Consolidated financial statements under IFRS

December 31, 2021

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STATEMENTS OF FINANCIAL POSITION

	Note	2021	2020
Cash and cash equivalents	5	95,298,787	97,121,494
Financial assets at fair value through profit or loss (FVTPL)			
Securities	7	68,025,152	84,128,976
Derivatives	7.5	834,965	415,108
Financial assets at fair value through other comprehensive income (FVTOCI)			
Securities	7	85,518,783	100,834,359
Financial assets at amortized cost			
Loans and interbank onlendings	6	455,474,717	454,988,350
Securities	7	6,282,512	3,299,966
Other financial assets at amortized cost	8	9,081,874	12,212,708
Tax assets		12,861,199	17,472,358
Current	17.3	356,582	94,737
Deferred	17.2	12,504,617	17,377,621
Assets held for sale		951,759	30,016
Investments in associated companies	9	10,935,543	10,974,041
PP&E		142,768	149,921
Intangible assets		6,131	11,050
Other assets	10	1,352,705	1,360,300
Total assets		**746,766,895**	**782,998,647**
Deposits	12.2	6,712,953	7,205,772
Repurchase agreements	13	39,825,117	40,521,542
Liabilities for issuing debentures and financial bills	15	2,158,438	2,556,633
Derivatives	7.5	49,481	16,271
Interest on instruments eligible to core capital	21.2	1,057,871	1,255,798
Borrowings and onlendings	11	162,214,258	223,329,671
Financial and development funds	14	8,867,488	8,741,749
Subordinated debt	12.1	340,713,933	307,807,297
Other financial liabilities	16	1,413,501	5,710,369
Dividends and interest on shareholders' equity payable		-	4,911,855
Other		1,413,501	798,514
Tax liabilities		16,662,516	21,612,393
Current	17.1	4,252,772	2,177,379
Deferred	17.2	12,166,083	19,190,885
Other		243,661	244,129
Actuarial liabilities	19	5,555,093	8,288,876
Labor and civil provisions	18	1,918,960	1,761,647
Deferred income (loss)		4,043	-
Other liabilities	20	1,180,727	1,125,982
Total liabilities		**588,334,379**	**629,934,000**
Shareholders' equity			
Capital	21.1	61,842,148	53,983,180
Instruments eligible to core capital	21.2	22,038,976	35,538,976
Profit reserves	21.3	44,745,760	27,222,715
Other comprehensive income	21.5	30,350,380	36,774,445
Non-appropriated accumulated earnings	27	(544,748)	(454,669)
Total shareholders' equity		**158,432,516**	**153,064,647**
Total liabilities and shareholders' equity		**746,766,895**	**782,998,647**

The accompanying notes are an integral part of financial statements.

STATEMENTS OF INCOME

	Note	2021	2020
Income from financial intermediation	22	**51,128,986**	**50,377,231**
Loans and interbank onlendings		41,598,292	39,733,779
Income from securities		8,461,848	9,880,452
Income from management of funds and programs		1,068,846	763,000
Financial intermediation expenses	22	**(22,921,655)**	**(37,692,549)**
Market funding - financing and onlendings		(37,762,163)	(39,825,403)
Income (loss) from derivatives - fixed income	7.5.2	4,301,648	4,434,013
Reversal (recognition) of allowance for loan losses	6.4	10,472,128	(3,014,520)
Income (loss) from foreign exchange portfolio		66,732	713,361
Gross income from financial intermediation	22	**28,207,331**	**12,684,682**
Equity in earnings (losses)	9	4,304,061	16,564
Net Monetary restatement on assets and liabilities		675,442	956,911
Reversal (recognition) of allowance for investment losses	9	(214,295)	18,720
Income from dividends and interest on shareholders' equity	7.2	7,787,173	2,167,146
Income (loss) from disposals of variable income securities	9	1,571,131	3,239
Income (loss) from derivatives - variable income	7.5.2	81,457	465,333
Income (loss) from investment funds		220,360	109,716
Other income (expenses) from equity investment		48,218	13,095
Reversal (recognition) of labor and civil provisions	18	(159,092)	(186,936)
Tax expenses		(1,454,188)	(940,906)
Personnel expenses		(2,307,064)	(2,237,539)
Administrative expenses		(354,695)	(287,234)
Other operating income		81,278	161,102
Other operating expenses		(1,243,112)	(2,087,317)
Income (loss) before income tax		**37,244,005**	**10,856,576**
Income tax and social contribution - current	17.1	(6,762,658)	(4,615,699)
Income tax and social contribution - deferred	17.1	(2,925,625)	2,156,014
Net income for the year		**27,555,722**	**8,396,891**

The accompanying notes are an integral part of financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

	2021	2020
Net income for the year	**27,555,722**	**8,396,891**
Other comprehensive income		
Items that will be subsequently reclassified to income:	**(641,577)**	**2,247,695**
Profit sharing of associated companies		
Adjustments as results of other comprehensive income	104,217	116,803
Investment translation adjustments abroad	(745,794)	2,130,892
Items that will not be subsequently reclassified to income:	**1,709,562**	**2,707,700**
Adjustment to fair value of financial instruments designated at FVTOCI	(2,728,534)	2,989,319
Tax impact	974,498	(1,054,337)
Remeasurement in actuarial liabilities	3,758,545	823,404
Tax impact	(294,947)	(50,686)
Total other comprehensive income	**1,067,985**	**4,955,395**
Comprehensive income for the year	**28,623,707**	**13,352,286**

The accompanying notes are an integral part of financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Instrument eligible to core capital	Legal reserve	Tax incentive reserve	Reserve for future capital increase	Equity dividend reserves	Other comprehensive income		Non-appropriated accumulated earnings	Total
							Own assets	Assets of associated companies		
Balance at January 1, 2020	**47,249,176**	**35,538,976**	**4,700,159**	**201,355**	**6,734,004**	**6,551,560**	**50,780,363**	**930,799**	**(6,774,832)**	**145,911,560**
Capital increase	6,734,004	-	-	-	(6,734,004)	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	2,707,700	2,247,695	-	4,955,395
Realization of designated equity instruments	-	-	-	-	-	-	(19,892,112)	-	19,892,112	-
Interest on instruments eligible to core capital	-	-	-	-	-	-	-	-	(1,287,344)	(1,287,344)
Net income for the year	-	-	-	-	-	-	-	-	8,396,891	8,396,891
Appropriation of income										
. Legal reserve	-	-	1,034,075	-	-	-	-	-	(1,034,075)	-
. Reserve for future capital increase	-	-	-	-	7,858,968	-	-	-	(7,858,968)	-
. Equity Dividend Reserves	-	-	-	-	-	6,876,598	-	-	(6,876,598)	-
. Dividends proposed	-	-	-	-	-	-	-	-	(1,725,110)	(1,725,110)
. Proposed interest on shareholders' equity	-	-	-	-	-	-	-	-	(3,186,745)	(3,186,745)
Balance at December 31, 2020	**53,983,180**	**35,538,976**	**5,734,234**	**201,355**	**7,858,968**	**13,428,158**	**33,595,951**	**3,178,494**	**(454,669)**	**153,064,647**
Balance at January 1, 2021	**53,983,180**	**35,538,976**	**5,734,234**	**201,355**	**7,858,968**	**13,428,158**	**33,595,951**	**3,178,494**	**(454,669)**	**153,064,647**
Capital increase	7,858,968	-	-	-	(7,858,968)	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	1,709,562	(641,577)	-	1,067,985
Realization of designated equity instruments	-	-	-	-	-	-	(7,492,050)	-	7,492,050	-
Instruments eligible to core capital	-	(13,500,000)	-	-	-	-	-	-	(1,068,762)	(14,568,762)
Net income for the year	-	-	-	-	-	-	-	-	27,555,722	27,555,722
Appropriation of income										
. Legal reserve	-	-	1,703,454	-	-	-	-	-	(1,703,454)	-
. Reserve for future capital increase	-	-	-	-	12,946,254	-	-	-	(12,946,254)	-
. Equity Dividend Reserves	-	-	-	-	-	10,732,305	-	-	(10,732,305)	-
. Interim dividends	-	-	-	-	-	-	-	-	(4,755,171)	(4,755,171)
. Interim interest on shareholders' equity	-	-	-	-	-	-	-	-	(3,931,905)	(3,931,905)
Balance at December 31, 2021	**61,842,148**	**22,038,976**	**7,437,688**	**201,355**	**12,946,254**	**24,160,463**	**27,813,463**	**2,536,917**	**(544,748)**	**158,432,516**

The accompanying notes are an integral part of financial statements.

STATEMENTS OF CASH FLOWS

	2021	2020
Operating activities		
Income (loss) before income tax	37,244,005	10,856,576
Adjustments not affecting cash and cash equivalents of operating activities	**(6,839,314)**	**22,788,169**
Recognition (reversal) of allowance for loan losses	(10,472,128)	3,014,520
Recognition (reversal) of labor and civil provisions	159,092	186,936
Recognition (reversal) of allowance for losses in investments	214,295	(18,720)
Equity in earnings (losses)	(4,304,061)	(16,564)
Income (loss) from derivatives - variable income	(81,457)	(465,333)
Depreciation	27,398	33,433
Interest and monetary restatement of obligations by issuance of debentures and financial bills	125,497	161,785
Income (loss) from realization of equity instruments designated at fair value through other comprehensive income	7,492,050	19,892,112
Changes in assets and liabilities	**(53,896,697)**	**(11,313,527)**
. Net (increase) / decrease in loans by financing	9,741,687	(6,100,946)
. Net (increase)/decrease in securities	13,438,980	(31,886,556)
. Net (increase) / decrease in other asset accounts	2,935,303	3,933,770
. Net increase / (decrease) in borrowings and onlendings	(66,621,567)	(3,476,558)
. Net increase / (decrease) in repurchase agreements	(696,425)	35,753,700
. Net increase / (decrease) in other liability accounts	3,370,342	11,782,743
. Interest paid on loans and onlendings	(8,066,034)	(10,715,719)
. Income Tax and Social Contribution on Net Income paid	(7,998,983)	(10,603,961)
Net cash generated (consumed) by operating activities	**(23,492,006)**	**22,331,218**
Investment activities		
. Addition by investments in associated companies	(339,813)	(9,783)
. Receipt for the sale of investments in associated companies	1,406,256	-
. Redemption of shares in other equity interests and other permanent investments	3,209	-
. Receiving of dividends and interest on shareholders' equity from associated companies	1,789,322	330,837
. Additions to property, plant and equipment	(6,855)	(16,072)
. Write-offs of property, plant and equipment	24	178
. Additions to intangible assets	(424)	(194)
Net cash generated by (consumed) by investment activities	**2,851,719**	**304,966**
Financing activities		
. Increase in liabilities for subordinated debts	32,906,636	25,277,178
. Dividends and interest on shareholders' equity paid	(13,565,364)	-
. Funding by issue of financial bills	-	1,000,000
. Amortization of liabilities for issuing debentures	(523,692)	(614,459)
. Amortization of liabilities for issuing financial bills	-	(2,544,226)
Net cash generated (consumed) by financing activities	**18,817,580**	**23,118,493**
Increase (decrease) in cash and cash equivalents	**(1,822,707)**	**45,754,677**
Changes in financial position		
Balance of cash and cash equivalents at the beginning of the year	97,121,494	51,366,817
Balance of cash and cash equivalents at the end of the year (Note 5)	95,298,787	97,121,494
Increase (decrease) in cash and cash equivalents	**(1,822,707)**	**45,754,677**

The accompanying notes are an integral part of financial statements.

1. OPERATIONAL CONTEXT

BNDES is a state-owned company controlled by the Federal Government and supervised by the Ministry of Economy.

As a state-owned company controlled by the Federal Government, the Bank is part of the indirect administration of the Brazilian government and, therefore, has to follow the main standards applicable to the Brazilian public administration. However, due to its corporate veil of private law, it is subject to the rules applicable to private companies as to civil, commercial, tax and labor obligations defined by the Federal Constitution. As a financial institution, it is subject to the rules defined by the National Monetary Council - CMN and by the Central Bank of Brazil - BACEN.

BNDES is headquartered in Brasília, Federal District, with its main office located at Avenida República do Chile, n.º 100, Centro, Rio de Janeiro - RJ, with operations throughout the national territory.

