



BNDES MANAGEMENT REPORT

3rd Quarter 2022



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To shareholders and other interested parties:

In adherence to the principles of BNDES' Transparency Policy, we wish to present the Management Report for the BNDES System for the quarter ended September 30, 2022.

1. THE MACROECONOMIC SCENARIO

In the third quarter of 2022, the continuation of the war in Ukraine, the intensification of the monetary tightening process in the main economies and China's difficulty in resuming its economic dynamism due to the energy crisis and the policy of combating Covid were the main aspects influencing the international macro scenario. These three factors implied a decline in the pace of economic activity and expected growth for the year in virtually all countries in the world. Brazil is one of the few exceptions: with the income support measures and stimulus to activity and consumption adopted domestically, the country saw the GDP growth estimate for 2022 rise from 1.51% in early July to 2.70% in late September (data from the Central Bank's Focus Reports of 07/01/2022 and 09/30/2022, respectively).

In response to the observed and projected loss of global economic dynamism, international commodity prices fell over the quarter (a decrease of around 7% between the end of June and the end of September), but continue to rise by 17% in the year (measured by the CRB index). The intensification of increases in basic interest rates in the US and around the world is associated with the persistence of inflation in the main economies, even if there is an incipient normalization in the supply chains. By September inflation remained close to or above the double digits in almost all countries in the twelve-month total.

Brazil is included in the global context of high prices, but the reduction of the ICMS ceiling rates for fuels, electricity and telecommunications resulting from Complementary Law 194/2022, as well as the other exemptions established from the middle of the year, brought relief for inflation in the third quarter of 2022. The variation in prices measured by the IPCA ended September with 7.17% accumulated in 12 months. The Central Bank's Focus Report of 09/30/2022 indicated the market projection for the IPCA variation in 2022 of 5.74%, a significant decrease in relation to the forecast in the first half, but still above the upper limit of the tolerance range around the inflation target. For 2023, the market expectation for the IPCA is 5.00% (in relation to the target of 3.25%), showing the scenario for next year remains challenging.

To moderate inflation and reinstate expectations for prices in the coming years, Selic (Bacen's reference interest rate) followed an upward trajectory from March 2021 to August 2022, ending the third quarter of 2022 at 13.75%. The rate is expected to remain at this level until the end of 2022, declining from next year, ending 2023 at 11.25% (Focus Report of 09/30/2022).

In the second quarter, the Brazilian GDP grew 1.2% compared to the previous quarter, which was better than expected, and is 3.0% above the level observed at the end of 2019, before the Coronavirus pandemic. The activity data already released for the third quarter suggest a more balanced scenario, with industry and trade growing at a slower pace, while the service sector continues to perform well.

The labor market has benefited from increased mobility and the normalization of economic activity with the continued drop in cases and deaths from Covid-19 in Brazil since the first quarter. Thus, the unemployment rate, which has been following a downward trend since April last year, was 8.9% in the quarter ended in August 2022 (8.6% with seasonal adjustment) - data made available by IBGE on 09/30/2022.

Indeed, the entire international macroeconomic scenario (of rising interest rates, loss of dynamism, uncertainties about the supply and logistics of inputs and increased protectionist practices) represents the consolidation of a context that is unfavorable to emerging economies. In turn, Brazil has its own characteristics that differentiate it and open the possibility of facing and circumventing the challenges that arise with investments and the use of regional opportunities. In addition to the vast endowment of natural and human resources and being one of the world's largest producers of agricultural commodities and minerals, the country is located in a region far from the world's major geopolitical hotspots.

Brazil's economic growth requires a continued expansion of investment levels to be consistent. In the current international context of reorganization of foreign trade practices based on defensive geopolitical strategies and greater protectionism, the realization of inversions that bring increased productivity and productive capacity becomes especially relevant. The BNDES works to support the realization of these projects, with an emphasis on amplifying the final impact of the supported projects. This is true for all segments, especially for the infrastructure sectors, where investments provide gains in systemic competitiveness, in addition to several positive externalities, and for the agricultural and industrial sectors, where it brings gains in production capacity. Furthermore, support for MSMEs, important generators of jobs in the country, remains among the Bank's main priorities, in the search to achieve the institution's main objective: transforming the lives of generations, promoting sustainable development.

2. HIGHLIGHTS OF THE THIRD QUARTER

2.1. Generation of Public Value for Society

BNDES OPERATES IN VARIOUS SECTORS OF THE ECONOMY,

always seeking to finance projects that generate value for society.
See the deliveries for 9M/2022:



Energy
SDG 7

500 km

of natural gas distribution
network deployed

0.7 gw

of expected increase
of renewable energy
generation capacity



Telecommunication
SDG 9

361 thousand

new accesses to fixed
broadband services
(connected people)



MPME
SDG 8

129 thousand

micro, small and medium-
sized enterprises



Logistics
SDG 9

2,081 km

of extension of granted
highways from structuring
projects

1,860 km

of implantation, duplication
and modernization of road
segments



Health
SDG 3

924

SUS health units benefited
by BNDES support

14.7k

health examination
capacity



Jobs
SDG 8

783 thousand

jobs generated or maintained
during the implementation phase
of the supported investments



Sanitation
SDG 6

**30 thousand
people**

who will have access to the
sewage network + people benefited
by the expansion of sewage
treatment

**66 thousand
people**

who will have access to the
water network + people benefited
by the expansion of water
treatment

**1,396 thousand
people**

that will benefit from
structuring projects
to bring sanitation
services



Education
SDG 4

4,096

basic education and/or
vocational students
benefited

**69
thousand**

teachers will
be trained



Cultural Heritage
SDG 11

17

preserved Brazilian
heritage sites

19

cultural facilities
implemented
or revitalized

2.1.1 SDG Disbursements

DISBURSEMENTS SUSTAINABLE DEVELOPMENT GOALS - SDG 9M/22*		
SDG		Disbursements R\$
	INDUSTRY, INNOVATION AND INFRASTRUCTURE	30.11 bn
	DECENT WORK AND ECONOMIC GROWTH	23.89 bn
	CLEAN AND AFFORDABLE ENERGY	12.86 bn
	ACTION AGAINST CLIMATE CHANGE	10.49 bn
	SUSTAINABLE CITIES AND COMMUNITIES	9.80 bn
	ZERO HUNGER AND SUSTAINABLE AGRICULTURE	8.22 bn
	REDUCING INEQUALITIES	7.85 bn
	ERRADICATION POVERTY	3.27 bn
	PARTNERSHIPS AND MEANS OF IMPLEMENTATION	2.20 bn
	CONSUMPTION AND PRODUCTION RESPONSIBILITIES	1.37 bn

*Note: The SDGs with disbursements in 9M/22 of more than 1 billion were considered. To have the complete information access: <https://www.bndes.gov.br/wps/portal/site/home/transparencia/estatisticas-desempenho/ods>.

2.2. Management

BNDES 2021 accounts are approved without reservations by the CGU

Within the scope of the Annual Audit of Accounts (AAC), the Brazilian Office of the Comptroller General (CGU) issued a certificate with "an unqualified opinion on the accounts of the National Bank for Economic and Social Development for the year 2021".

