 31, 2015 and 2014
(In thousands of reais)

	<u>Accumulated surplus</u>
Balance at January 1 st , 2014	3
Return to BNDES	(3)
Fiscal year 2014	<u>-</u>
Balance at December 31, 2014	-
Fiscal year 2015	<u>-</u>
Balance at December 31, 2015	<u><u>-</u></u>

See the accompanying notes to the financial statements.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

STATEMENTS OF CASH FLOWS
December 31, 2015 and 2014
(In thousands of reais)

	<i>Note</i>	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Funds Received			
Funds received – Donation	6	504,815	328,557
Funds received - Retained - 3%	6	(15,145)	(9,857)
Funds invested in projects	6	(127,509)	(167,955)
Financial income	4	234,986	154,786
		<u>597,147</u>	<u>305,531</u>
Payments Made			
Return to BNDES		-	(3)
		<u>-</u>	<u>(3)</u>
INCREASE IN CASH AND CASH EQUIVALENTS		<u>597,147</u>	<u>305,528</u>
Cash and cash equivalents at beginning of year		1,768,599	1,463,071
Cash and cash equivalents at end of year	4	<u>2,365,746</u>	<u>1,768,599</u>

See the accompanying notes to the financial statements.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2015 and 2014
(In thousands of reais)

1. CONTEXT OF ACTIVITIES

The purpose of Fundo Amazônia, created by BNDES Resolution 1,640, of September 3, 2008, starting its activities on October 9, 2009, is to raise donations for non-reimbursable investments in actions for prevention, monitoring and combating deforestation and for encouraging conservation and sustainable use of the forests in the Amazon biome, in the terms of Decree 6,527 of August 1, 2008.

Fundo Amazônia supports projects in the following areas:

- Management of public forests and protected areas;
- Environmental control, monitoring and surveillance;
- Sustainable forest management;
- Economic activities arising from the sustainable use of forests;
- Ecological and economic zoning, land use and land tenure;
- Conservation and sustainable use of biodiversity, and
- Recovery of deforested areas.

The management of Fundo Amazônia is the responsibility of Banco Nacional de Desenvolvimento Econômico e Social - BNDES, where amongst others it is responsible for fundraising, contracting and monitoring projects and supported actions, as well as acting as a legal representative.

Fundo Amazônia has a Steering Committee - COFA which is responsible for determining its guidelines and monitoring the results. The members of this committee are not paid for their duties, since their tasks are considered services of public interest.

Fundo Amazônia has no legal personality, and its transactions are written up in specific accounts of the accounting records of Banco Nacional de Desenvolvimento Econômico e Social - BNDES.

2. BASIS OF PREPARATION

The financial statements were prepared and are being presented in accordance with accounting practices adopted in Brazil for nonprofit entities, according to Interpretation ITG 2002 (R1), approved by Resolution 1.409 of April 21, 2012, issued by the Federal Accounting Council.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2015 and 2014
(In thousands of reais)

a. Measurement

The financial statements were prepared based on the historical cost, except for financial investments recorded as “cash and cash equivalents” measured at fair value through profit or loss.

On April 25, 2016, the Amazônia Fund Manager authorized the conclusion of these financial statements.

b. Functional currency

The Administrator concluded that the Fund’s functional currency is the Brazilian Real.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described in detail below have been applied consistently to all the years presented in these financial statements.

3.1 Cash and cash equivalents

Cash and cash equivalents include bank deposits and investments in two investment funds with high liquidity and administered by BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A. - BB DTVM. Both funds had a conservative portfolio of investments with an insignificant risk of change in market value. The income from the investments made with the BB DTVM are pegged to the variation of the quota of the invested fund as described in Note 4.

3.2 Available project funds

It refers to the balance of donations received, including income derived from the investment of these funds.