For information on how BNDES operates, see the Note 30 or visit the website (www.bndes.gov.br).

Coronavirus (“COVID-19”)

The year 2021 was characterized by the fight against the new coronavirus pandemic, with the recovery of economic momentum taking place from the advance in vaccination and the countercyclical actions implemented by different countries. The recovery took place irregularly, subject to setbacks with the emergence of new variants and localized outbreaks, as occurred in the fourth quarter with the propagation of the Omicron variant. In Brazil, the advance of vaccination as of the second quarter of 2021 brought a drop in COVID-19 cases and deaths, with the increase in mobility and the normalization of economic activities. The positive impacts also reached the labor market. Additional information on the loan and onlending operations portfolio can be seen in Notes 6.1 and 6.5.

Currently, BNDES is exposed to interest risk, foreign exchange risk and stock price risk. The amounts, by risk factor, for operations marked to market in the statement of financial position and foreign exchange operations, calculated using the VaR (Value at Risk), Stress Test, sensitivity analysis and mismatches analysis by risk factor are disclosed in Note 25.1.2, Market Risks.

The Bank’s Management does not foresee any going concern risk, nor any risk to the accounting estimates and judgments made. Nevertheless, it will remain attentive and diligent to any information or event related to COVID-19, aiming to reflect and/or disclose it in a timely manner in the financial statements, especially regarding changes in valuation, recoverability of assets, measurement of market value, actuarial liabilities and allowances for expected loss.

BNDES Group Actions

BNDES has been taking several countercyclical actions against the negative economic effects of COVID-19, such as the expansion of the BNDES Credit Facilities for Small Companies, temporary suspension of loan payments contracted with BNDES (Standstill), granting of emergency health care support and the Matchfunding “Saving Lives” program and other actions that can be found at BNDES’s website, https://www.bndes.gov.br/wps/portal/site/home/bndes-contra-coronavirus.

2. PREPARATION BASIS AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Approval for issuance, functional and presentation currency

These consolidated financial statements were approved for their issuance by its Board of Executive Officers on February 21, 2022. The Bank's Board of Directors has the power to change them and then, manifested in favor of the issuance of financial statements on February 24, 2022.

The functional and presentation currency of BNDES and its subsidiaries is the Brazilian Real (R$) and the information is presented in thousands of Reais (R$ thousands), except when indicated otherwise. The functional currency is the currency of the main economic environment where an entity operates.

2.2. Statement of conformity and continuity

Compliance

The consolidated financial statements of BNDES were prepared according to the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") which were effective on December 31, 2021.

Management understands that all information provided in these consolidated financial statements is relevant and faithfully represents the information used in managing BNDES.

Going concern basis of accounting

The financial statements were prepared based on the assumption of BNDES' operating continuity, as the Management is certain that it holds resources and conditions to continue in the business in a foreseeable future. To this end, the Management has considered a wide range of information regarding present and future conditions, including future profitability projections, cash flows and capital resources.

Additionally, the Management has not been aware of any material uncertainty that could generate doubts in relation to its ability to continue operating in a foreseeable future.

2.3. Significant items that affected Financial Statements in current period

Equity changes:

Total assets decreased for the year, mainly explained by the early return of funds to the National Treasury.

The loan and onlending portfolio increased compared to the previous year. The effect of the return in an amount higher than the releases was mitigated by the appropriation of contractual charges and effect of exchange rate variation on operations in foreign currency and for the reversal of allowance for credit losses (see Notes 6.4 and 32.17).

The decrease in the portfolio of equity investments measured at market value through other comprehensive income for the year is basically explained by the sale of shares, mainly Vale and Klabin.

In relation to sources of funds, the decrease in liabilities to the National Treasury resulted from the aforementioned early return of funds, in addition to amortizations and payment of ordinary interest. On the other hand, there is an increase in the FAT balance, in which the ordinary inflow of funds, coupled with the appropriation of interest and exchange rate variation, exceeded the amount paid as interest in the period.

Finally, shareholders' equity grew during the year, due to the net income for the year and the positive variation of other comprehensive income, mitigated by the recording of the mandatory minimum dividends and interest on shareholders' equity proposed on the 2021 income.

Income changes:

Net income for the year increased in relation to the previous year, influenced by higher equity income and disposals of equity interests in associated companies, in addition to the reversal of allowance for losses (see Note 6.4 and Note 32.17) and increase in dividend income.

It is noteworthy that the gain on disposal of shares valued at "fair value through other comprehensive income," does not circulate through the income (loss) for the period, and directly recognized in retained earnings.

Further information is disclosed in the Bank's Management Report.

2.4. Management's relevance criteria

Notes include all of the information that is required to understand FINAME's Financial statements, the information that is relevant to the Agency's operations, its financial position on the reporting date and its financial performance during the reporting period.

The information is considered material and relevant if, for example:

– The amount is relevant due to its dimension and nature in relation to the financial statements as a whole;

– It is important to understand BNDES' income (loss); or

– It contributes to explain the impact of the relevant changes in BNDES' business.

2.5. Criteria for the presentation of Notes

The Notes to these financial statements, following the international recommendations of the Integrated Reporting Framework, as well as guidelines of the IASB and the Guidance Committee for Disclosure of Information to the Market - CODIM, are presented in a concise manner, observing parameters of materiality and the relevance of the subjects discussed.

The summary of significant accounting practices and general estimates can be found in the Note 32.

2.6. Consolidation criteria

The accompanying financial statements include BNDES, its wholly owned subsidiaries and its exclusive financial investment funds:

- BNDES Participações S.A. – BNDESPAR;
- Agência Especial de Financiamento Industrial S.A. – FINAME;
- Fundo BB Juno - Fundo de Investimento Multimercado Crédito Privado Investimento no Exterior;
- Fundo BB Gaia – Fundo de Investimento de Renda Fixa; and
- Fundo BB Gaia II - Fundo de Investimento em Cotas de Fundos de Investimento de Renda Fixa (the investments of this Fund are exclusively in Fundo BB Gaia quotas).

The consolidation criteria are listed in the Note 31.

3. NEW PRONOUNCEMENTS AND AMENDMENTS TO EXISTING PRONOUNCEMENTS

3.1. Accounting pronouncements applicable for the year ended December 31, 2021

Benchmark interest rate reform - Phase II: Amendments to IFRS 9 – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement, IFRS 7 – Financial Instruments: Disclosures, IFRS 16 – Leases and IFRS 4 – Insurance Contracts

Amendments due to the "Benchmark Interest Rate Reform" – Phase 1, resulting from the replacement of the benchmark interest rate with an alternative benchmark rate by applying to the years started or after January 1, 2020.

Phase 2 of the Reform refers to changes in the basis for determining contractual cash flows from financial assets, financial liabilities and lease liabilities at another equivalent interest rate, new hedge accounting requirements and additional disclosures on risks and transition to the new rates, applying to the years beginning on or after January 1, 2021.

The BNDES System contracts exposed to the Libor rate are being reviewed between the parties and will be updated to an alternative rate plus a spread. Management believes that the updated cash flows are economically equivalent to the original cash flows and does not expect any material impacts from the Benchmark Interest Rate Reform.

3.2 New standards and interpretations not yet effective

IFRS 17 - Insurance Contracts

The standard describes the General Model, amended for insurance contracts with direct participation features, described as Variable Rate Approach. The General Model is simplified if certain criteria are met by measuring the liabilities for the remaining coverage using the Premium Allocation Approach. The General Model will use current assumptions to estimate the value, term and uncertainty of future cash flows, as well as explicitly measure the cost of this uncertainty, considering market interest rates and the impact of policyholders' options and guarantees. This standard aims to demonstrate greater transparency and useful information in the financial statements. One of its main changes is the recognition of profit as insurance services are provided, aiming to assess the performance of insurers over time.

This pronouncement is applicable for years beginning on or after January 1, 2023, and its adoption is retrospective. No impacts are expected when adopting this standard in the BNDES Group.

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets: onerous contracts

Clarifies what costs an entity includes when determining the cost of fulfilling a contract, aiming to assess whether the contract is costly. The amendment is applicable for years beginning on or after January 1, 2022, and its adoption is retrospective. No impacts are expected when adopting this standard at the BNDES.

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

Changes the recognition of sales income in the statement of income in the process of constructing property, plant and equipment for their intended use. The amendment is applicable for years beginning on or after January 1, 2022, and its adoption is retrospective. No impacts are expected when adopting this standard in the BNDES Group.

IFRS 3 - Business Combination: update on the reference to the Conceptual Framework

Updated the reference to the Conceptual Framework, without materially changing its requirements. The amendment is applicable for years beginning on or after January 1, 2022. No impacts are expected when adopting this standard in the BNDES Group.

Amendments to IAS 1 – Presentation of Financial Statements: classification of liabilities in current or non-current

Standard guidance on whether a Liability should be classified as Current or Non-Current. The amendment is applicable for years beginning on or after January 1, 2023, and its adoption is retrospective. The impacts when adopting this standard at the BNDES are still being assessed by management.

Amendments to IAS 1 – Presentation of Financial Statements: Accounting Policies

Requires that only information about material accounting policies be disclosed, eliminating disclosures of information that duplicate or summarize IFRS requirements. These changes are effective for years started as of January 1, 2023 and do not create financial impacts. Possible changes in disclosures when adopting this standard at the BNDES are still being assessed by management.

Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

Includes the definition of accounting estimates. This amendment is effective for years started on January 1, 2023 and the impacts when adopting this standard at the BNDES are still being assessed by management.

Amendments to IAS 12 – Income Taxes

Clarifies that the exemption from the initial recognition of deferred tax assets and liabilities arising from temporary differences established in IAS 12 does not apply to lease operations and decommissioning obligations. These changes are effective for years started as of January 1, 2023 and do not create financial impacts. Possible changes in disclosures when adopting this standard at the BNDES are still being assessed by management.

Annual Improvements to the IFRS 2018–2020 Cycle

The IASB has issued the following amendments as part of the annual improvement applicable for years beginning on or after January 1, 2022:

(i) IFRS 1 – First-time Adoption of International Financial Reporting Standards. Simplifies the adoption of the standard for a subsidiary that becomes an early adopter after its parent company regarding accounting for accumulated translation differences;

(ii) IFRS 9 – Financial Instruments. Clarifies the rates that an entity must include in the “10% test” for the derecognition of financial liabilities;

(iii) IFRS 16 – Leases. Excludes the example of reimbursement of leasehold improvements; and

(iv) IAS 41 – Agriculture. Removed the requirement to exclude cash flows from taxation when measuring the market value of biological assets and agricultural products.

4. DISCLOSURES OF FINANCIAL INSTRUMENTS

Find below the information required by IFRS 7 – Financial Instruments: Disclosures and IFRS 13 – Market Value Measurement.

Additional information can be found in the notes for each financial asset and liability, as well as in Note 25 on risk management.