The scope of the audit, previously agreed with the Federal Court of Accounts (TCU), in relation to BNDES management from 01/01/2021 to 12/31/2021, was: evaluate the divestments made by BNDESPar in 2021; analyze the portfolio of renegotiated loans (standstill), including accounting and financial developments from a risk perspective.

BNDES allocates R\$25 billion in credit to the agricultural sector in the 2022/2023 harvest

The resources may be lent to rural producers, their cooperatives and companies in the sector to meet various needs, such as investment projects, acquisition of machinery and equipment, investments in sustainability, storage, innovation, modernization and costing. Of the total, R\$18.6 billion will be allocated to investment and R\$6.4 billion to funding.

BNDES is included in the list of the 100 most valuable brands in Brazil by international consultancy

The BNDES was included in the ranking of the 100 most valuable brands in Brazil edited by the international consultancy Brand Finance. The value estimated by the company only for the BNDES brand is R\$2.21 billion. In the 2022 ranking, BNDES was positioned in the eighth position among the most valuable brands in the financial sector in Brazil.

BNDES and IDB unite to improve studies of privatization of sanitation with a focus on favelas and rural areas

The BNDES and the Inter-American Development Bank (IDB) have signed a technical cooperation agreement whose main objective is to previously evaluate the feasibility of public-private partnership (PPP) projects and the concession of water and sanitation services. With US\$ 350 thousand donated by the IDB, parametric tools will be developed to assist BNDES in the structuring process, especially in remote regions with less financial viability. The goal is to direct and expand investments to these locations, reducing the associated risks and increasing the probability of success for all involved.

BNDES announces reopening of FGI PEAC and includes MEI and micro-enterprises in the program

The BNDES reopened the Emergency Credit Access Program (FGI PEAC) in August, a guarantee fund that expands access to credit for Individual Microentrepreneurs (MEI), micro, small and medium-sized enterprises (MSMEs). The main news for this edition was the inclusion of MEIs and micro-enterprises among the beneficiaries.

For a credit operation to be eligible for the guarantee by FGI PEAC, it must be destined to investment or working capital, with an amount between R\$1,000 and R\$10 million, a payment term of up to 60 months and a grace period between 6 and 12 months. The coverage established by the program is 80% of the contract value.

New public notice for the purchase of carbon credits, in the amount of R\$100 million, is announced by BNDES

The second Call Notice for the Acquisition of Carbon Credits in the Voluntary Market, in the amount of R\$100 million, was launched by the Bank in August. The first public notice,

for R\$10 million, and considered the pilot of the project, achieved positive results as released last May.

With the initiative, the BNDES intends to support the development of a market for the commercialization of these securities, in addition to endorsing quality standards for the conduct of decarbonization projects of the economy. Carbon credits represent the non-emission of greenhouse gases in the atmosphere, thereby contributing to the preservation of the environment.

BNDES launches Microcredit Challenge and Hackathon to seek new operational and innovation forms

In September, the BNDES received proposals related to two public calls – Microcredit Challenge and Hackathon. They aim to develop innovative solutions to increase the scale, impact and efficiency of microcredit in Brazil, and can offer training in financial management and professionalization of microentrepreneurs, including those in remote regions.

Those responsible for the three best classified proposals, which will be released in November, will be offered the opportunity to participate in a period for development of their solutions, being accompanied by Bank employees with expertise in the subject.

MDR and BNDES sign protocol of intentions to structure mobility projects in metropolitan regions

The Ministry of Regional Development (MDR) and the BNDES signed a protocol of intentions to collect information with a view to the implementation of medium and large capacity public transport projects in Brazilian metropolitan regions with more than 1 million inhabitants. The action is aimed at the implementation of the National Urban Mobility Strategy.

Study for concession model for payment of environmental service and carbon credits is contracted by BNDES

The realization of feasibility studies for the concession of public forests, with the forest carbon credits and Payment for Environmental Services (PSA) as main source of revenue was the object of the contract signed between the BNDES and the PSA Consortium and Carbon Credits. The purpose of the partnership is to develop a business model having as its main element the remuneration for the conservation and recovery of conservation units and other public lands.

As such, an international benchmarking, market analysis, as well as an evaluation of the legal framework are planned in order to propose possible improvements to bring legal certainty to future concession projects. The conclusion of the study is scheduled for December this year and the presentation of pre-feasibility models for future projects is expected to take place in early 2023.

BNDES announces interest rate reduction for public clients that improve educational indexes

In September the BNDES approved the possibility of granting contractual advantages in the financing of states, municipalities and the Federal District. In order to be entitled to a

reduction of up to 0.4% in the Bank's basic remuneration rate – or an extension of the grace period by up to 12 months – customers must prove advances in educational indexes by up to 34 months.

The performances of the states will be measured by increasing the approval rate and reducing school dropout in the 1st grade of high school. This new feature was made possible by the creation of the "Linked Loan Education for Credit Operations with the Public Sector" regulation, approved by the Bank's board of directors.

3. SOCIO-ENVIRONMENTAL PERFORMANCE

For the BNDES, development only has meaning if it is carried out in a sustainable manner. Nearly 40 years ago, the BNDES was already prioritizing a positive socio-environmental impact and developing partnerships aimed at achieving this goal.

Our focus is to integrate the economic, social and environmental agenda into our operations in order for Brazil to be able to achieve the United Nation's (UN) Sustainable Development Goals (SDGs), transition to a carbon-neutral economy in a manner that is just, and achieve economic prosperity. This focus is reflected in our actions, from the policies that govern our activities, through to our commitments to achieving positive results in terms of sustainable development. The table below shows the highlights of the year so far in ESG:



In section 4. Operational Performance, we present a set of improvement actions in the Bank's portfolio of support instruments, which include highlighting the Social and Environmental Agenda.

Green Economy and Social Development

In the third quarter of 2022, R\$6.3 billion were disbursed for projects related to the Green Economy, which includes sectors such as energy efficiency, renewable energy, forests, water and sewage management, and agricultural improvements.

The highlight from among these was the public passenger transport segment, which received R\$3.3 billion, approximately 52% of disbursements in the period, followed by renewable energies, which received R\$1.1 billion (17% of disbursements in the period), and agricultural improvements (R\$724 million).

The social development indicator consists of the education, public management, urban and regional development, productive inclusion, social responsibility, and health sectors and received R\$ 9.7 billion in disbursements throughout the quarter.

In this segment, the main focus in the period were projects linked to urban and regional development, for which R\$8.2 billion were disbursed, about 85% of the total indicator, followed by the productive inclusion sector, with R\$1.1 billion.

Together, the green and social economy segments accounted, at the end of the third quarter of 2022, for 68.5% of the balance of the BNDES' direct and indirect non-automatic operations portfolio, at the same level as the closing of the 2nd quarter, once again demonstrating our commitment to the sustainable development of Brazil.

More information on the BNDES' Sustainability Taxonomy and the Green Economy and Social Development indicators can be found at <https://www.bndes.gov.br/wps/portal/site/home/desenvolvimento-sustentavel/resultados/desembolsos-em-economia-verde-e-desenvolvimento-social/desembolsos-economia-verde-desenvolvimento-social/>.