In conformity with Decree 6,527 of August 1, 2008, 97% of the funds received are allocated to projects. The amounts are recorded as liabilities, less the expenses incurred of each project, since they do not result in an increase or decrease in the Entity’s equity, considering that the Fund is only the collecting and forwarding agent for execution of the projects.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2015 and 2014
(In thousands of reais)

3.3 Donations for support

Pursuant to paragraph 3 of Article 1 of Decree 6527/2008, BNDES should separate the amount equivalent to 3% of the value of the donations to cover its operating costs and expenses related to Fundo Amazônia. The portion of the donations for support, up till November 2012, was 100% accounted for as revenue in the period when actually received. However, after that date, support revenues related to 3% of the donations came to be counted as "Support funds", being recognized as revenue resource utilization by BNDES. The transfer register of 3% accomplished to BNDES is presented as "Prepaid expenses" and appropriated as "Administrative Expenses" accordance with the need to usage the BNDES.

3.4 Statement of Cash Flows

The Fund elected the direct method for the presentation of this statement. The funds received from projects were treated as operating activities, considering that the Fund only acts as a collecting agent and forwarder of these funds.

4. CASH AND CASH EQUIVALENTS

Their breakdown is as follows:

	<u>2015</u>	<u>2014</u>
Financial investment with the administrator (*)	2,365,746	1,768,599
TOTAL	<u>2,365,746</u>	<u>1,768,599</u>

(*) The Administrator maintains the Fund's resources invested in the investment fund BB Gaia Fundo de Investimento Renda Fixa (BB Gaia FIRF), which has a portfolio strategy based on investments in bonds of the Brazilian government and with BB Gaia II Fundo de Investimento em Cotas de Fundo de Investimento Renda Fixa (BB Gaia II FIC FIRF), which concentrates at least 95% of its investments in shares of BB Gaia FIRF. Both funds are established in a daily liquidity basis.

In conformity with Decree 6527 of August 1, 2008, the percentage of 97% of the donations received is earmarked for investment in projects. The Fund separates these funds in specific investment account. Resources, while not directed to projects, are invested by BNDES in the abovementioned exclusive funds managed by BB DTVM and remunerated based on the fair value of each fund quota.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2015 and 2014
(In thousands of reais)

Additionally, the wholly owned fund BB Gaia II FIC FIRF was formed in response to Board Decision 832/2012, which established the accounting segregation of the funds raised from Brazilian public sources, which cannot be allocated to projects carried out by the Federal Government.

The changes in cash and cash equivalents are as follows:

	2015			
	Total	Funds for projects (Gaia Fund)	Funds for projects (Gaia II Fund of Fund)	Funds for support
Balance at January 01, 2015	1,768,599	1,761,004	7,595	
Income	234,986	233,770	1,216	-
Resources held by BNDES (3%)	(15,145)	-	-	(15,145)
Funds transferred	-	(20)	20	-
Funds released	(127,509)	(127,509)	-	-
Donations received	504,815	486,925	2,745	15,145
Norwegian Ministry of Foreign Affairs	501,985	486,925	-	15,060
KFW	-	-	-	-
Petrobras	2,830	-	2,745	85
Balance at December 31, 2015	2,365,746	2,354,170	11,576	-
	2014			
	Total	Funds for projects (Gaia Fund)	Funds for projects (Gaia II Fund of Fund)	Funds for support
Balance at January 01, 2014	1,463,071	1,457,534	5,534	3
Return to BNDES	(3)	-	-	(3)
Income	154,786	154,148	638	-
Resources held by BNDES (3%)	(9,857)	-	-	(9,857)
Funds released	(167,955)	(167,955)	-	-
Donations received	328,557	317,277	1,423	9,857
Norwegian Ministry of Foreign Affairs	288,991	280,321	-	8,670
KFW	38,099	36,956	-	1,143
Petrobras	1,467	-	1,423	44
Balance at December 31, 2014	1,768,599	1,761,004	7,595	-

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2015 and 2014
(In thousands of reais)

5. PREPAID EXPENSES

The balance of prepaid expenses consists of the equivalent of 3% of the amount of donations, held by BNDES to cover the operating costs of Fundo Amazônia, net of the amounts recognized as “Administrative expenses”.