4.1. Category of financial instruments

Financial assets and liabilities

	2021				
Financial assets	**Fair value through other comprehensive income**	**Fair value through profit or loss**	**Total market value**	**Amortized cost**	**Total**
Cash and cash equivalents	-	23,984,846	23,984,846	71,313,941	95,298,787
Government bonds	21,806,752	65,781,998	87,588,750	57,864	87,646,614
Shares	51,511,863	-	51,511,863	-	51,511,863
Debentures	4,560,293	501,338	5,061,631	2,384,175	7,445,806
Mutual investment funds	1,802,524	1,670,627	3,473,151	-	3,473,151
Foreign fixed income securities	5,837,351	71,189	5,908,540	3,840,473	9,749,013
Derivatives	-	834,965	834,965	-	834,965
Loans and interbank onlendings	-	-	-	455,474,717	455,474,717
Other financial assets	-	-	-	9,081,874	9,081,874
Total financial assets	**85,518,783**	**92,844,963**	**178,363,746**	**542,153,044**	**720,516,790**
Financial liabilities		**Fair value through profit or loss**	**Total market value**	**Amortized cost**	**Total**
Deposits		-	-	6,712,953	6,712,953
Repurchase agreements		-	-	39,825,117	39,825,117
Liabilities for issuing debentures and financial bills		-	-	2,158,438	2,158,438
Borrowings and onlendings		-	-	162,214,258	162,214,258
Financial and development funds		-	-	8,867,488	8,867,488
Derivatives		49,481	49,481	-	49,481
Interest on instruments eligible to core capital		-	-	1,057,871	1,057,871
Subordinated debt		-	-	340,713,933	340,713,933
Other financial liabilities		-	-	1,413,501	1,413,501
Total financial liabilities		**49,481**	**49,481**	**562,963,559**	**563,013,040**

	2020				
Financial assets	**Fair value through other comprehensive income**	**Fair value through profit or loss**	**Total market value**	**Amortized cost**	**Total**
Cash and cash equivalents	-	3,886,681	3,886,681	93,234,813	97,121,494
Government bonds	28,111,755	78,132,298	106,244,053	53,899	106,297,952
Shares	64,784,952	-	64,784,952	-	64,784,952
Debentures	3,847,551	5,275,177	9,122,728	3,246,067	12,368,795
Mutual investment funds	1,829,879	653,698	2,483,577	-	2,483,577
Foreign fixed income securities	2,260,222	67,803	2,328,025	-	2,328,025
Derivatives	-	415,108	415,108	-	415,108
Loans and interbank onlendings	-	-	-	454,988,350	454,988,350
Other financial assets	-	-	-	12,212,708	12,212,708
Total financial assets	**100,834,359**	**88,430,765**	**189,265,124**	**563,735,837**	**753,000,961**
Financial liabilities		**Fair value through profit or loss**	**Total market value**	**Amortized cost**	**Total**
Deposits		-	-	7,205,772	7,205,772
Repurchase agreements		-	-	40,521,542	40,521,542
Liabilities for issuing debentures and financial bills		-	-	2,556,633	2,556,633
Borrowings and onlendings		-	-	223,329,671	223,329,671
Financial and development funds		-	-	8,741,749	8,741,749
Derivatives		16,271	16,271	-	16,271
Interest on instruments eligible to core capital		-	-	1,255,798	1,255,798
Subordinated debt		-	-	307,807,297	307,807,297
Other financial liabilities		-	-	5,710,369	5,710,369
Total financial liabilities		**16,271**	**16,271**	**597,128,831**	**597,145,102**

Income and expenses from financial instruments[1]

	2021					
	Financial assets			Financial liabilities		
	Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	Fair value through profit or loss	Amortized cost	Total
Income from financial intermediation	**3,349,899**	**1,014,538**	**46,764,549**	**-**	**-**	**51,128,986**
Loans and interbank onlendings	-	-	41,598,292	-	-	41,598,292
Income from securities	3,349,899	1,014,538	4,097,411	-	-	8,461,848
Interbank investments and repurchase agreements	-	-	3,628,607	-	-	3,628,607
Government bonds	2,208,398	929,632	-	-	-	3,138,030
Debentures	866,762	84,507	375,915	-	-	1,327,184
Mutual investment funds	-	(3,197)	-	-	-	(3,197)
Foreign fixed income securities	274,739	3,596	92,889	-	-	371,224
Income from management of funds and programs	-	-	1,068,846	-	-	1,068,846
Financial intermediation expenses	**309,999**	**6,477,674**	**10,228,861**	**(2,176,026)**	**(37,762,163)**	**(22,921,655)**
Market funding - financing and onlendings	-	-	-	-	(37,762,163)	(37,762,163)
Income (loss) from derivatives - fixed income	-	6,477,674	-	(2,176,026)	-	4,301,648
Reversal (recognition) of allowance for loan losses	309,999	-	10,162,129	-	-	10,472,128
Income (loss) from foreign exchange portfolio	-	-	66,732	-	-	66,732
Gross income from financial intermediation	**3,659,898**	**7,492,212**	**56,993,410**	**(2,176,026)**	**(37,762,163)**	**28,207,331**
Other operating income (expenses)	**7,871,440**	**581,672**	**711,461**	**(315,904)**	**(37,344)**	**8,811,325**
Net Monetary restatement on assets and liabilities	-	-	711,461	-	(37,344)	674,117
Income from dividends and interest on shareholders' equity	7,787,173	-	-	-	-	7,787,173
Income (loss) from derivatives - variable income	-	397,361	-	(315,904)	-	81,457
Income (loss) from investment funds	36,049	184,311	-	-	-	220,360
Other income (expenses) from equity investment	48,218	-	-	-	-	48,218

	2020					
	Financial assets			Financial liabilities		
	Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	Fair value through profit or loss	Amortized cost	Total
Income from financial intermediation	**3,918,277**	**3,258,823**	**43,200,131**	**-**	**-**	**50,377,231**
Loans and interbank onlendings	-	-	39,733,779	-	-	39,733,779
Income from securities	3,918,277	3,258,823	2,703,352	-	-	9,880,452
Interbank investments and repurchase agreements	-	-	2,166,497	-	-	2,166,497
Government bonds	3,369,194	1,610,796	-	-	-	4,979,990
Debentures	602,401	1,450,413	431,108	-	-	2,483,922
Mutual investment funds	-	88,756	-	-	-	88,756
Foreign fixed income securities	(53,318)	108,858	105,747	-	-	161,287
Income from management of funds and programs	-	-	763,000	-	-	763,000
Financial intermediation expenses	**32,581**	**8,321,554**	**(2,333,740)**	**(3,887,541)**	**(39,825,403)**	**(37,692,549)**
Market funding - financing and onlendings	-	-	-	-	(39,825,403)	(39,825,403)
Income (loss) from derivatives - fixed income	-	8,321,554	-	(3,887,541)	-	4,434,013
Reversal (recognition) of allowance for loan losses	32,581	-	(3,047,101)	-	-	(3,014,520)
Income (loss) from foreign exchange portfolio	-	-	713,361	-	-	713,361
Gross income from financial intermediation	**3,950,858**	**11,580,377**	**40,866,391**	**(3,887,541)**	**(39,825,403)**	**12,684,682**
Other operating income (expenses)	**2,217,445**	**652,630**	**939,948**	**(111,312)**	**-**	**3,698,711**
Net Monetary restatement on assets and liabilities	-	-	939,948	-	-	939,948
Income from dividends and interest on shareholders' equity	2,167,146	-	-	-	-	2,167,146
Income (loss) from derivatives - variable income	-	576,645	-	(111,312)	-	465,333
Income (loss) from investment funds	33,731	75,985	-	-	-	109,716
Other income (expenses) from equity investment	16,568	-	-	-	-	16,568

(1) There is no totalization in income (loss), since the purpose of this information is to present the breakdown of the income for the year impacted by the categories of financial instruments.

4.2. Market value of financial assets and liabilities measured at amortized cost

	2021		2020	
	Book value	Estimated market value	Book value	Estimated market value
Financial assets				
Cash and cash equivalents	71,313,941	71,313,941	93,234,813	93,234,813
Government bonds	57,864	57,864	53,899	53,899
Debentures	2,384,175	2,294,014	3,246,067	3,228,011
Foreign fixed income securities	3,840,473	3,697,004	-	-
Loans and interbank onlendings	455,474,717	381,442,334	454,988,350	409,077,199
Other financial assets	9,081,874	9,022,324	12,212,708	12,761,669
Total	**542,153,044**	**467,827,481**	**563,735,837**	**518,355,591**
Financial liabilities				
Deposits	6,712,953	6,712,953	7,205,772	7,205,772
Repurchase agreements	39,825,117	39,825,117	40,521,542	40,521,542
Liabilities for issuing debentures and financial bills	2,158,438	2,158,438	2,556,633	2,556,633
Borrowings and onlendings	162,214,258	162,214,258	223,329,671	223,329,671
Financial and development funds	8,867,488	8,867,488	8,741,749	8,741,749
Interest on instruments eligible to core capital	1,057,871	1,057,871	1,255,798	1,255,798
Subordinated debt	340,713,933	340,713,933	307,807,297	307,807,297
Other financial liabilities	1,413,501	1,413,501	5,710,369	5,710,369
Total	**562,963,559**	**562,963,559**	**597,128,831**	**597,128,831**

The accounting balances of financial liabilities measured at amortized cost approximate their corresponding fair values, according to the justification described in Note 32.1.6.

4.3. Financial instruments per levels of fair value hierarchy

When measuring the market value of financial assets, the BNDES Group considers the hierarchy level of these assets. For details on the classification policy by level, see Note 32.1.6.

	2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through profit or loss				
Cash and cash equivalents	-	23,984,846	-	23,984,846
Government bonds	65,781,998	-	-	65,781,998
Debentures	-	501,338	-	501,338
Foreign fixed income securities	71,189	-	-	71,189
Mutual investment funds	204,538	-	1,466,089	1,670,627
Derivatives	-	154,404	680,561	834,965
Fair value through other comprehensive income				
Government bonds	21,806,752	-	-	21,806,752
Shares	46,725,903	79,028	4,706,932	51,511,863
Debentures	1,692,463	796,298	2,071,532	4,560,293
Mutual investment funds [1]	-	-	1,802,524	1,802,524
Foreign fixed income securities	5,837,351	-	-	5,837,351
Total financial assets	**142,120,194**	**25,515,914**	**10,727,638**	**178,363,746**
Financial liabilities				
Derivatives	-	49,481	-	49,481
Total financial liabilities	**-**	**49,481**	**-**	**49,481**

	2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through profit or loss				
Cash and cash equivalents	-	3,886,681	-	3,886,681
Government bonds	78,132,298	-	-	78,132,298
Debentures	3,637,728	598,385	1,039,064	5,275,177
Foreign fixed income securities	67,803	-	-	67,803
Mutual investment funds	93,207	-	560,491	653,698
Derivatives	-	31,921	383,187	415,108
Fair value through other comprehensive income				
Government bonds	28,111,755	-	-	28,111,755
Shares	59,928,848	-	4,856,104	64,784,952
Debentures	1,566,903	891,528	1,389,120	3,847,551
Mutual investment funds[1]	333,488	-	1,496,391	1,829,879
Foreign fixed income securities	2,260,222	-	-	2,260,222
Total financial assets	**174,132,252**	**5,408,515**	**9,724,357**	**189,265,124**
Financial liabilities				
Derivatives	-	16,271	-	16,271
Total financial liabilities	**-**	**16,271**	**-**	**16,271**

[1] The total of investment fund quotas presented at Level 3 of the market value hierarchy includes R$ 6,064 on December 31, 2021 (R$ 76,430 on December 31, 2020) of assets measured at acquisition cost plus equity changes.

Level 3 Reconciliation

The following tables present the changes in the financial instruments classified in Level 3 of market value:

	2021						
	Fair value through profit or loss			Fair value through other comprehensive income			
	Debentures	Investment funds	Derivatives	Debentures	Shares	Investment funds	Total
Balance at the beginning of the year	**1,039,064**	**560,491**	**383,187**	**1,389,120**	**4,856,104**	**1,496,391**	**9,724,357**
Transfers from Level 3	(511,639)	-	(3,424)	(97,531)	(119,557)	-	**(732,151)**
Transfers to Level 3	-	-	273,229	349,844	98,264	-	**721,337**
Gain (losses) included in/at:							
Income for the year	(91,195)	69,985	(100,241)	-	-	-	**(121,451)**
Other comprehensive income	-	-	-	430,099	(134,775)	609,496	**904,820**
Acquisitions	-	838,814	146,836	-	6,896	341,483	**1,334,029**
Disposals/redemptions/amortizations	(436,230)	(3,201)	(19,026)	-	-	(644,846)	**(1,103,303)**
Balance at the end of the year	**-**	**1,466,089**	**680,561**	**2,071,532**	**4,706,932**	**1,802,524**	**10,727,638**

	2020						
	Fair value through profit or loss			Fair value through other comprehensive income			
	Debentures	Investment funds	Derivatives	Debentures	Shares	Investment funds	Total
Balance at the beginning of the year	**3,259,445**	**195,235**	**19,252**	**2,200,712**	**758,671**	**2,344,661**	**8,777,976**
Transfers from Level 3	(474,802)	-	-	(683,501)	(146,119)	(423,734)	**(1,728,156)**
Transfers to Level 3	-	103,000	-	-	2,050,644	(103,000)	**2,050,644**
Gain (losses) included in/at:							
Income for the year	(287,879)	128,493	(181,631)	-	-	-	**(341,017)**
Other comprehensive income	-	-	-	(163,075)	468,167	41,504	**346,596**
Acquisitions	-	144,794	554,911	108,029	1,724,741	114,366	**2,646,841**
Disposals/redemptions/amortizations	(1,457,700)	(11,031)	(9,345)	(73,045)	-	(477,406)	**(2,028,527)**
Balance at the end of the year	**1,039,064**	**560,491**	**383,187**	**1,389,120**	**4,856,104**	**1,496,391**	**9,724,357**

4.4. Gross exchange exposure of financial instruments

The following tables are foreign exchange exposures of financial assets and liabilities.