Sustainable Development Goals

Since 2019, the BNDES has also been monitoring its operational performance with regards to contributions made towards achieving the Sustainable Development Goals (SDGs). In the third quarter of this year, 86 thousand operations received disbursements linked to at least one of the SDGs, which totaled R\$25.3 billion – 86.0% of total disbursements in the period. The most prominently represented SDGs in the first nine months of the year were Industry, Innovation and Infrastructure (SDG 9, R\$30.1 billion), Decent Work and Economic Growth (SDG 8, R\$23.9 billion), and Affordable and Clean Energy (SDG 7, R\$12.9 billion)¹.

These disbursements result in deliveries to society, which have a direct positive impact on the lives of Brazilian citizens. In the first nine months of 2022, new operations associated with the SDGs were contracted, which, for example, will contribute to preserve 17 Brazilian material assets (SDG 11) and implement or revitalize 19 cultural facilities (SDG 11). The operations entered into in 2022 will also enable the training of almost 69 thousand teachers (SDG 4), increase grain storage capacity by 347 thousand tons (SDG 2) and increase the capacity to carry out health examinations by another 14.7 thousand visits per year. In addition, R\$243 million will be invested in micro credit, of which R\$79 million will be for women, benefiting 29.2 thousand entrepreneurs (SDG 1).

Learn more about BNDES' disbursements for the SDGs at <https://www.bndes.gov.br/wps/portal/site/home/transparencia/estatisticas-desempenho/ods>.

¹ The same operation may be linked to more than one SDG, which is why it is not correct to sum the disbursements linked to each SDG.

Learn more about the deliveries to society linked to the SDGs at <https://www.bndes.gov.br/wps/portal/site/home/transparencia/resultados-para-a-sociedade/efetividade/entregas-associadas-ods>.

Transition to a low-carbon economy

In November/2021, we launched the NDC Panel, a climate-focused extension of the SDG Panel offering information on our contribution to Brazil's Nationally Determined Contribution (NDC), which established national targets for reducing greenhouse gas (GHG) emissions.

The BNDES' NDC Panel was made public during COP-26 and was intended to present the manner in which the Bank has been supporting Brazil in fulfilling the commitments it has made under the Paris Agreement. In the third quarter of 2022, disbursements that supported the transition to the low-carbon economy reached R\$5.2 billion for the urban mobility (R\$3.3 billion), energy (R\$1.0 billion), transport (R\$600 million), biofuels (R\$221 million), solid waste (R\$39 million) and forests (R\$42 million) sectors².

In addition to the communication of our disbursements and result indicators, we also present the GHG emissions that were prevented with the projects supported by BNDES in the Energy, Solid Waste, Biofuels, Forestry and Urban Mobility sectors. In terms of totals for the third quarter of 2022, projects in these sectors prevented the emission of 86.6 million tons of CO₂e³, equivalent to a hypothetical period of 32 years without cars in the city of São Paulo. The calculation takes into account the entire useful life of the projects approved as of 2015, in the direct modality, and the disbursements associated with them enable, among others, for 648 million hectares to be mapped with geospatial information for monitoring and control purposes, the acquisition of 132 subway cars, the generation of 163 MW from biomass, the savings of 16.7 thousand MWh/year in public lighting projects and the registration of 72.6 thousand properties in the Rural Environmental Registry (CAR).

Learn more about the BNDES' disbursements for the transition to a low-carbon economy at <https://www.bndes.gov.br/wps/portal/site/home/desenvolvimento-sustentavel/resultados/emissoes-evitadas/painel-desembolsos-ndc/>.

Learn more about our contribution to Brazil's emission reduction targets at: <https://www.bndes.gov.br/wps/portal/site/home/desenvolvimento-sustentavel/resultados/emissoes-evitadas/emissoes-evitadas/>.

Second public call for carbon credits in the voluntary market

In the third quarter of 2022, BNDES launched its second Public Call Notice for the Acquisition of Carbon Credits in the Voluntary Market, in the amount of up to R\$100 million. With this initiative, the Bank intends to support the development of a market for the marketing of these securities, in addition to endorsing quality standards for conducting decarbonization projects of the economy.

² The same operation may be linked to more than one NDC sector, which is why it is not correct to sum the disbursements linked to each sector.

³ Equivalent carbon dioxide, unit of measurement used to measure GHG emissions.

In this second call, projects focusing on reforestation, reduction of emissions from deforestation and forest degradation, energy (biomass and methane) and sustainable agriculture will be eligible.

4. OPERATIONAL PERFORMANCE

4.1. Operational Policy

In the third quarter of 2022, a set of initiatives aimed at improving the Bank's financial solutions and services portfolio were approved, with emphasis on the Socio-environmental Agenda and the Agricultural Sector.

Among the actions that seek to **improve the portfolio**, we can highlight:

- Creation of the Credit Fund for Industry and Services Product ("FIDC Anchor") which aims to expand access to credit aimed at strengthening productive ecosystems of industries and services, especially those that involve smaller companies and rural producers. As such, the product provides for the subscription of quotas of credit funds that should acquire securities representing credit whose debtors are mostly MSMEs, small or medium rural producers or entities constituted by these agents, characterized as cooperatives, or natural persons, who are inserted in productive ecosystems in which anchor companies or anchor institutions have specific knowledge and capacity and interest in supporting, provided that these agents share the risk of the operation with BNDES. The product seeks to increase the capillarity of BNDES's operations, with the development of new credit channels, as well as the sectoral development and the strengthening of production chains.

In the **socioenvironmental agenda**, we can highlight the following:

- Creation of the Transversal Regulation "Linked Loan Education for credit operations with the Public Sector" in the BNDES Operational Policies, with the objective of strengthening the bank's performance in support of public education, through the creation of contractual incentives (reduction of basic spread or extension of the grace period) in future credit operations with the public sector, conditioned to the achievement of improvement in educational indicators in the education network of the respective public entity.

Among the actions carried out in the **agricultural sector**, we can highlight:

- Renewal of the Federal Government's Agricultural Programs – INOVAGRO, MODERAGRO, MODERFROTA, PCA, PROCAP-AGRO, PRODECOOP, ABC PROGRAM, PROIRRIGA, PRONAMP AND PRONAMP, as well as the creation of the Corporate Agricultural Credit Program – with fees equalized by the Federal Government and intended to finance the Agricultural Year 2022/2023. Compared to the previous Agricultural Year (2021/2022), there is an increase in the budget with BNDES resources from R\$17.1 billion to R\$19.8 billion, about 16%.

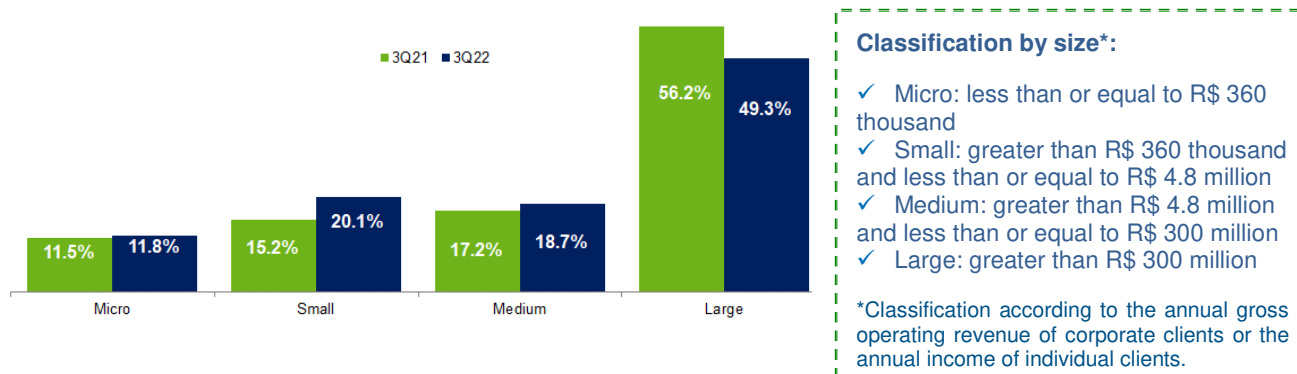
Lastly, in relation to **support for MSMEs**, we can highlight:

- Approval of the granting of an additional budget allocation for the PROCAPCRED Program in the amount of R\$500 million. The program aims to promote the strengthening of the equity structure of individual credit unions, with more than one year of activity, by granting financing directly to members.

