



# Fundo Amazônia

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

**Financial statements**  
**December 31, 2015**

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

*See the accompanying notes to the financial statements.*

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

	Note	2015	2014
<b>INCOME</b>			
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
<b>EXPENSES</b>			
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)
<b>SURPLUS /DEFICIT FOR THE YEAR</b>		<u>-</u>	<u>-</u>

*See the accompanying notes to the financial statements.*

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

	<u>Accumulated surplus</u>
Balance at January 1 <sup>st</sup> , 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**  
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STATEMENTS OF CASH FLOWS  
December 31, 2015 and 2014  
(In thousands of reais)

	<i>Note</i>	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Funds Received</b>			
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>
 <b>Payments Made</b>			
Return to BNDES		-	(3)
		<u>-</u>	<u>(3)</u>
 <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<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**  
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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**  
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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.

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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
<b>TOTAL</b>	<b><u>2,365,746</u></b>	<b><u>1,768,599</u></b>

(\*) 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.

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Notes to the financial statements  
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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:

	<b>2015</b>			
	Total	Funds for projects (Gaia Fund)	Funds for projects (Gaia II Fund of Fund)	Funds for support
<b>Balance at January 01, 2015</b>	<b>1,768,599</b>	<b>1,761,004</b>	<b>7,595</b>	
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
<b>Balance at December 31, 2015</b>	<b>2,365,746</b>	<b>2,354,170</b>	<b>11,576</b>	<b>-</b>
	<b>2014</b>			
	Total	Funds for projects (Gaia Fund)	Funds for projects (Gaia II Fund of Fund)	Funds for support
<b>Balance at January 01, 2014</b>	<b>1,463,071</b>	<b>1,457,534</b>	<b>5,534</b>	<b>3</b>
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
<b>Balance at December 31, 2014</b>	<b>1,768,599</b>	<b>1,761,004</b>	<b>7,595</b>	<b>-</b>