	2021				
	R$	US$	EUR	BASKET	Total
Financial assets					
Cash and cash equivalents	94,483,467	815,320	-	-	95,298,787
Securities	153,989,087	5,837,360	-	-	159,826,447
Derivatives	683,183	151,704	78	-	834,965
Loans and interbank onlendings	395,840,154	58,345,876	18,304	1,270,383	455,474,717
Other financial assets	8,884,691	197,183	-	-	9,081,874
Total financial assets	**653,880,582**	**65,347,443**	**18,382**	**1,270,383**	**720,516,790**
Financial liabilities					
Deposits	6,712,953	-	-	-	6,712,953
Repurchase agreements	39,825,117	-	-	-	39,825,117
Liabilities for issuing debentures and financial bills	2,158,438	-	-	-	2,158,438
Derivatives	-	49,481	-	-	49,481
Interest on instruments eligible to core capital	1,057,871	-	-	-	1,057,871
Borrowings and onlendings	102,496,055	59,718,203	-	-	162,214,258
Financial and development funds	8,867,488	-	-	-	8,867,488
Subordinated debt	311,067,208	29,645,342	1,383	-	340,713,933
Other financial liabilities	1,413,501	-	-	-	1,413,501
Total financial liabilities	**473,598,631**	**89,413,026**	**1,383**	**-**	**563,013,040**
Net exposure	**180,281,951**	**(24,065,583)**	**16,999**	**1,270,383**	**157,503,750**

	2020				
	R$	US$	EUR	BASKET	Total
Financial assets					
Cash and cash equivalents	96,088,805	1,032,689	-	-	97,121,494
Securities	186,003,070	2,260,231	-	-	188,263,301
Derivatives	383,187	31,921	-	-	415,108
Loans and interbank onlendings	393,073,037	60,242,343	83,738	1,589,232	454,988,350
Other financial assets	12,012,854	199,854	-	-	12,212,708
Total financial assets	**687,560,953**	**63,767,038**	**83,738**	**1,589,232**	**753,000,961**
Financial liabilities					
Deposits	7,205,772	-	-	-	7,205,772
Repurchase agreements	40,521,542	-	-	-	40,521,542
Liabilities for issuing debentures and financial bills	2,556,633	-	-	-	2,556,633
Derivatives	-	5,555	10,716	-	16,271
Interest on instruments eligible to core capital	1,255,798	-	-	-	1,255,798
Borrowings and onlendings	161,697,148	61,632,523	-	-	223,329,671
Financial and development funds	8,741,749	-	-	-	8,741,749
Subordinated debt	277,980,098	29,822,318	4,881	-	307,807,297
Other financial liabilities	5,710,369	-	-	-	5,710,369
Total financial liabilities	**505,669,109**	**91,460,396**	**15,597**	**-**	**597,145,102**
Net exposure	**181,891,844**	**(27,693,358)**	**68,141**	**1,589,232**	**155,855,859**

4.5. Liquidity risk

Financial assets by maturity

The following tables present the balances of financial assets by maturity brackets.

2021									
	Without maturity	Overdue	Due						Total
			1 year	1–2 years	2–3 years	3–5 years	5–10 years	>10 years	
Cash and cash equivalents	-	-	95,298,787	-	-	-	-	-	95,298,787
Securities									
Government bonds	-	-	70,940,967	5,156,264	2,408,238	4,112,512	-	5,028,633	87,646,614
Shares	51,511,863	-	-	-	-	-	-	-	51,511,863
Debentures	-	-	1,071,376	10,648	517,863	1,059,534	2,913,820	1,872,565	7,445,806
Mutual investment funds	1,988,083	-	1,485,068	-	-	-	-	-	3,473,151
Foreign fixed income securities	-	-	71,189	3,274,469	688,188	634	1,110,914	4,603,619	9,749,013
Derivatives	-	-	533,804	-	-	2,621	-	298,540	834,965
Loans and interbank onlendings	-	5,024,253	64,980,296	54,362,975	48,217,851	72,775,723	115,489,973	94,623,646	455,474,717
Other financial assets	2,796,863	-	5,336,755	948,256	-	-	-	-	9,081,874
Total	**56,296,809**	**5,024,253**	**239,718,242**	**63,752,612**	**51,832,140**	**77,951,024**	**119,514,707**	**106,427,003**	**720,516,790**

2020									
	Without maturity	Overdue	Due						Total
			1 year	1–2 years	2–3 years	3–5 years	5–10 years	>10 years	
Cash and cash equivalents	-	-	97,121,494	-	-	-	-	-	97,121,494
Securities									
Government bonds	-	-	84,664,318	3,580,930	5,487,650	5,873,366	-	6,691,688	106,297,952
Shares	64,784,952	-	-	-	-	-	-	-	64,784,952
Debentures	-	-	5,702,071	1,011,884	17,852	1,653,213	2,497,333	1,486,442	12,368,795
Mutual investment funds	2,021,635	-	461,942	-	-	-	-	-	2,483,577
Foreign fixed income securities	-	-	67,803	-	-	117,658	237,505	1,905,059	2,328,025
Derivatives	-	-	42,837	(376,196)	747,371	-	417	679	415,108
Loans and interbank onlendings	-	5,266,696	66,640,835	58,681,188	48,052,108	74,142,539	108,283,407	93,921,577	454,988,350
Other financial assets	2,076,933	-	5,271,972	4,863,803	-	-	-	-	12,212,708
Total	**68,883,520**	**5,266,696**	**259,973,272**	**67,761,609**	**54,304,981**	**81,786,776**	**111,018,662**	**104,005,445**	**753,000,961**

Financial liabilities by maturity

The following tables present the undiscounted cash flows of financial liabilities by maturity brackets.

	2021						
	Without a specific maturity	Up to 1 year	1–2 years	2–3 years	3–5 years	5–10 years	>10 years
Deposits	-	1,476,226	1,318,322	1,154,440	1,867,154	2,919,050	3,270,268
Liabilities for issuing debentures and financial bills							
Debentures							
Private issues	-	420,555	225,631	190,626	297,802	122,593	-
Financial Bills	-	1,134,776	-	-	-	-	-
Derivatives	-	72,239	72,666	70,543	133,408	272,109	283,311
Interest on instrument eligible to core capital	-	1,057,871	-	-	-	-	-
Borrowings and onlendings							
Borrowings							
Country	-	536,176	517,119	497,879	937,240	385,812	363,087
Foreign	-	551,750	6,482,223	2,768,222	-	-	-
Onlendings							
Country	-	14,547,466	12,935,133	9,869,855	19,090,785	43,880,199	71,649,258
Foreign	-	3,061,966	2,928,198	2,770,756	5,196,048	7,229,552	4,181,793
Subordinated debt	333,151,713	20,259,100	22,760,784	24,737,663	54,609,564	158,133,788	339,145,784
Other financial liabilities	-	98,756	98,756	98,756	197,512	493,781	98,756
Total	**333,151,713**	**43,216,881**	**47,338,832**	**42,158,740**	**82,329,513**	**213,436,884**	**418,992,257**

	2020						
	Without a specific maturity	Up to 1 year	1–2 years	2–3 years	3–5 years	5–10 years	>10 years
Deposits	-	1,379,311	1,200,311	1,033,038	1,635,622	2,543,238	3,996,388
Liabilities for issuing debentures and financial bills							
Debentures							
Private issues	-	518,187	422,683	226,772	354,620	259,492	-
Financial Bills	-	-	1,047,629	-	-	-	-
Derivatives	-	27,359	17,388	14,209	26,306	53,576	56,910
Interest on instrument eligible to core capital	-	1,255,798	-	-	-	-	-
Borrowings and onlendings							
Borrowings							
Country	-	547,490	528,302	509,067	960,504	739,255	397,708
Foreign	-	512,216	512,216	6,179,446	2,643,305	-	-
Onlendings							
Country	-	17,555,691	15,495,369	13,683,649	23,134,076	53,072,488	97,024,710
Foreign	-	3,109,374	3,080,583	2,950,169	5,553,226	9,081,475	4,314,129
Subordinated debt	301,738,396	13,189,699	13,457,812	12,838,876	24,323,577	56,465,392	130,775,887
Other financial liabilities	-	88,994	88,994	88,994	177,987	444,968	177,987
Total	**301,738,396**	**38,184,119**	**35,851,287**	**37,524,220**	**58,809,223**	**122,659,884**	**236,743,719**

4.6. Concentration of financial assets exposed to credit risk

The following tables present the balances of financial assets with exposure to credit risk by sector of economic activity.

	2021						
	Public sector	Private sector					Total
		Rural	Industry	Trade	Financial intermediation	Other services [1]	
Cash and cash equivalents	-	-	-	-	95,298,787	-	95,298,787
Securities	89,319,255	-	2,513,190	134	9,677,824	3,331,030	104,841,433
Derivatives	-	-	2,622	-	151,782	680,561	834,965
Loans and onlendings	115,735,342	1,256,790	142,879,766	3,619,111	99,665,441	92,318,267	455,474,717
Other financial assets	7,078,922	-	-	-	-	2,002,952	9,081,874
Total	**212,133,519**	**1,256,790**	**145,395,578**	**3,619,245**	**204,793,834**	**98,332,810**	**665,531,776**

[1] Includes mining, electricity generation, transmission and distribution companies, basic sanitation, and highway concessionaires.

	2020						
	Public sector	Private sector					Total
		Rural	Industry	Trade	Financial intermediation	Other services [1]	
Cash and cash equivalents	-	-	-	-	97,121,494	-	97,121,494
Securities	108,581,218	-	6,217,082	-	2,260,222	3,936,250	120,994,772
Derivatives	-	-	383,187	-	31,921	-	415,108
Loans and onlendings	128,706,301	1,270,493	131,283,889	3,989,904	95,358,097	94,379,666	454,988,350
Other financial assets	10,045,852	-	-	-	-	2,166,856	12,212,708
Total	**247,333,371**	**1,270,493**	**137,884,158**	**3,989,904**	**194,771,734**	**100,482,772**	**685,732,432**

[1] Includes mining, electricity generation, transmission and distribution companies, basic sanitation, and highway concessionaires.

The disclosure of the balances of loan operations and interbank transfers by group of significant clients is presented in Note 6.1.3.

5. CASH AND CASH EQUIVALENTS

	2021	2020
Cash and cash equivalents	434,479	465,524
Interbank investments	94,864,308	96,655,970
Repurchase agreements	94,554,390	96,155,268
Foreign exchange portfolio	309,918	499,825
Investments in interbank deposits	-	877
Total	**95,298,787**	**97,121,494**

Repurchase agreements (purchase securities with the resale commitment over-the-counter market) are short-term transactions, backed by Federal Government bonds.

6. LOAN PORTFOLIO OPERATIONS

	2021	2020
Loans	302,517,069	305,349,783
Interbank onlendings	162,498,233	168,391,826
Credit sale of securities	645,181	1,109,176
Rights receivables	1,019,084	935,392
Allowance for loan losses	(11,204,850)	(20,797,827)
Subtotal - Loans and interbank onlendings	**455,474,717**	**454,988,350**
Debentures	2,392,006	3,264,045
Allowance for loan losses	(7,831)	(17,978)
Subtotal - Securities	**2,384,175**	**3,246,067**
Total loan portfolio operations	**457,858,892**	**458,234,417**
Current	70,425,000	72,181,608
Non-current	387,433,892	386,052,809

The accounting practices for recognizing and measuring loan portfolio assets, as well as the allowance for loan losses, follow the criteria specifically provided for in IFRS 7 – Financial Instruments: Disclosures and IFRS 9 – Financial Instruments, whose details can be found in Note 32.1.