4.2. Disbursement Profile

Disbursements by Size (R\$ million)

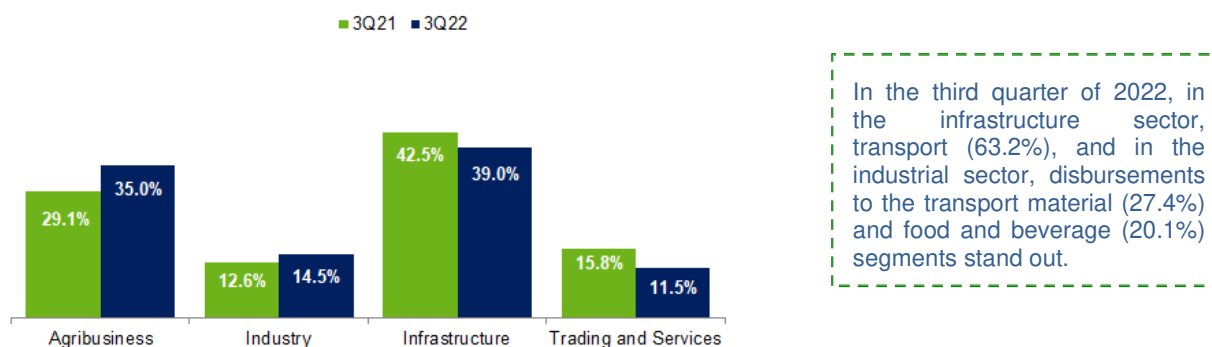
Below we present disbursements by size, the classification of which allows BNDES to act in accordance with the characteristics of each sector, by offering specific lines of credit, programs and conditions. Support for micro businesses, small, and medium-sized companies, which BNDES considers to be a priority, provides special conditions to facilitate these companies' access to credit.



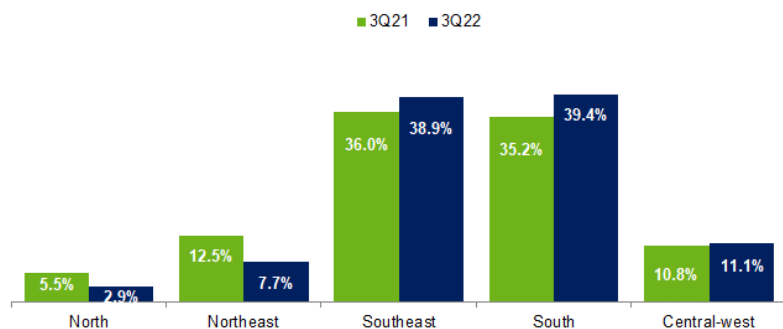
The Bank's disbursements in the third quarter of 2022 accumulated R\$29.4 billion, an increase of 34.9% compared to the same period in 2021.

The number of operations reached 89,900 in the quarter, an increase of 22.3% compared to the 73,486 operations in the third quarter of 2021. There was an increase in the number of operations for all sizes in the comparison between the periods, with emphasis on the increase in operations in the segments of small and micro-enterprises, of 35.5% and 18.4%, respectively.

Disbursements by Sector (R\$ million)



Disbursements by Region (R\$ million)

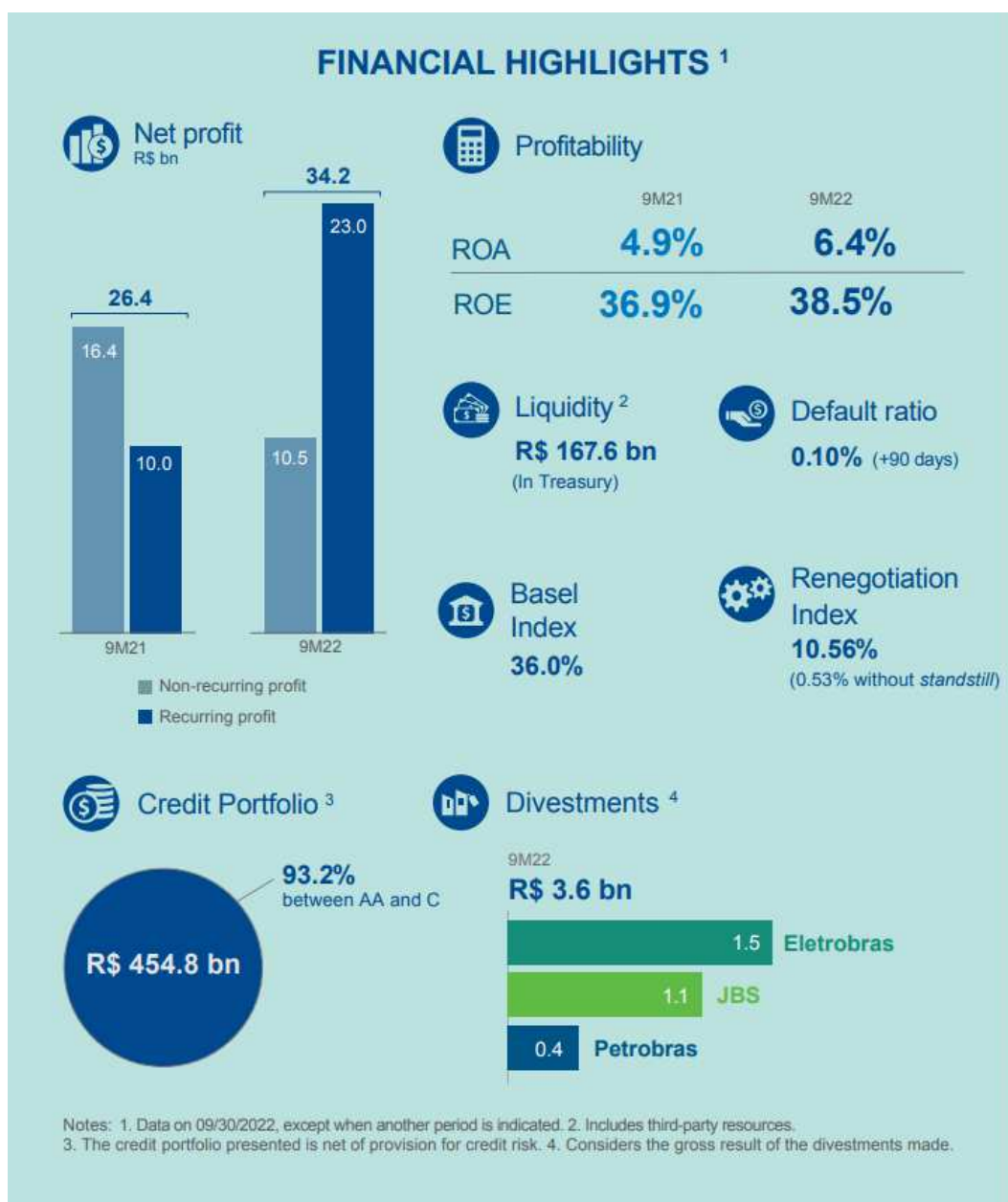


In the third quarter of 2022, the states of São Paulo (64.4%), Bahia (43.3%), Mato Grosso (42.4%), Rio Grande do Sul (42.0%) and Tocantins (40.0%) stood out in their respective regions.