6. AVAILABLE PROJECT FUNDS

The balance of project funds was received from the following donors, the Norwegian Ministry of Foreign Affairs, KFW and Petrobras and are earmarked for specific projects, and linked to the objective of Fundo Amazônia.

The changes in the available project funds are as follows:

	<u>2015</u>
Balance at January 1st, 2015	1,768,599
Income	234,986
Funds released	(127,509)
Donations received (*)	489,670
Balance at December 31, 2015	<u>2,368,746</u>
	<u>2014</u>
Balance at January 1st, 2014	1,463,068
Income	154,786
Funds released	(167,955)
Donations received (*)	318,700
Balance at December 31, 2014	<u>1,768,599</u>

(*) Net amount of the portion of 3% intended to cover costs.

The amount of R\$ 127,509 (R\$ 167,955 in 2014) is recorded in the statement of income as “Income from donations for investments” and “Expenses with donations for investments”, canceling each other due to the fact that Fundo Amazônia is a nonprofit entity.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2015 and 2014
(In thousands of reais)

Since the commencement of operations until December 31, 2015, Fundo Amazônia has received funds from the following donors:

Donor	Up to 2015		
	Support funds 3%	Project funds 97%	Total 100%
Norwegian Ministry of Foreign Affairs	73,347	2,371,573	2,444,920
KFW	1,821	58,876	60,697
Petrobras	397	12,846	13,243
Total	75,565	2,443,295	2,518,860

Donor	Up to 2014		
	Support funds 3%	Project funds 97%	Total 100%
Norwegian Ministry of Foreign Affairs	58,287	1,884,648	1,942,935
KFW	1,821	58,876	60,697
Petrobras	312	10,101	10,413
Total	60,420	1,953,625	2,014,045

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2015 and 2014
(In thousands of reais)

The amounts released for projects are presented in the table below:

Abbreviated name of the Project	Signed contracts	Released 2014	Total up to 2014	Released 2015	Total Up to 2015	Cancellations 2015 (**)	Balance to be released
ACRE, ESTADO	60,000	8,833	45,390	-	45,390	-	14,610
ACRE, ESTADO - CAR	16,838	5,581	5,581	-	5,581	-	11,257
ALTA FLORESTA/MT	2,782	-	2,782	-	2,782	-	-
ALTA FLORESTA/MT II	7,183	4,545	5,148	1,274	6,422	-	761
AMAPÁ, ESTADO	40,304	-	-	-	-	-	40,304
AMAZONAS, ESTADO	20,000	-	17,516	-	17,516	-	2,484
ASSEMA	5,286	-	-	-	-	-	5,286
ASSOCIACAO DOS ASHANINKA	6,598	-	-	1,505	1,505	-	5,093
BOMBEIROS AC	13,281	7,373	13,208	73	13,281	-	-
BOMBEIROS MT III	12,625	3,455	11,724	-	11,724	-	901
BOMBEIROS PA	16,830	-	16,830	-	16,830	-	-
BOMBEIROS RO I	15,041	6,307	10,631	-	10,631	-	4,410
BOMBEIROS TO II	5,000	1,695	4,623	-	4,623	-	377
CARLINDA/MT	1,871	151	1,658	-	1,658	-	213
CENSIPAM	63,924	-	-	-	-	-	63,924
CENTRO TRABALHO INDIGENISTA	19,043	-	-	10,904	10,904	-	8,139
COMISSÃO PRÓ ÍNDIO	3,106	-	-	-	-	-	3,106
COOPAVAM	5,289	2,187	2,187	1,877	4,064	-	1,225
COOPERACRE	5,082	-	-	2,618	2,618	-	2,464
COTRIGUAÇU/MT	1,982	-	-	442	442	-	1,540
CTA	3,238	-	-	1,034	1,034	-	2,204
ECAM	1,452	-	-	330	330	-	1,122
FAS BOLSA FLORESTA/2009-2013	19,169	4,932	19,166	-	19,166	3	-
FASE/FUNDO DEMA	9,347	2,093	4,844	976	5,820	-	3,527
FUNBIO/ARPA II	20,000	2,450	19,949	-	19,949	51	-
FUNBIO/KAYAPO	16,900	-	7,351	-	7,351	-	9,549
FUNDAÇÃO BANCO DO BRASIL	12,000	-	-	-	-	-	12,000
FUNDAÇÃO BANCO DO BRASIL	15,000	2,834	9,521	4,995	14,516	-	484
FORÇA NACIONAL	30,631	-	-	-	-	-	30,631
FUNDAÇÃO JARI	2,839	-	-	-	-	-	2,839
IBAM	18,853	2,408	3,584	3,346	6,930	-	11,923
IBAMA	14,717	4	4	723	727	-	13,990
IFT	7,449	777	7,449	-	7,449	-	-
IMAFLORA	3,313	352	352	-	352	-	2,961
IMASUL	8,790	-	-	1,416	1,416	-	7,374
IMAZON	9,736	1,422	9,736	-	9,736	-	-
IMAZON 2	12,105	-	-	-	-	-	12,105
INPE / FUNCATE	66,952	-	-	38,886	38,886	-	28,066
INSTITUTO MAMIRAUÁ	8,505	921	2,160	1,794	3,954	-	4,551
INSTITUTO PEABIRU	2,030	518	518	-	518	-	1,512
INSTITUTO SOCIOAMBIENTAL	8,024	1,825	1,825	3,463	5,288	-	2,736
IOV SEMENTES DO PORTAL	5,397	(26)*	5,397	-	5,397	-	-
IOV SEMENTES DO PORTAL II	16,086	3,003	3,003	3,352	6,355	-	9,731
IPAM	24,939	4,023	12,478	6,259	18,737	-	6,202
INEMA/SEMA, BAHIA	31,671	1,023	1,023	5,855	6,878	-	24,793
ISPN	12,844	1,854	4,781	2,048	6,829	-	6,015
JACUNDA/PA	792	199	199	-	199	-	593
MARANHÃO, ESTADO	20,036	7,206	7,206	(1,454)*	5,752	-	14,284
MARCELANDIA/MT - REC. APP	669	65	247	307	554	115	-
MATO GROSSO, ESTADO	35,016	1,812	1,812	1,342	3,154	-	31,862
MUSA	8,454	2,735	8,454	-	8,454	-	-
OPAN	6,365	-	-	1,610	1,610	-	4,755

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2015 and 2014
(In thousands of reais)

Abbreviated name of the Project	Signed contracts	Released 2014	Total up to 2014	Released 2015	Total Up to 2015	Cancellations 2015 (**)	Balance to be released
OTCA - MONIT. AMAZONIA REGIONAL	23,694	-	4,700	13,793	18,493	-	5,201
PARÁ, ESTADO	82,379	24,058	24,058	-	24,058	-	58,321
PORTO DOS GAUCHOS/MT	121	-	121	-	121	-	-
RECA	6,423	-	-	4,888	4,888	-	1,535
RIOTERRA	9,117	3,453	3,453	1,364	4,817	-	4,300
SECRET. MEIO AMBIENTE, PARA	15,923	856	12,638	1,902	14,540	-	1,383
SECRET. MEIO AMBIENTE, TOCANTINS	40,504	19,639	19,639	-	19,639	-	20,865
SECRET. DES. AMBIENTAL, RONDÔNIA	32,660	10,642	10,642	-	10,642	-	22,018
SECRET. POVOS IND. , AMAZONAS	16,465	2,950	2,950	-	2,950	-	13,515
SECRET. PROD. RURAL, AMAZONAS	14,900	5,900	5,900	-	5,900	-	9,000
SERVIÇO FLORESTAL BRASILEIRO	65,000	4,967	4,967	3,816	8,783	-	56,217
SOS AMAZONIA CPI	9,993	-	-	1,642	1,642	-	8,351
TNC BRASIL	16,000	4,387	16,000	-	16,000	-	-
TNC BRASIL (PNGATI)	15,750	1,280	1,280	3,317	4,597	-	11,153
UBEE	4,054	-	-	-	-	-	4,054
UEA CARTOGRAFIA SOCIAL	4,615	827	4,615	-	4,615	-	-
UFPA BIODIVERSIDADE	4,640	3,875	4,640	-	4,640	-	-
UFPA COMPOSTOS BIOATIVOS	1,352	1,074	1,074	-	1,074	-	278
UFPA FLORESTAS DE MANGUE	1,982	456	1,536	446	1,982	-	-
UFPA ILHAS DE BELEM	1,138	258	879	259	1,138	-	-
UFPA/NAEA FORUM AMAZONIA	2,704	-	2,704	-	2,704	-	-
WWF-Brasil	3,206	776	776	1,107	1,883	-	1,323
Total	1,148,004	167,955	390,909	127,509	518,418	169	629,417