Information on the BNDES' loan portfolio policy and risk is found in Note 25.

6.1. Loans and interbank onlendings

6.1.1. Loans - direct operations

Loan operations, whose credit risk is assumed by the companies of the BNDES Group, are carried out directly through a financing request script describing the basic characteristics of the company and the project for BNDES analysis.

Breakdown of the balance

	2021	2020
Gross balance	302,517,069	305,349,783
Allowance for loan losses	(10,030,997)	(18,666,177)
Total	**292,486,072**	**286,683,606**
Current	32,916,128	34,005,672
Non-current	259,569,944	252,677,934

Changes in allowance for expected loan losses is presented in Note 6.4.

6.1.2. Interbank onlendigs - Indirect operations

Since BNDES does not have bank branches, there are partnerships with the network of accredited financial institutions to ensure that BNDES funds reach all municipalities in Brazil. Operations carried out through these institutions are called Indirect Operations.

In such operations, the financing analysis is made by the accredited financial institution, which assumes the credit risk. Thus, the institution can accept or refuse the credit application. It also negotiates the financing conditions with the client, such as the payment term and required guarantees, respecting rules and limits defined by BNDES.

Breakdown of the balance

	2021	2020
Gross balance	162,498,233	168,391,826
Allowance for loan losses	(186,732)	(1,103,067)
Total	**162,311,501**	**167,288,759**
Current	37,075,654	37,035,671
Non-current	125,235,847	130,253,088

Changes in allowance for expected loan losses is presented in Note 6.4.

6.1.3. Concentration of credit gross portfolio and currency interbank onlendings

	2021				2020			
	Loans	%	Interbank Onlendings	%	Loans	%	Interbank Onlendings	%
Largest client	15,985,193	5.3	22,709,367	14.0	16,366,183	5.4	25,159,637	14.9
Next 10 largest clients	61,833,281	20.4	104,486,884	64.4	63,334,920	20.7	109,168,514	64.8
Next 20 largest clients	50,414,703	16.7	31,307,221	19.3	53,434,006	17.5	30,438,248	18.1
Next 50 largest clients	66,940,796	22.1	3,994,761	2.5	63,469,845	20.8	3,625,427	2.2
Next 100 largest clients	51,138,285	16.9	-	-	51,102,853	16.7	-	-
Other clients	56,204,811	18.6	-	-	57,641,976	18.9	-	-
Total	**302,517,069**	**100.0**	**162,498,233**	**100.0**	**305,349,783**	**100.0**	**168,391,826**	**100.0**

The interbank onlendings operations are carried out with financial agents, whose risk is pulverized and decreased due to the possibility of subrogation of claims.

As of December 31, 2021 and December 31, 2020, BNDES had no excess exposure to any economic group according to the criteria of the CMN Resolutions 4,677/2018 and 4,678/2018.

6.2. Rights receivable and credit sale of securities

Breakdown of the balance

	2021	2020
Credit sale of securities	645,181	1,109,176
Allowance for loan losses	(99,788)	(194,392)
	545,393	**914,784**
Rights receivables	1,019,084	935,392
Allowance for loan losses	(887,333)	(834,191)
	131,751	**101,201**
Total	**677,144**	**1,015,985**
Current	12,767	866,188
Non-current	664,377	149,797

Changes in allowance for expected loan losses is presented in Note 6.4.

6.3. Debentures

These debentures are a form of financial support and not financial investment, being contracted directly with the issuers and carried out on maturity as provided in business model.

Breakdown of the balance

	2021	2020
Private sector	1,024,286	1,409,952
Public sector	1,367,720	1,854,093
Allowance for loan losses	(7,831)	(17,978)
Total	**2,384,175**	**3,246,067**
Current	420,451	274,077
Non-current	1,963,724	2,971,990

Changes in allowance for expected loan losses is presented in Note 6.4.

6.4. Allowance for loan losses

We present below the reconciliation of expected loan losses segregated in phases, both for operations of the loan portfolio and for other financial assets and credit commitments to be released, subject to the requirements for impairment in accordance with IFRS 9 – Financial Instruments.

	2021			
	Stage 1	Stage 2	Stage 3	Total
Loans				
Balance at the beginning of the year	**2,019,545**	**456,758**	**16,189,874**	**18,666,177**
Recognition / (reversal), net	(731,633)	(143,339)	6,999,141	6,124,169
Transfer between stages	(253,639)	362,401	(14,624,851)	(14,516,089)
Write-offs due to derecognition	-	-	(243,260)	(243,260)
Balance at the end of the year	**1,034,273**	**675,820**	**8,320,904**	**10,030,997**
Interbank Onlendings				
Balance at the beginning of the year	**438,166**	**-**	**664,901**	**1,103,067**
Recognition / (reversal), net	(203,515)	46	(248,549)	(452,018)
Transfer between stages	(97,207)	48,464	(415,574)	(464,317)
Balance at the end of the year	**137,444**	**48,510**	**778**	**186,732**
Credit sale of securities				
Balance at the beginning of the year	**555**	**-**	**193,837**	**194,392**
Recognition / (reversal), net	(218)	-	(92,495)	(92,713)
Transfer between stages	18	-	(1,909)	(1,891)
Balance at the end of the year	**355**	**-**	**99,433**	**99,788**
Rights receivables				
Balance at the beginning of the year	**12**	**-**	**834,179**	**834,191**
Recognition / (reversal), net	(9)	-	60,238	60,229
Transfer between stages	152	1,563	(8,802)	(7,087)
Balance at the end of the year	**155**	**1,563**	**885,615**	**887,333**
Debentures - Amortized cost				
Balance at the beginning of the year	**16,485**	**1,493**	**-**	**17,978**
Recognition / (reversal), net	(9,321)	(720)	-	(10,041)
Transfer between stages	(463)	357	-	(106)
Balance at the end of the year	**6,701**	**1,130**	**-**	**7,831**
Debentures - FVTOCI				
Balance at the beginning of the year	**40,597**	**-**	**303,090**	**343,687**
Recognition / (reversal), net	(12,738)	**5,888**	(303,090)	(309,940)
Balance at the end of the year	**27,859**	**5,888**	**-**	**33,747**
Foreign fixed income security - Amortized cost	-	-	-	**-**
Recognition / (reversal), net	416	**-**	**-**	416
Balance at the end of the year	**416**	**-**	**-**	**416**
Foreign fixed income security - FVTOCI				
Balance at the beginning of the year	**373**	**-**	**-**	**373**
Recognition / (reversal), net	(59)	**-**	**-**	(59)
Balance at the end of the year	**314**	**-**	**-**	**314**
Credit commitments				
Balance at the beginning of the year				**7,978**
Recognition / (reversal), net				81,310
Balance at the end of the year				**89,288**

For the base date of December 31, 2021, BNDES revised the estimate referring to the criterion for declaring an asset with credit recovery problem, refer to Note 32.17.

	2020			
	Stage 1	Stage 2	Stage 3	Total
Loans				
Balance at the beginning of the year	**960,666**	**584,034**	**12,934,347**	**14,479,047**
Recognition / (reversal), net	1,053,557	277,485	(3,498,975)	(2,167,933)
Transfer between stages	5,322	(404,761)	6,913,565	6,514,126
Write-offs due to derecognition	-	-	(159,063)	(159,063)
Balance at the end of the year	**2,019,545**	**456,758**	**16,189,874**	**18,666,177**
Interbank Onlendings				
Balance at the beginning of the year	**344,890**	**1,949**	**533,775**	**880,614**
Recognition / (reversal), net	96,659	(45)	57,591	154,205
Transfer between stages	(3,383)	(1,904)	73,535	68,248
Write-offs due to derecognition	-	-	-	-
Balance at the end of the year	**438,166**	**-**	**664,901**	**1,103,067**
Credit sale of securities				
Balance at the beginning of the year	**327**	**-**	**84,260**	**84,587**
Recognition/ (reversal), net	254	-	107,680	107,934
Transfer between stages	(26)	-	1,909	1,883
Write-offs due to derecognition	-	-	(12)	(12)
Balance at the end of the year	**555**	**-**	**193,837**	**194,392**
Rights receivables				
Balance at the beginning of the year	**9**	**-**	**629,417**	**629,426**
Recognition / (reversal), net	3	-	204,762	204,765
Write-offs due to derecognition	-	-	-	-
Balance at the end of the year	**12**	**-**	**834,179**	**834,191**
Debentures - Amortized cost				
Balance at the beginning of the year	**12,329**	**1,677**	**-**	**14,006**
Recognition/ (reversal), net	4,195	(173)	-	4,022
Transfer between stages	(39)	(11)	-	(50)
Balance at the end of the year	**16,485**	**1,493**	**-**	**17,978**
Debentures - FVTOCI				
Balance at the beginning of the year	**26,361**	**-**	**350,092**	**376,453**
Recognition/ (reversal), net	13,981	-	(26,833)	(12,852)
Transfer between stages	255	-	(20,169)	(19,914)
Balance at the end of the year	**40,597**	**-**	**303,090**	**343,687**
Foreign fixed income security - Amortized cost				
Balance at the beginning of the year	**2,720**	**-**	**-**	**2,720**
Recognition/ (reversal), net	(2,720)	-	-	(2,720)
Balance at the end of the year	**-**	**-**	**-**	**-**
Foreign fixed income security - FVTOCI				
Balance at the beginning of the year	**188**	**-**	**-**	**188**
Recognition / (reversal), net	185	-	-	185
Balance at the end of the year	**373**	**-**	**-**	**373**
Credit commitments				
Balance at the beginning of the year				**7,945**
Recognition / (reversal), net				33
Balance at the end of the year				**7,978**

Breakdown of income (loss) from allowance for loan losses

	2021	2020
Net reversal (recognition):	9,588,137	(4,851,932)
Loans	8,391,920	(4,346,193)
Interbank onlendings	916,335	(222,453)
Credit sale of securities	94,604	(109,817)
Rights receivables	(53,142)	(204,765)
Debentures	320,087	28,794
Foreign fixed income securities	(357)	2,535
Credit commitments	(81,310)	(33)
Recovery of previously written-off credits	883,991	1,837,412
Net (income) expense in the year	**10,472,128**	**(3,014,520)**

6.5. Renegotiated and recovered credits

	2021	2020
Credits transferred to loss	243,260	159,075
Recovered credits	883,991	1,837,412
Renegotiated credits	69,118,823	234,326,193

In March 2020, the BNDES Group approved immediate socioeconomic measures on an emergency basis that aim to help mitigating the effects of the new coronavirus pandemic in Brazil. One of the measures is the possibility of granting the temporary suspension of amortization of loans contracted with the companies of the System for a period of up to six months, in the direct and indirect modalities, to companies affected by the crisis – a measure known in the market as standstill. In October 2020, a new possibility of temporary suspending payment of principal and interest was offered for six months for direct and indirect non-automatic operations with specific industries and microcredit operations, and for three months for automatic operations with the public sector. In April 2021, a new possibility of suspending payments for specific sectors was reopened. In the second semester of 2021, the program for suspension of payments for Hydroelectric Power Plants above 50MW of installed capacity was opened. The period of temporary suspension for payment of principal and interest is up to 7 months, from September 2021 to June 2022.

As of December 31, 2021, the balance of operations with temporary amortization suspension under the emergency measure accounts for 13.34% in the total portfolio of loans and interbank onlendings.

7. SECURITIES

Securities represent the second largest group of BNDES' assets.

	2021				2020			
	Valued at market value		Valued at amortized cost		Valued at market value		Valued at amortized cost	
	Result (FVTPL)	Shareholders' equity (FVTOCI)	Amortized cost (AC)	Total	Result (FVTPL)	Shareholders' equity (FVTOCI)	Amortized cost (AC)	Total
Government bonds	65,781,998	21,806,752	57,864	87,646,614	78,132,298	28,111,755	53,899	106,297,952
Unrelated shares	-	51,511,863	-	51,511,863	-	64,784,952	-	64,784,952
Debentures [1]	501,338	4,560,293	2,384,175	7,445,806	5,275,177	3,847,551	3,246,067	12,368,795
Investment funds	1,670,627	1,802,524	-	3,473,151	653,698	1,829,879	-	2,483,577
Foreign fixed income securities[1]	71,189	5,837,351	3,840,473	9,749,013	67,803	2,260,222	-	2,328,025
Total	**68,025,152**	**85,518,783**	**6,282,512**	**159,826,447**	**84,128,976**	**100,834,359**	**3,299,966**	**188,263,301**

[1] The balances of debentures and fixed income securities abroad measured at amortized cost are presented net of the allowance for loan losses; their changes are presented in Note 6.4.