5. ECONOMIC AND FINANCIAL PERFORMANCE

The BNDES System recorded net profit of R\$9.586 billion in the third quarter of 2022, a decrease of R\$1.399 billion (12.4%) compared to the same period in 2021. In the total for the nine months of 2022, BNDES presented net profit of R\$34.202 billion, an increase of 29.7% in relation to the profit of the same period of the previous year.

The main financial highlights for the period are presented below:



The decrease in profit between the quarters was mainly influenced by the decrease of R\$1.979 billion in income from equity investments associated with the constitution of R\$518 million in credit risk provision, compared to a reversal of R\$699 million in 2021, mitigated by the increase of R\$519 million in the product of financial intermediation in the period.

In the nine-month period, net profit totaled R\$34.202 billion, an increase of R\$7.831 billion (29.7%) compared to the same period in 2021, mainly influenced by the growth of R\$5.006 billion (20.9%) in the result with equity investments and R\$4.154 billion (26.9%) in the product of financial intermediation.

In terms of recurring income, in the first 9 months of 2022, recurring income was R\$23.659 billion, up R\$13.658 billion from the same period in 2021. The increase basically reflects the higher revenue from dividends/interest on equity and growth in the result of financial intermediation.

Total assets reached R\$718.866 billion on 09/30/22, a decrease of R\$14.795 billion (2.0%) in the quarter, mainly explained by the reduction in cash and cash equivalents for payments to the National Treasury of R\$11.3 billion (early settlements of R\$10.0 billion and ordinary payments of R\$2.6 billion) and payment of R\$9.8 billion in interest to FAT, partially offset by the receipt of dividends/interest on equity and inflow of FAT funds.

Regarding funding, FAT and the National Treasury account for 50.7% and 12.9% of the total liabilities on 09/30/22, respectively, with emphasis on the aforementioned early settlement of resources from the National Treasury.

The increase of R\$7.718 billion (6.0%) in shareholders' equity in the quarter was mainly due to the profit of R\$9.6 billion in the quarter, mitigated by the negative equity valuation adjustment of R\$1.9 billion.

5.1. Main Economic and Financial Indicators

	R\$ million, except percentages					
	9M22	9M21	Δ(%)	3Q22	3Q21	Δ(%)
Financial Results						
Financial Intermediation Product	19,581	15,429	26.9	4,911	4,392	11.8
Provision for Credit Risks	1,587	1,743	(9.0)	(518)	699	(174.1)
Equity Investments	28,960	23,954	20.9	7,934	9,913	(20.0)
Tax Expenses ¹	(12,538)	(12,673)	(1.1)	(1,983)	(2,967)	(33.2)
Other Expenses, net	(3,388)	(2,082)	62.7	(758)	(782)	3.1
Net Profit	34,202	26,371	29.7	9,586	11,255	(14.8)

¹ Includes taxes on profit.

	09/30/2022	12/31/2021	Δ (%)	09/30/2022	06/30/2022	Δ (%)
Financial Position						
Total Assets	718,866	737,178	(2.5)	718,866	733,661	(2.0)
Credit and Transfers Portfolio, net	454,804	439,539	3.5	454,804	448,187	1.5
Bonds and Securities ²	119,271	105,670	12.9	119,271	138,636	(14.0)
Equity Investments	68,819	66,593	3.3	68,819	63,827	7.8
Non-Associated Companies	62,944	51,512	22.2	62,944	58,333	7.9
Associated Companies	1,907	11,793	(83.8)	1,907	1,836	3.9
Investment Funds	3,968	3,288	20.7	3,968	3,658	8.5
Cash and cash equivalents	55,166	95,299	(42.1)	55,166	56,806	(2.9)
Other Assets	20,807	30,077	(30.8)	20,807	26,206	(20.6)
Total Liabilities	718,866	737,178	(2.5)	718,866	733,661	(2.0)
Third-Party Funds	581,820	610,181	(4.6)	581,820	604,333	(3.7)
FAT	364,359	347,355	4.9	364,359	362,995	0.4
National Treasury ³	93,033	124,415	(25.3)	93,033	103,637	(10.2)
International Funding	28,990	33,398	(13.2)	28,990	30,053	(3.5)
Other Governmental Sources	30,106	32,163	(6.4)	30,106	29,664	1.5
Repurchase Agreements	33,802	39,825	(15.1)	33,802	46,683	(27.6)
Other Obligations	31,530	33,025	(4.5)	31,530	31,301	0.7
Shareholders' Equity (SE)	137,046	126,997	7.9	137,046	129,328	6.0
SE/TA	19.1%	17.2%		19.1%	17.6%	

² Does not include investments in non-affiliated companies and equity funds classified under "Equity Interests".

³ Includes transfers and instruments eligible for core capital.

	09/30/2022	12/31/2021	09/30/2022	06/30/2022
Credit				
Default Ratio (30 days) ⁴	0.13%	0.31%	0.13%	0.20%
Default Ratio (90 days) ⁴	0.10%	0.19%	0.10%	0.17%
Provision / Portfolio of Credits and Transfers	3.41%	4.30%	3.41%	3.31%
Coverage Ratio (30 days) ⁵	25.97	14.08	25.97	16.22
Coverage Ratio (90 days) ⁵	32.60	22.89	32.60	19.98
Renegotiation Ratio ⁶	10.56%	15.17%	10.56%	11.47%

	09/30/2022	12/31/2021	09/30/2022	06/30/2022
Prudential Filters				
Basel Index	36.0%	40.2%	36.0%	33.4%
Common Equity Ratio	28.7%	31.3%	28.7%	26.4%
Tier 1 Capital Ratio	28.7%	31.3%	28.7%	26.4%

⁴ Non-performing credits/total portfolio.

⁵ Provision/Non-performing credits.

⁶ Credits renegotiated in the last 12 months /total portfolio. Takes renegotiations within the scope of the COVID-19 standstill into consideration. Disregarding these effects, the renegotiation rate would be 0.53% in September 2022.

	9M22	9M21	3Q22	3Q21
Profitability⁷				
Return on Assets (NP/averageTA)	6.45%	4.89%	5.42%	6.45%
Return on SE (NP/averageSE)	38.46%	36.89%	31.74%	43.94%

⁷ For the calculation of returns, the average assets and shareholders' equity is considered to be the sum of the initial and final balances for the respective periods divided by 2, excluding adjustments to the fair value of equity interests in non-affiliated companies, net of tax effects.