(*) Return of the principal amount which has not been allocated, amounting of R\$1,454 in 2015 (R\$26 in 2014), and transferred to cash and cash equivalents, as described in Note 4.

(**) Cancellation, including the cancellation of transactions, which were not released.

7. SUPPORT FUNDS

The balance of costing funds refers to the portion of the donation (3%) retained by BNDES not yet recognized as "Donation revenue". The recognition of the donation revenue occurs according to the use of resources by BNDES.

8. ADMINISTRATIVE EXPENSES

In the year ended December 31, 2015, the amount of R\$1,163 (2014 - R\$1,050) was recognized as administrative expense (the most significant administrative expenses were related to trips cost, audit services and advertising services).

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2015 and 2014
(In thousands of reais)

9. TAXES

All tax obligations that perchance exist on account of transactions in the scope of Fundo Amazônia are the responsibility of BNDES, as the Fund does not have its own legal personality, and its transactions are written up in specific bookkeeping accounts of BNDES.

PIS and COFINS

According to Article 1 of Law 11,828, of November 20, 2008, amended by Law 12.810, of May 15, 2013, donations in cash received by public financial institutions controlled by the Government and intended for actions to prevent, monitor and combat deforestation, including compensation programs for environmental services, and promoting conservation and sustainable use of Brazilian biomes are exempted from PIS-PASEP and from the Contribution for the Financing of Social Security (COFINS).

Income tax and social contribution

There is no income to be presented for taxation of income tax (IRPJ) and social contribution on net income (CSLL). The income from a donation is recognized at the same time as the recognition of operating expenses with projects intended within the scope of Fundo Amazônia (as approved by inquiry 59 SRRF07/Disit of 06/08/2009, performed by BNDES to the Federal Revenue Department). The same occurred in relation to the financial income derived from investments in investment funds.

10. RELATED PARTY TRANSACTIONS

Fundo Amazônia has a relationship with Banco Nacional do Desenvolvimento Econômico e Social - BNDES, which is authorized to distribute the value of the donations received in cash, for realizing non-reimbursable investments in actions for preventing, monitoring, and combating deforestation and promoting conservation and sustainable use of the Amazon biome. This relationship refers to the amounts corresponding to “cash and cash equivalents” (Note 4).

Additionally, BNDES holds the amount equivalent to 3% of the amount of the donations to cover its operating costs and expenses related to Fundo Amazônia, refer to further explanations in Note 5 (prepaid expenses).

11. SHAREHOLDERS' EQUITY

The shareholders' equity of Fundo Amazônia is composed of the surplus/deficit for the years ended.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2015 and 2014
(In thousands of reais)

12. RISK MANAGEMENT

At December 31, 2015 and 2014, the Fund presents no material credit, liquidity, market and operational risks, as it has very limited operations. The Fund has a concentration of credit risk with its Administrator (investment funds) as presented in Note 4. The carrying amount represents the amount of the credit risk of the Fund.


JOSE HENRIQUE PAIM FERNANDES
Director


SELMO ARONOVICH
Superintendent of the Financial Department


CARLOS FREDERICO RANGEL DE CARVALHO SILVA
Head of the Accounting Department
Accountant
CRC-RJ 087956/O-8