7.1. Government bonds

	2021				2020			
	FVTPL	FVTOCI	CA	Total	FVTPL	FVTOCI	CA	Total
Own portfolio	43,649,303	11,232,101	57,864	54,939,268	51,853,016	22,042,705	53,899	73,949,620
Subject to repurchase agreements	19,836,313	6,316,471	-	26,152,784	22,158,272	3,780,073	-	25,938,345
Subject to guarantees provided	2,296,382	4,258,180	-	6,554,562	4,121,010	2,288,977	-	6,409,987
Total	**65,781,998**	**21,806,752**	**57,864**	**87,646,614**	**78,132,298**	**28,111,755**	**53,899**	**106,297,952**
Current				70,940,967				84,664,318
Non-current				16,705,647				21,633,634

7.2. Unrelated shares

The BNDES Group's shareholding portfolio is mostly represented by equity investments of companies over which the BNDES Group does not have significant influence.

The remaining equity investments comprising investments in associated companies are presented in Note 9.

Assets from equity investment portfolio result, mainly, from operations of financial support from BNDES Group, whose focus generally corresponds to long-term perspective.

The accounting practices for the recognition and measurement of unrelated shares follow the criteria provided for specifically in the IFRS 9 and IFRS 7 standards. See Note 32.1 for further details.

Find below the breakdown of the portfolio of shares and share deposit certificates classified in the category "fair value through other comprehensive income (FVTOCI)," containing the details of the main interests in companies listed on the stock exchange, which represent about 90% of the total portfolio classified in this category.

Investees	2021			Book value	
	Shares held (thousand)		% of interest in total capital		
	Common	Preferred		2021	2020
LEVEL 1					
PETROBRAS [1]	17,700	1,035,459	8.07	30,064,508	29,856,265
ELETROBRAS [2]	216,303	36,954	16.15	8,455,187	9,265,097
COPEL - UNITS	131,162	524,646	23.96	4,147,329	4,683,603
CEMIG	63,083	22,344	5.04	1,452,578	1,329,342
EMBRAER	39,762	-	5.37	987,303	348,319
BRASIL ENERGIA S.A. (former AES TIETÊ ENERGIA)	39,555	-	8.04	437,869	655,419
ENGIE BRASIL ENERGIA	7,245	-	0.89	279,212	344,017
COMPANHIA SIDERURGICA NACIONAL	8,795	-	0.63	221,104	280,997
OURO FINO SAÚDE ANIMAL	6,614	-	12.26	166,870	238,235
COPASA	13,160	-	3.46	166,337	214,106
VALE [3]	-	-	-	-	10,045,547
KLABIN [3]	-	-	-	-	2,205,216
Subtotal – Level 1				**46,378,297**	**59,466,163**
Other companies - Level 1				347,606	462,685
Total level 1				**46,725,903**	**59,928,848**
LEVEL 2				**79,028**	**-**
LEVEL 3				**4,706,932**	**4,856,104**
TOTAL				**51,511,863**	**64,784,952**
Current				571,696	10,045,547
Non-current				50,940,167	54,739,405

[1] Of the total interest of 8.07%, 1.03% are held directly by BNDES (with 135,248 thousand preferred shares) and 7.04% through its subsidiary BNDESPAR (17,700 thousand common shares and 900,210 thousand preferred shares).

[2] Of the total interest of 16.15%, 5.92% are held directly by BNDES (with 74,545 thousand common shares and 18,263 thousand preferred shares) and 10.23% through its subsidiary BNDESPAR (141,758 thousand common shares and 18,691 thousand preferred shares).

[3] Equity interest disposed during the year ended December 31, 2021.

For details related to classification of portfolio per levels, see the Note 32.1.6

Net income from investments in unrelated shares

Besides the economic gains from the market appreciation of shares measured at fair value through other comprehensive income (FVTOCI), BNDES calculates gains from these assets when (i) it disposes of such shares; and (ii) it is remunerated as a shareholder in the form of dividends and/or interest on shareholders' equity (JCSP).

In the year ended December 31, 2021, BNDES determined the gain on the disposal of shares classified as FVTOCI in the amount of R$ 11,580,532, net of tax effects totaling R$ 7,182,657 (R$ 33,477,507 in the year ended December 31, 2020, and R$ 19,583,328 is net of tax effects).

A considerable part of the gain on the sale of shares recognized in the year ended December 31, 2021 stems from the sale, by BNDESPAR, of shares of Vale S.A. in the amount of R$ 9,929,523 (disregarding the tax effect). As of February 22, 2021, BNDESPAR completed the process of selling all its shareholding interest in Vale S.A., which started in the previous year, so that it no longer has shares issued by said company.

Most of the gain on disposal of shares recognized in the year ended December 31, 2020 refers to: (i) sale by BNDES of all common shares issued by Petrobras and held by it, resulting in a gain of R$ 17,052,877; and (ii) sale by BNDESPAR of Vale S.A. shares, with a gain of R$ 10,882,721.

The gain on disposals of shares at FVTOCI, net of tax effects, was transferred from "other comprehensive income" to "Retained earnings (losses)."

We present below the breakdown of income from Dividends and interest own shareholders' equity referring to companies listed on the stock exchange, evidenced in the Statement of Income.

Investees	2021			2020		
	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total
Petrobras	4,836,615	1,111,463	5,948,078	3,199	448,262	451,461
Copel	670,485	159,469	829,954	-	192,517	192,517
Eletrobras	611,263	-	611,263	396,748	-	396,748
Naturgy Brasil (former CEG)	193,550	17,106	210,656	8,803	16,245	25,048
Cemig	51,308	50,926	102,234	20,121	29,372	49,493
Copasa	1,991	10,441	12,432	28,458	8,225	36,683
AES Tietê	1,574	-	1,574	72,666	3,530	76,196
Vale	-	-	-	265,811	645,537	911,348
Subtotal	**6,366,786**	**1,349,405**	**7,716,191**	**795,806**	**1,343,688**	**2,139,494**
Other companies	63,573	7,409	70,982	22,515	5,137	27,652
Total	**6,430,359**	**1,356,814**	**7,787,173**	**818,321**	**1,348,825**	**2,167,146**

7.3. Debentures

	2021				2020			
	FVTPL	FVTOCI	CA [1]	Total	FVTPL	FVTOCI	CA[1]	Total
Private sector	501,338	4,162,601	1,020,088	5,684,027	5,275,177	3,269,833	1,400,120	9,945,130
Public sector	-	397,692	1,364,087	1,761,779	-	577,718	1,845,947	2,423,665
Total	**501,338**	**4,560,293**	**2,384,175**	**7,445,806**	**5,275,177**	**3,847,551**	**3,246,067**	**12,368,795**
Current				1,071,376				3,838,565
Non-current				6,374,430				8,530,230

[1] Debentures measured at amortized cost are part of the loan portfolio operations, as presented in Note 6.3.

7.4. Investment funds

These investments are managed by private financial institutions. The quotas of these funds are evaluated by values disclosed by the related manager in the reporting date.

Fund	Administrator	2021	2020
SRM EXODUS PME FIDC	Vortx Distribuidora de Títulos e Valores Mobiliários Ltda.	318,970	-
VINCI Energia Sustentável FIDC	BRL Trust Investimentos Ltda.	263,034	254,957
Pátria Infraestrutura III FI FIP	Pátria Infraestrutura Gestão de Recursos Ltda.	256,008	191,348
Pátria Crédito Estruturado FIDC	Intrag Distribuidora de Títulos e Valores Mobiliários Ltda.	246,086	86,976
Fundo Ag Angra Infra-Estrutura FIP	BEM – Distribuidora de Títulos e Valores Mobiliários Ltda.	201,756	155,810
Fundo BBI Financial I FMIEE	FinHealth Gestão de Recursos S.A.	200,449	130,407
BIZCAPITAL FINPASS PME FIDC	CM Capital Markets DTVM Ltda.	171,436	-
Capital Tech II FIP	BRL Trust Investimentos Ltda.	126,557	73,827
Brasil Agronegócio FIP	BEM – Distribuidora de Títulos e Valores Mobiliários Ltda.	118,391	76,331
CASHME-PLURAL FIDC	Plural S.A. Banco Múltiplo	98,901	-
CRIATEC III FIP	Lions Trust Adm de Recursos LTDA	92,268	60,911
Pátria Infraestrutura IV FEEDER-A FIP	Pátria Infraestrutura Gestão de Recursos LTDA.	86,140	15,125
XP MPME I FIDC	BRL Trust Distribuidora de Títulos e Valores Mobiliários S.A.	85,280	-
CRIATEC II FIP	Lions Trust Adm de Recursos Ltda.	83,016	70,075
Subtotal		**2,348,292**	**1,115,767**
Other		1,124,859	1,367,810
Total		**3,473,151**	**2,483,577**
Current		1,485,068	461,942
Non-current		1,988,083	2,021,635

7.5. Derivatives

BNDES carries out derivative operations aiming at managing its asset and liability exposure to market risks, including the management of the treasury portfolio profitability, within limits established in the scope of its risk management internal governance. The transactions that BNDES carries out with these instruments may be found in the Note 32.1.4.

7.5.1. Breakdown

		2021			2020	
			Market value		Market value	
	Maturities	Reference value	Assets	(Liabilities)	Assets	(Liabilities)
Swap agreements						
Foreign exchanges:						
USD x Euro	June 2022	145	78	-	-	(10,716)
Interest rate in US$:						
Floating x Fixed	Oct 2042–Oct 2045	(193,052)	151,704	(49,481)	31,921	(5,555)
Subtotal		**(192,907)**	**151,782**	**(49,481)**	**31,921**	**(16,271)**
Future contracts [1]						
DI (short position)	Apr 2022–Jan 2029	(63,202,418)	-	-	-	-
USD (short position)	Jan 2022–Feb 2022	(2,830,709)	-	-	-	-
DDI (long position)	Jan 2022–Jan 2027	26,782,838	-	-	-	-
DAP (short position)	Jan 2022–May 2035	5,836,414	-	-	-	-
Subtotal		**(33,413,875)**	**-**	**-**	**-**	**-**
Options	**Pricing**					
Share subscription bonus (assets)	Black-Scholes, Valuation/DCF Ratio and Binomial Tree		683,183	-	383,187	-
Subtotal			**683,183**	**-**	**383,187**	**-**
Total			**834,965**	**(49,481)**	**415,108**	**(16,271)**
Current			533,804	(46,206)	42,837	(12,701)
Non-current			301,161	(3,275)	372,271	(3,570)

[1] Daily adjustments to settle the operations with future contracts are recorded and presented under “other financial assets - sundry.”

The market value of each swap transaction is defined as the difference between the estimated present value of its long and short positions. The estimate of each position consists of the calculation of its respective future cash flows - based on the contracted rate of the transaction, in the event of a position in a fixed rate, or in projections taken from the market curves, in the event of a floating rate - brought to present value by the market curves applicable to each operation.

Exchange rate and interest rate derivatives in over-the-counter market

The table below describes the active operations carried out in over-the-counter market with balance on December 31, 2021. All operations below have been accounted according to BACEN Circular Letter 3,082/2002.

Notional value	Reference currencies	Maturity	Counterparties
US$ 7.85 million [1]	USD - EUR	June 2022	Santander
US$ 1,050.25 million [1]	USD (floating interest rate)	Oct 2045	Bank of America Merrill Lynch, Goldman Sachs, Citibank and Santander

[1] Operations contracted with a bilateral credit risk mitigation mechanism through the lien of government bonds and interbank deposits as margin. Under the terms of the agreements entered by among the parties, there is a bilateral contribution of initial margins on the operation contracting and, until the settlement, there will be periodic evaluations for any guarantees reinforcement.

As of December 31, 2021, government securities given as collateral to those operations amounted to R$ 34,031 and government securities in the amount of R$ 38,841 were received as collateral. R$ 69,799 were also received in DI operations to guarantee said swap operations.