5.2. Financial Position

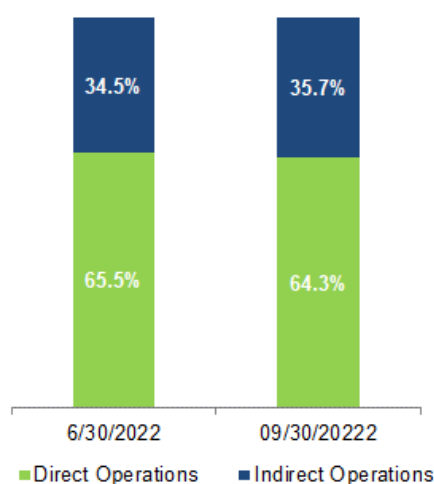
Credit Transactions and Onlending

This comprises the financing granted by the BNDES directly, called credit operations, or indirectly, through an accredited financial institution, called transfer operations.

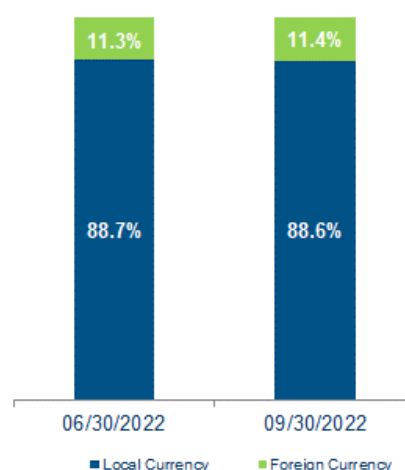
The gross portfolio of credit and transfer operations totaled R\$ 470.877 billion on 09/30/22 which, net of provision for credit risk, in the amount of R\$ 16.073 billion, representing 63.3% of total assets on the same date.

The net portfolio increased by R\$6.6 billion (1.5%) compared to the closing of the first half, basically due to the appropriation of interest of R\$8.2 billion, positive exchange variation of R\$1.7 billion and disbursements higher than the receipts of R\$1.5 billion, with these effects being offset, in part, by the return of the shares loaned to the stabilizing agent of the offer for the Available for Sale Portfolio, an effect generated by the Eletrobras share loan operation in June.

Profile of the Gross Credit and Onlending Portfolio



On-lending operations are not charged based on risk spread, but rather with a minimum per annum financial intermediation rate of 0.15% p.a. (operations contracted after May 09, 2018).
The risk in these operations is assumed by the financial institution transferring the



TJLP/TLP (long-term interest rates) and the US dollar are the main indices used in the loan portfolio, corresponding to 67.3% of the portfolio in local currency and 98.1% of the portfolio in foreign currency, respectively, on 09/30/22.

Quality of the Credit and Onlending Portfolio

BNDES continuously monitors the quality of its credit portfolio, with the strategic purpose of improving its risk and return management. The financing granted is subject to permanent monitoring and requires guarantees that cover the debt position over the respective contracts' effective period.

The classification of the credit and transfer portfolio by risk level follows CMN Resolution No. 2,682/99, which determines the classification of credits between levels AA, lower risk, and H, higher risk, and the percentage of provision to be constituted for each level. On 09/30/22, the provision for credit risk reached R\$16.073 billion, representing an increase of 4.6% compared to the end of the first half of the year. Loans classified between levels AA and C, considered low risk, accounted for 93.2% of the total portfolio on 09/30/22, higher than the average of 91.4% of the SFN on 03/31/22, as can be seen in the table below:

Risk Classification of the Credit and Onlending Portfolio as of September 30, 2022

Risk Levels	BNDES System	SFN ^{1 2 3}	Private Financial Institutions ^{2 3}	Public Financial Institutions ^{2 3}
AA-C	93.2%	91.4%	91.5%	91.3%
D-G	4.9%	5.9%	5.9%	5.9%
H	1.9%	2.7%	2.6%	2.8%
Total	100.0%	100.0%	100.0%	100.0%

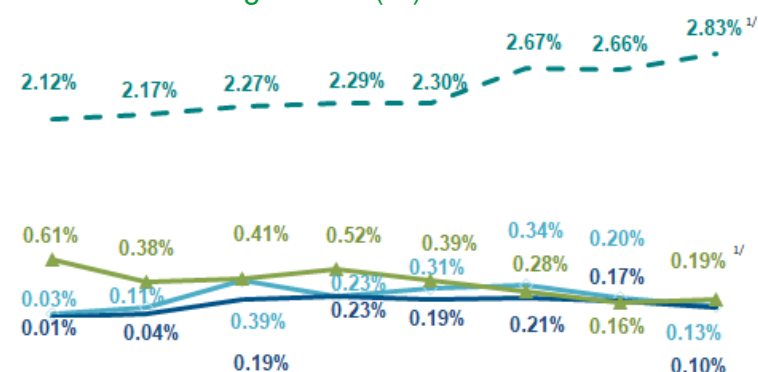
¹ National Financial System.

² Source: BACEN (Central Bank of Brazil).

³ On March 31, 2022. Most recent information available.

The coverage ratio, a ratio that represents the number of times the provision for credit risk covers defaulted credits (30 days), remains quite comfortable, with an increase in the quarter, from 16.22 on 06/30/22 to 25.97 on 09/30/22, due to the fall in the level of default, to 0.13% on 09/30/22, as shown in the following graph:

Default and Renegotiation (%)



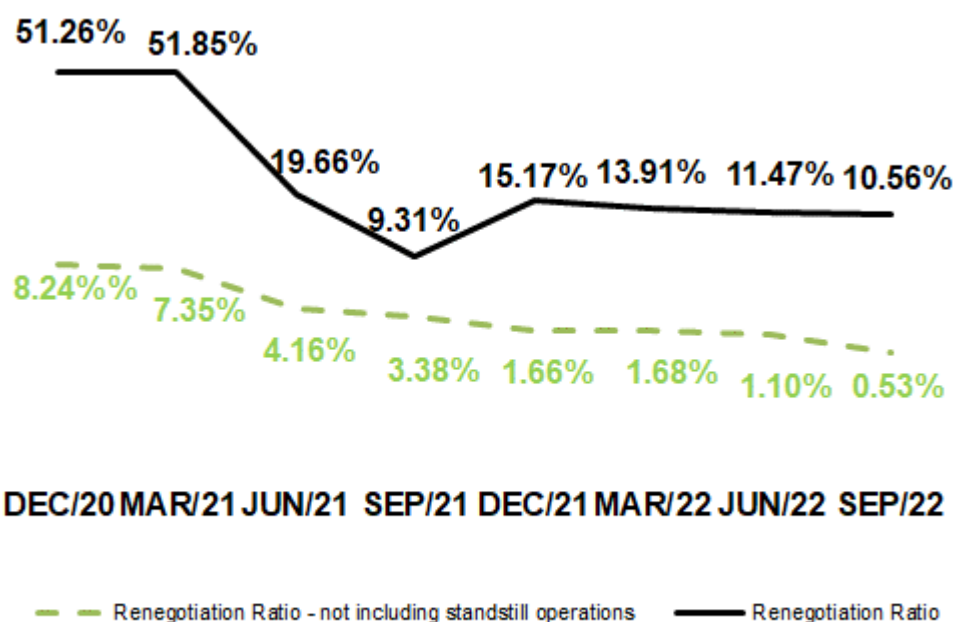
DEC/20 MAR/21 JUN/21 SEP/21 DEC/21 MAR/22 JUN/22 SEP/22

— Default Ratio (30d)
 — Default Ratio (90d)
 — Default Ratio - NFS (90d)
 — Default Ratio - NFS Large Companies (90d)

^{1/} Last available data (aug/22)

The BNDES System renegotiation indicator remains impacted by the Standstill - Covid19 and Water Crisis. Loans renegotiated in the last 12 months totaled R\$49.7 billion,

representing 10.56% of the gross loan portfolio and transfers in Sep/22. Disregarding the operations within the scope of Standstill, the index of Sep/22 would be 0.53%.