The table below describes the active operations carried out in over-the-counter market with balance on December 31, 2020.

Notional value	Reference currencies	Maturity	Counterparties
US$ 23.5 million [1]	USD - EUR	June 2022	Santander
US$ 454.6 million [1]	USD (floating interest rate)	May 2021–Oct 2042	Bank of America Merrill Lynch, Bradesco, Goldman Sachs, Citibank and Santander

[1] Operations contracted with a bilateral credit risk mitigation mechanism through the lien of government bonds and interbank deposits as margin. Under the terms of the agreements entered by among the parties, there is a bilateral contribution of initial margins on the operation contracting and, until the settlement, there will be periodic evaluations for any guarantees reinforcement.

As of December 31, 2020, government securities given as collateral to those operations amounted to R$ 41,800 and government securities in the amount of R$ 13,292 were received as collateral. R$ 23,392 were also received in DI operations to guarantee said swap operations.

7.5.2. Income (loss) from derivatives

Income (expenses)	2021	2020
Swap	44,737	(103,102)
Future	4,256,911	4,537,124
Forward	-	(9)
Income (loss) from derivatives - fixed income	**4,301,648**	**4,434,013**
Options	81,457	465,333
Income (loss) from derivatives - variable income	**81,457**	**465,333**
Net income (loss)	**4,383,105**	**4,899,346**

8. OTHER FINANCIAL ASSETS AT AMORTIZED COST

	2021	2020
Rights receivable - Eletrobras Group	5,045,893	8,711,821
Credits from the National Treasury (Note 23.1.1)	2,033,029	1,334,031
Dividends and interest on shareholders' equity receivable	132,415	227,301
Receivables from guarantee deposits	862,753	803,359
Assignment of capitalization right	430,503	430,503
Reimbursable payments	115,774	69,845
Other	461,507	635,848
Total	**9,081,874**	**12,212,708**
Current	5,336,755	5,271,972
Non-current	3,745,119	6,940,736

8.1. Rights receivable - Eletrobras Group

On December 28, 2012, under the terms of the article 7 of Provisional Measure Nº 600 of the same date, converted into Law 12,833/2013, BNDES acquired credits held by the federal government against Itaipu Binacional, for the price of R$ 6,001,807. The acquisition was settled through delivery to the federal government of equity investments portfolio issued by joint-stock corporations, in the amount of R$ 5,998,585, and with the payment, on December 31, 2012, of R$ 3,222 in domestic currency. These credits, of an economic value equivalent and corresponding to a flow of payments in domestic currency described in the pertinent contract, are guaranteed, with respect to their existence and settlement, by the federal government, who was obliged to honor them unconditionally. Their maturity occurs between March 2020 and February 2023 (monthly payments) and the internal rate of return is 9.34%.

	2021	2020
Rights receivable - Eletrobras Group	5,045,893	8,711,821
Total	**5,045,893**	**8,711,821**
Current	4,549,390	4,295,530
Non-current	496,503	4,416,291

8.2. Dividends and interest on shareholders' equity receivable

	2021	2020
Unrelated shares		
Dividends	3,473	13,001
Interest on shareholders' equity	121,013	209,396
Associated companies		
Dividends	-	1,591
Interest on shareholders' equity	7,929	3,313
Total	**132,415**	**227,301**
Current	132,415	227,301

9. INVESTMENTS IN ASSOCIATED COMPANIES

Investments in associated companies of the BNDES Group represent all investees over which BNDESPAR exercises "significant influence" in accordance with IAS 28 – Investments in Associates and Joint Ventures. For further details on the accounting practices of investments in associated companies, see Note 32.2.

Changes in the balance on each year

Associated companies and assets held for sale	Balance at 01/01/2021	Acquisitions	Dividends/interest on shareholders' equity	Equity in earnings (losses) of subsidiaries and associates	Other equity in net income of subsidiaries[1]	Equity valuation adjustments reflected from associated companies	Reversal (recognition) of allowance for impairment loss	Disposal	Balance at 12/31/2021
JBS [2] [3] [4]	9,009,691	-	(1,755,465)	4,132,259	59,835	(354,431)	-	(1,375,726)	9,716,163
Tupy	737,226	-	(17,563)	67,924	140	(7,022)	-	-	780,705
Subtotal	**9,746,917**	**-**	**(1,773,028)**	**4,200,183**	**59,975**	**(361,453)**	**-**	**(1,375,726)**	**10,496,868**
Other associated companies	1,257,140	339,813	(16,294)	68,620	(24,717)	8,411	(214,295)	(30,531)	1,388,147
Total	**11,004,057**	**339,813**	**(1,789,322)**	**4,268,803**	**35,258**	**(353,042)**	**(214,295)**	**(1,406,257)**	**11,885,015**
Assets held for sale [5]	**30,016**								**949,472**
Associated companies	**10,974,041**								**10,935,543**

Associated companies and assets held for sale	Balance at 01/01/2020	Acquisitions	Dividends/interest on shareholders' equity	Equity in earnings (losses) of subsidiaries and associates	Other equity in net income of subsidiaries[1]	Equity valuation adjustments reflected from associated companies	Reversal (recognition) of allowance for impairment loss	Effects from transfers from/to securities	Balance at 12/31/2020
JBS [2] [3]	7,181,075	-	(314,443)	144,838	(75,213)	2,073,434	-	-	9,009,691
Tupy	655,312	-	-	(12,418)	125	94,207	-	-	737,226
Subtotal	**7,836,387**	**-**	**(314,443)**	**132,420**	**(75,088)**	**2,167,641**	**-**	**-**	**9,746,917**
Other associated companies	1,253,524	9,783	(16,393)	276,563	(317,331)	79,443	18,720	(47,169)	1,257,140
Total	**9,089,911**	**9,783**	**(330,836)**	**408,983**	**(392,419)**	**2,247,084**	**18,720**	**(47,169)**	**11,004,057**
Assets held for sale	**-**								**30,016**
Associated companies	**9,089,911**								**10,974,041**

[1] It includes effects from the change in the interest on associated companies and the amortization of goodwill/bargain purchase assessed on the acquisition of the equity investment.

[2] Equity in earnings (losses) of subsidiaries and associates of JBS includes the changes in capital reserve recognized by the associated company as a result of capital transactions. Moreover, in the year ended December 31, 2020, it includes the debt effect of the adoption by the associated company of IFRIC 23 - Uncertainty on Income Tax Treatment in the amount of R$ 414,606.

[3] The change in the "Adjustment for Reflex Valuation of associated companies" results mainly from the Accumulated Translation Adjustment recognized by JBS in its shareholders' equity, due to the exchange variation determined in the translation of the financial statements of its subsidiaries abroad. Changes in "Other equity in earnings (losses) of subsidiaries and associates" results from the treasury stock transactions carried out by JBS and the consequent change in the percentage of BNDESPAR's equity interest.

[4] As of December 16, 2021, BNDESPAR sold 70,000,000 shares of JBS, resulting in a profit of R$ 1,568,435 (without tax effects), included in "Income (loss) from disposals of variable income securities."

[5] In addition to the amount of R$ 949,472 as of December 31, 2021, the balance of "Assets held for sale" in the statement of financial position includes R$ 2,287 referring to assets other than associated companies.

Market value of investments in associated companies with prices quoted in the market

Associated companies	Security	2021	2020
JBS	ON	19,427,772	13,831,901
Tupy	ON	821,036	858,430

Market value of listed associated companies was assessed based on the average price of the last trading day when the share was traded, in the reference month.

Summary information on the main balances of the associated companies used to calculate equity in earnings (losses)

When required, financial statements of associated companies used for calculation of equity in equity in earnings (losses) are adjusted to include: (i) effects arising from material events subsequent to the base date; (ii) the effects of standardization of accounting practices; and (iii) adjustments to market value of assets and liabilities identified when BNDES acquired the investment.

The financial information on associated companies, presented on the table below, already include these effects.

	10/31/2021 [1]				
	Assets	Liabilities	Shareholders' equity	Income	Result
JBS	97,828,967	56,163,081	41,665,886	65,492,869	17,985,483
Tupy	5,783,424	3,014,108	2,769,316	3,792,160	235,326
Subtotal	**103,612,391**	**59,177,189**	**44,435,202**	**69,285,029**	**18,220,809**
Other associated companies	11,367,747	2,919,932	8,447,815	4,941,370	495,606
Total	**114,980,138**	**62,097,121**	**52,883,017**	**74,226,399**	**18,716,415**

	10/31/2020 [1]				
	Assets	Liabilities	Shareholders' equity	Income	Result
JBS	80,934,917	42,463,994	38,470,923	48,996,006	2,768,942
Tupy	5,922,443	3,310,079	2,612,364	2,489,196	(52,597)
Subtotal	**86,857,360**	**45,774,073**	**41,083,287**	**51,485,202**	**2,716,345**
Other associated companies	9,072,571	6,194,269	2,878,302	3,523,072	316,003
Total	**95,929,931**	**51,968,342**	**43,961,589**	**55,008,274**	**3,032,348**

[1] Base date of shareholders' equity of the investees used to calculate the last equity accounting.

Analysis of the recoverable value

During the year ended December 31, 2021, BNDESPAR analyzed the need to recognize provision for impairment losses on investments in associated companies, in accordance with IAS 36 – Impairment of Assets, and a need to recognize a provision in the amount of R$ 214,295 was identified. In the year ended December 31, 2020, the need to reverse a provision in the amount of R$ 18,720, net of the formation of R$ 55,933, was identified.

Income (loss) from disposals

In the year ended December 31, 2021, income from disposals of variable income securities recognized in the Statement of Income includes R$ 1,570,900 referring to disposal of equity interest in associated companies and R$ 231 referring to disposal of bonuses and subscription rights (R$ 3,239 referring to disposal of equity interest in associated companies for the year ended December 31, 2020).

10. OTHER ASSETS

	2021	2020
Prepaid expenses	1,280,074	1,293,241
Tax incentives	29,298	21,927
Other investments	42,146	42,146
Other assets	1,187	2,986
Total	**1,352,705**	**1,360,300**
Current	1,281,261	1,296,227
Non-current	71,444	64,073

11. BORROWINGS AND ONLENDINGS

	2021	2020
Borrowings		
Country	2,832,950	3,192,380
Foreign	9,007,763	8,385,578
	11,840,713	**11,577,958**
Onlendings		
Country		
National Treasury	101,318,093	158,463,841
Merchant Marine Fund (FMM)	24,029,327	25,824,431
Other	635,909	451,153
Foreign - Multilateral institutions	24,390,216	27,012,288
	150,373,545	**211,751,713**
Total	**162,214,258**	**223,329,671**
Current	13,792,663	17,445,018
Non-current	148,421,595	205,884,653

Loans and onlendings agreements do not include covenants that could affect BNDES' financial statements.

11.1. Breakdown

a) Domestic borrowings

	2021	2020
Liabilities for acquisition of federal government securities	1,833,882	2,199,614
Financed insurance premiums payable to the Export Guarantee Fund - FGE	999,068	992,766
Total	**2,832,950**	**3,192,380**
Current	445,660	441,325
Non-current	2,387,290	2,751,055

Liabilities for acquisition of federal government securities

BNDES acquired federal government bonds, through a loan, with the Severance Pay Indemnity Fund (FGTS). This loan, in the updated amount of R$ 1,833,882 on December 31, 2021 - R$ 372,270 in the current and R$ 1,461,612 in the non-current - (R$ 2,199,614 - R$ 373,665 in the current and R$ 1,825,949 in the non-current as of December 31, 2020) was made under the following conditions: Monetary restatement based on the Reference Rate (TR) and interest rate of 4.8628% p.y., with an amortization term of 18 years, made monthly from January 1, 2009 to December 1, 2026.

b) Foreign borrowings - Bonus

Issuance amount	Maturity	Funding rates (%)	Paying agent	2021	2020
USD 1.75 billion [1]	09/26/2023 [2] [3]	5.750	Bank of New York	6,105,452	5,685,549
USD 1 billion	05/09/2024 [4]	4.750	Bank of New York	2,772,381	2,581,710
Accrued interest				129,930	118,319
Total				**9,007,763**	**8,385,578**
Current				129,930	118,319
Non-current				8,877,833	8,267,259

[1] Balance composed by the original issuance on September 2013, amounting to USD 1.250 billion and by the reopening of this bond, on April 2014, for the additional amount of USD 500 million.