Bonds and Securities (TVM)

This basically comprises federal government bonds and debentures, which represented 82.7% and 5.9%, respectively, of the portfolio of R\$119.271 billion on 09/30/22.

The federal government securities portfolio decreased by R\$19.853 billion (16.8%) in the quarter, mainly due to the sale of securities. The debenture portfolio remained stable in the period.

Equity Interest

The equity portfolio consists of investments in associated and non-associated companies. Of the total portfolio as of 09/30/22, 91.5% represented investments in non-associated companies, 2.8% in associated companies, and the remaining 5.7% investments in mutual funds for investments in participations.

The equity portfolio, net of provision for losses, reached R\$68.819 billion on 09/30/22, representing an increase of R\$4.992 billion (2.1%) in the quarter, mainly due to the return of Eletrobras shares to the portfolio after the effect generated by the stock loan operation (in Jun/22), added to the purchase of shares of a company in the energy sector by the exercise of subscription bonuses.

Equity funds increased⁴ by 8.5% in the quarter, mainly due to new investments in fund shares, added to the appreciation of the fund portfolio.

⁴ The investment funds in which the BNDES, through BNDESPAR, holds equity are presented in Explanatory Note No. 6.3 to BNDES' Financial Statements for the period ended 09/30/2022.

Cash and cash equivalents

The decrease of R\$1.640 billion (2.9%) in the quarter was mainly due to the early settlement of National Treasury funds in the amount of R\$10 billion, a decrease of R\$12.9 billion in the balance of repurchase and resale agreements (acting as a dealer of BACEN) and payment of ordinary interest from the Constitutional FAT in the amount of R\$9.8 billion, mitigated by the net effect between sales and purchases of public securities in the amount of R\$24 billion and the inflow of R\$5.5 billion in resources from the Constitutional FAT.

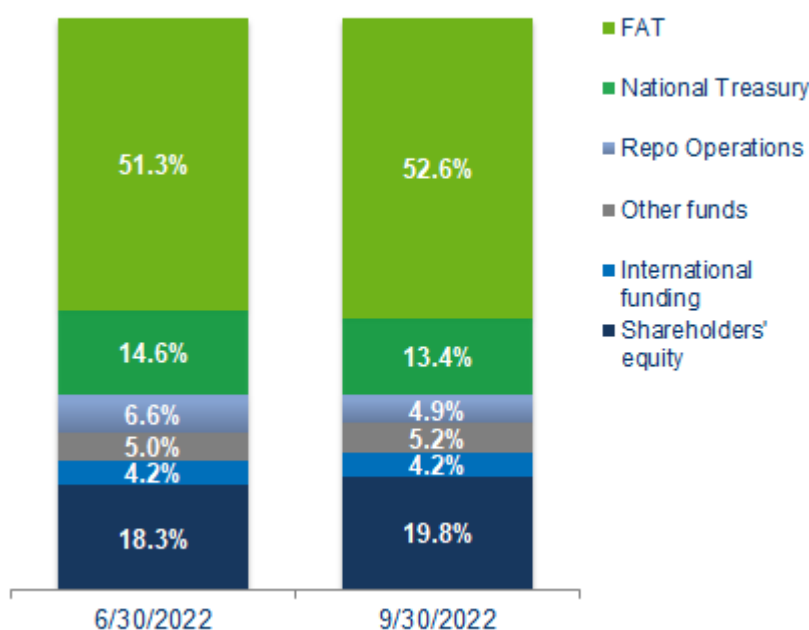
Other Assets

With a balance of R\$20.807 billion on 09/30/22, mainly composed of tax credits/taxes to be recovered (R\$15.063 billion) and Eletrobras/Itaipu receivables (R\$1.905 billion), the reduction of 20.6% in the quarter was mainly influenced by a reduction in the Receivables – Itaipu, due to the amortization flow of the principal provided for in the contract, receipt of dividends/interest on equity, basically Petrobras, and reduction of credits before TN arising from interest equalization receipts.

Funding

Government sources, such as the FAT and the National Treasury, represent a significant portion of the BNDES⁵ funding structure, accounting for 66.0% of the funding as of September 30, 2022 (65.9% as of June 30, 2022), not considering in this calculation the non-onerous liabilities, which represent 3.6% of BNDES total liabilities at the end of September.

It is important to highlight in the period the aforementioned early settlement of resources to the National Treasury, which reduced the representativeness of this source in the funding structure of BNDES.



⁵ More information on BNDES sources of funding can be found at <https://www.bndes.gov.br/wps/portal/site/home/transparencia/prestacao-de-contas/fontes-de-recursos>.

5.3. Financial Results

Results of Financial Intermediation

Results of Financial Intermediation refer to the net financial intermediation product for credit risk provisions.

The decrease of R\$698 million (13.7%) in the financial intermediation result compared to the third quarter of 2021 was mainly due to the provision for credit risk in this quarter in the amount of R\$518 million, compared to the reversal of the provision in 2021.

Product of Financial Intermediation

This is the result of investments in credit portfolios and transfers, cash and cash equivalents and securities.

The product of financial intermediation reached R\$4.912 billion in the quarter, an increase of R\$519 million (11.8%) compared to the same period in 2021, mainly due to the higher result with Securities, influenced by the increase in the Selic rate that remunerates the cash equivalents and public securities.

Provision for Credit Risks

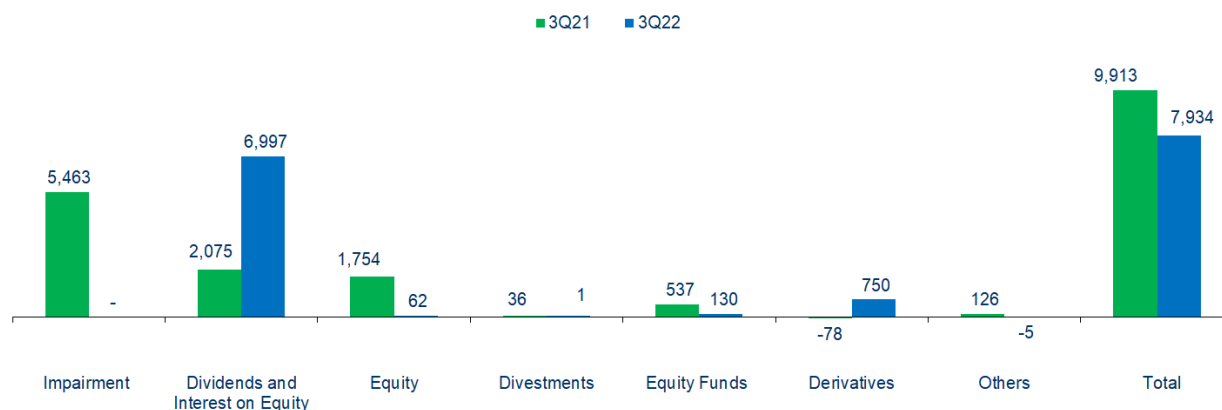
The BNDES constitutes a provision for credit risk according to the criteria provided in CMN Resolution No. 2,682/99.

The provision for credit risk increased from a revenue of R\$699 million in the third quarter of 2021 to an expense of R\$518 million in the same period in 2022, due to the constitution of a provision on the updated balance arising from the judicial reorganization plan of a company.

Result with shares in other companies

Results with shares in other companies consists of earnings from dividends and interest on the stockholder's equity, equity income, dispositions, derivatives and equity funds, provisions for investment losses (impairment), and other income that mainly stems from the BNDESPAR portfolio.

The decrease of R\$1.979 billion (20.0%) in the result with equity interests in relation to 3Q21 occurred because in that period there was a reversal of losses with impairment of Petrobras (gross amount of R\$5.449 billion) and higher result with equity equivalence of JBS. On the other hand, a higher result was recorded in 3Q22 with dividends and interest on investments in non-related companies.



Dividends and interest on equity

The increase of R\$4.922 billion (237.2%) in dividend and interest on equity revenue between the quarters is explained by the increase in the receipt of dividends from Petrobras (R\$6.970 billion) in this quarter.

Impairment

In the third quarter of 2021, the provision for impairment losses on investment in Petrobras was reversed, in the gross amount of R\$5.449 billion, due, among other reasons, to the improvement in the company's governance and compliance with its strategic plan, while there was no amount to be recorded in 3Q22.

Equity

The result with equity method reached R\$62 million in this quarter, a reduction of R\$1.692 billion (96.5%), due to the result achieved with JBS in 3Q21.

Income from variable income funds

The result with variable income funds reflects the valuations or devaluations of the shares of the funds and redemptions of investments. In the third quarter of 2022, the result was a gain of R\$130 million (R\$537 million in the third quarter of 2021), mainly due to partial amortizations and appreciation of some funds.

Results from derivatives

The result from derivatives reflects the change in the fair value of isolated derivative financial instruments linked to equity interests and embedded in convertible or exchangeable debentures.

The improvement of R\$827 million (1,060.3%) in the result with variable income derivatives between the quarters was impacted by the exercise of the subscription bonus of a company in the Energy sector in the period, which generated a result of R\$620 million.

Tax Expenses

Tax expenses are represented nearly in their entirety federal taxes such as PIS (Social Integration Program), COFINS (Contribution for Social Security Financing), Income Tax and Social Contributions levied upon earnings adjusted before taxes.

The decrease of R\$984 million (33.2%) in tax expenses in the third quarter of 2022 compared to the same period in 2021, mainly reflects the reduction in taxable income, with a decrease in the result with equity investments in the period.

Other Expenses, net

Other expenses include adjustments for inflation for assets and liabilities, administrative and personnel expenses, labor and civil provisions, among others.

The result for the third quarter of 2022 was stable when compared to the same period in 2021.

6.SUBSEQUENT EVENTS

Return of funds to the National Treasury

On 10/17/2022 and 10/18/2022, the Executive Board and the Board of Directors of BNDES, respectively, approved the new schedule for the return of funds to the National Treasury, in the amount of R\$69 billion, in the light of the determination of Appellate Decision No. 2041/2022 TCU - Full Court and Appellate Decision No. 2175/2022 TCU – Full Session, of the Federal Court of Accounts (TCU).

The new schedule had the consent of the Ministry of Economy, through Official Letter SEI No. 279350/2022/ME of October 25, 2022, and provides for an extraordinary amortization of R\$45 billion, until November 30, 2022 and the remaining balance, of R\$24 billion, until November 30, 2023, highlighting the best effort regime for full settlement as quickly as possible.

Capital Reduction at BNDESPAR

On October 20, 2022, the reduction of BNDESPAR's share capital by R\$40 billion was approved at the 19th Extraordinary General Meeting, as it was considered excessive in relation to its corporate purpose, pursuant to the main section of article 173 of the Brazilian Corporation Law. The return of capital to BNDES, BNDESPAR's sole shareholder, will take place in cash, without cancellation of shares.

In a resolution adopted, pursuant to the voting instruction contained in the Decision of the Executive Board of BNDES and the favorable statements of the Executive Board, the Board of Directors, as well as the Opinion of the Fiscal Council of BNDESPAR, BNDES, as sole shareholder, approved the reduction of the capital on the agenda.

Dividends of Petrobras

In a statement on November 3, Petrobras informed that its Board of Directors approved the payment of dividend distribution, in the amount of R\$3.3489 per preferred and common share, referring to the anticipation of the compensation to shareholders for the year 2022. The cut-off date will be November 21, 2022 and the shares will be traded ex-rights as of November 22, 2022.

However, on November 4, the Public Prosecutor's Office asked the Federal Audit Court (TCU) to suspend the anticipation of dividends until the TCU assesses whether the defined amount is compatible with the company's cash flow.

If the proposal to distribute Petrobras' earnings is maintained, the payment will be made in two equal installments, the first, in the amount of R\$1.67445 per share, to be paid on December 20, 2022 in the form of dividends (R\$1.155823) and interest on equity (R\$0.518627) and the second on January 19, 2023 with the form of distribution between dividends and/or interest on equity defined at a future date.

Considering the proposed allocation, the BNDES System will record in November 2022, as dividends and interest on equity receivable, the gross amount of R\$3,468 million, of which R\$453 million will be paid to BNDES and R\$3,015 million to BNDESPAR.

7. RATING

In the third quarter of 2022, BNDES maintained the same rating as it ended 2021, as can be seen in the figure below:

Rating Agency	Global scale rating	
	Foreign Currency – Long Term	National Currency – Long Term
Moody's	Ba2 (Stable)	Ba2 (Stable)
S&P	BB- (Stable)	BB- (Stable)

Highlights from Moody's

- ✓ Strong brand value as the main source of long-term financing and capital investment for Brazilian companies and for government infrastructure projects;
- ✓ Access to stable and reasonably inexpensive funding; and,
- ✓ Asset quality superior to the market.

Highlights from S&P

- ✓ Strong guarantee policy and flexibility to restructure loans and mitigate potential losses arising from increased risks in the economy;
- ✓ Long-term funding with government support offers the bank with a competitive advantage; and,
- ✓ The BNDES' prominent position in the economy and in the execution of public policy implies that our ratings and default risk will equal those of sovereign indicators.

8.BACEN CIRCULAR LETTER Nº 3.068/2001

The BNDES declares that it is financially capable and intends to hold securities classified as "Held to Maturity" in the amount of R\$9.322 billion as of 09/30/22 up until the corresponding maturity date, the equivalent of 7.8% of the net securities portfolio presented in this report.

9.ACKNOWLEDGMENTS

We wish to thank our employees for their dedication and talent, which allow us to achieve consistent results, as well as our clients, who motivate us to constantly strive to improve our services. Finally, we wish to thank the members of the marketplace, for their indispensable support and trust.