[2] Between November 16 and 20, 2015, US$ 309.8 million was repurchased through public offering, as the face value of the security maturing on 09/26/2023.

[3] Between December 2015 and January 2016, it was cancelled USD 655.9 million of the bonds with maturity on 09/26/2023.

[4] Between September 10 and 14, 2018, US$ 503.2 million was repurchased through public offering, as the face value of the security maturing on 05/09/2024. Total securities repurchased through this offer was cancelled on September 21, 2018.

c) Domestic Onlendings

National Treasury

Currency / Remuneration rates	Average maturity (years)	2021	2020
US$	15.59	891,339	897,331
US$ + 3.02%	17.38	5,182,723	5,101,912
SELIC	18.40	3,634,576	34,685,143
TJLP	19.23	90,890,900	114,951,847
TLP	19.23	243,271	403,350
Reais (R$) + 3.25%	2.03	28,092	1,894,663
Accrued interest		447,192	529,595
Total		**101,318,093**	**158,463,841**
Current		8,138,152	11,967,434
Non-current		93,179,941	146,496,407

During the year 2021, BNDES anticipated R$ 63 billion the National Treasury, of which R$ 49.5 billion were onlending operations and R$ 13.5 billion were Instruments Eligible for Core Capital, refer to Note 21.2.

Merchant Marine Fund - FMM

Since 1984, BNDES acts as financial agent of the Merchant Marine Fund (FMM), with the purpose of fostering the renovation, expansion and recovery of the National Merchant Marine fleet.

On December 31, 2021, the amount of investments in BNDES risk financing operations reached R$ 24,029,327 (R$ 25,824,431 on December 31, 2020), and R$ 2,306,607 in current and R$ 21,722,720 in non-current (R$ 2,149,987 in current and R$ 23,674,444 in non-current as of December 31, 2020). The percentage linked to foreign currency was 77% as of December 31, 2021 (74% as of December 31, 2020).

d) Foreign onlendings - multilateral institutions

Institution	Currency	Average maturity (years)	2021	2020
Japan Bank for Internacional Cooperation – JBIC [1]	YEN/US$	5.69	1,488,133	2,669,805
Inter-American Development Bank - BID	US$	14.71	17,613,453	17,701,259
Nordic Investment Bank - NIB	US$	0.46	50,732	141,728
Kreditanstalt für Wiederaufbau - KfW	US$	9.45	3,146,100	3,324,683
Agence Française de Développement - AFD	US$	5.20	638,657	713,680
El Instituto de Crédito Oficial - ICO [2]	US$	-	-	938,169
New Development Bank - NDB	US$	7.61	1,395,125	1,472,399
Accrued interest			58,016	50,565
Total			**24,390,216**	**27,012,288**
Current			2,772,314	2,767,953
Non-current			21,617,902	24,244,335

[1] On December 20, 2021, the partial prepayment of the debt with Japan Bank for International Cooperation – JBIC was made.
[2] On 9/15/2021, the full prepayment of the debt was made with the Official Credit Institute (ICO).

Foreign onlendings agreements are subject to rates ranging between 0.27% and 4.31% p.y. on December 31, 2021 and December 31, 2020. The concentration by funding rate is presented below:

	2021	2020
Funding rates:		
Up to 3%	22,932,818	25,414,519
3.1–5%	1,399,382	1,547,204
Accrued interest	58,016	50,565
Total	**24,390,216**	**27,012,288**

Foreign funding of BNDES includes resources raised from the traditional market instruments (bank loans and issuing of eurobonds) and those raised from multilateral institutions and governmental agencies. While the market instruments do not require any guarantee from the federal government, borrowings from Nordic Investment Bank (NIB) until 2010 and Inter-American Development Bank (IDB) have a formal guarantee from the federal government. Loans from government institutions such as Japan Bank for International Cooperation (JBIC), Kreditanstalt für Wiederaufbau (KfW), Agence Française de Développement (AFD), El Instituto de Crédito Oficial (ICO), including the agreement signed with the NIB on July 2015, and agreement executed into with the Multilateral Institution New Development Bank – NDB in 2017, did not require any formal guarantee from the federal government.

11.2. Breakdown per maturity

	2021			2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Years:						
up to 1	10,890,419	2,902,244	13,792,663	14,558,746	2,886,272	17,445,018
1–2	9,859,327	2,622,174	12,481,501	13,340,672	2,721,075	16,061,747
2–3	8,146,933	2,504,392	10,651,325	12,010,327	2,636,166	14,646,493
3–5	16,001,880	4,782,400	20,784,280	21,291,355	5,054,906	26,346,261
5–10	35,691,744	6,713,159	42,404,903	49,911,717	8,478,484	58,390,201
>10	48,225,976	13,873,610	62,099,586	76,818,988	13,620,963	90,439,951
Total	**128,816,279**	**33,397,979**	**162,214,258**	**187,931,805**	**35,397,866**	**223,329,671**

12. FAT - SUBORDINATED DEBT AND SPECIAL DEPOSITS

FAT resources transferred to BNDES are classified in two categories: Constitutional and Special deposits.

For further information on FAT, see the Note 32.16.

12.1. Constitutional FAT

The debit balance of Constitutional FAT is recorded under "Subordinated Debts" and is broken down as follows:

	2021	2020
FAT - Local currency (TJLP/TLP/Selic)	303,565,919	271,976,818
FAT - Foreign exchange (Exchange - US$) [1]	29,585,794	29,761,579
	333,151,713	**301,738,397**
Accrued interest	7,562,220	6,068,900
Total	**340,713,933**	**307,807,297**
Current	7,562,220	6,068,900
Non-current	333,151,713	301,738,397

[1] Up to 50% of FAT Constitucional funds may be applied in projects intended for production/ trading of assets and services with recognized international position (CODEFAT Resolution 320, of 04/29/2003).

Subordinated debt – Constitutional FAT Eligible to Capital

See Note 25.2 - Measurement of Regulatory Capital.

12.2. FAT - Special Deposits

The debit balance of "FAT - Special Deposits," is recorded under "Deposits" caption as follows:

Deposits	2021	2020
FAT - Special deposits	6,641,264	7,181,869
Interbank deposits	71,158	23,392
Sundry deposits	531	511
Total	**6,712,953**	**7,205,772**
Current	1,011,356	1,050,935
Non-current	5,701,597	6,154,837

FAT - Special Deposits are comprised by the following programs:

FAT - Special Deposits	2021	2020
Fomentar	2,059,596	2,959,280
Pronaf	3,441,417	2,445,733
Infrastructure	1,140,251	1,776,856
Total	**6,641,264**	**7,181,869**
Current	939,667	1,027,032
Non-current	5,701,597	6,154,837

The table below presents the available and applied balances and their remuneration by credit facility of each program:

Program/Special Credit Facility/Highlight of the Special Deposits Program	2021												
	Inflows	Remuneration (Appropriation)				Payment					Balance		
		SELIC	TJLP	TLP	Total	SELIC	TJLP	TLP	Principal	Total	Available	Applied	Total
FAT INFRAESTRUTURA:	**-**	**9,438**	**51,808**	**-**	**61,246**	**9,026**	**52,216**	**-**	**636,610**	**697,852**	**158,669**	**981,582**	**1,140,251**
Econômica-TADE 06/2005	-	9,438	51,808	-	61,246	9,026	52,216	-	636,610	697,852	158,669	981,582	1,140,251
PRONAF:	**1,350,000**	**5,983**	**39,196**	**200,768**	**245,947**	**4,627**	**40,048**	**181,490**	**374,096**	**600,261**	**326,356**	**3,115,061**	**3,441,417**
Investment-TADE 19/2005	1,350,000	5,983	39,196	200,768	245,947	4,627	40,048	181,490	374,096	600,261	326,356	3,115,061	3,441,417
FAT FOMENTAR:	**50,000**	**18,749**	**8,933**	**223,016**	**250,698**	**16,684**	**9,609**	**225,026**	**949,064**	**1,200,383**	**318,509**	**1,741,087**	**2,059,596**
Micros e Pequenas Empresas-TADE 21/2005	50,000	18,357	4,012	215,157	237,526	16,339	4,515	217,643	918,110	1,156,607	314,006	1,580,116	1,894,122
Médias e Grandes Empresas-TADE 22/2005	-	392	4,921	7,859	13,172	345	5,094	7,383	30,954	43,776	4,503	160,971	165,474
Total	**1,400,000**	**34,170**	**99,937**	**423,784**	**557,891**	**30,337**	**101,873**	**406,516**	**1,959,770**	**2,498,496**	**803,534**	**5,837,730**	**6,641,264**

12.3. Changes in Constitutional FAT and FAT – Special Deposits

	2021			
	Constitutional		Special deposits	Total
	TJLP/TLP/Selic	Foreign exchange		
Balance at the beginning of the year	**277,825,479**	**29,981,818**	**7,181,869**	**314,989,166**
Inflows	20,773,347	-	1,400,000	22,173,347
Exchange-rate variation	-	2,149,028	-	2,149,028
Provision for interest	15,097,408	420,021	185,002	15,702,431
Interest on bank deposits	-	-	372,889	372,889
Interest capitalization	8,734,962	-	-	8,734,962
Amortization of Special deposits	-	-	(1,959,770)	(1,959,770)
Interest payment	(14,024,109)	-	(538,726)	(14,562,835)
Exchange rate changes	2,510,115	(2,754,136)	-	(244,021)
Balance at the end of the year	**310,917,202**	**29,796,731**	**6,641,264**	**347,355,197**

13. REPURCHASE AGREEMENTS

BNDES Group carried out operations for the sale of securities with repurchase commitment backed by federal government bonds, as presented below:

Securities	2021	2020
National Treasury Bills – LTN	32,944,484	25,496,919
Financial Treasury Bills - LFT	2,513,694	12,120,276
National Treasury Notes – NTN-B	3,604,886	38,237
National Treasury Notes – NTN-F	762,053	2,866,110
Total	**39,825,117**	**40,521,542**
Current	39,825,117	40,521,542

14. FINANCIAL AND DEVELOPMENT FUNDS

	2021	2020
Amazon Fund (FA)	3,672,749	3,638,695
Fundo Setorial Audiovisual (FSA)	1,383,629	1,514,350
Land Fund (FT)	880,539	996,598
Fundo Nacional sobre a Mudança do Clima (FNMC)	1,648,266	1,764,789
Merchant Marine Fund (FMM)	760,775	578,514
Fund for Regional Development with Privatization Resources (FRD)	240,908	244,182
Benefit-Sharing National Fund (FNRB)	3,945	2,616
Other	276,677	2,005
Total	**8,867,488**	**8,741,749**
Current	8,328,770	8,200,175
Non-current	538,718	541,574

15. LIABILITIES FOR ISSUING DEBENTURES AND FINANCIAL BILLS

	2021	2020
Debentures - Private Issuance	1,104,756	1,552,183
Financial Bills	1,053,682	1,004,450
Total	**2,158,438**	**2,556,633**
Current	1,423,552	445,113
Non-current	734,886	2,111,520

15.1. Debentures - Private Issuance

On December 23, 2008, BNDES issued 700,000 simple debentures, non-convertible into shares, registered, in five series, with no collateral or floating charge and with no right of first refusal, with personal guarantee.

The unit par value of the debentures is R$ 10 at the issuance date. The issuance was private, by exclusive subscription by the Government Severance Indemnity Fund for Employees Investment Fund (*Fundo de Investimento do Fundo de Garantia por Tempo de Serviço*, "FI-FGTS"), represented by its manager, Caixa Econômica Federal (CEF).

The remuneration was established at 6% p.y., with monthly payments. The debit balance is updated every 15th day of each month by the reference rate (TR) rate. The maturity is on October 15, 2029, with monthly amortization installments from January 15, 2009 to October 15, 2029.

The updated amount of obligation by issuances of debentures by BNDES is presented below:

	2021	2020
3rd issuance of BNDES' simple debentures		
First Series		
Principal adjusted (TR)	236,078	329,956
Accrued interest (6% p.y.)	656	840
Second Series		
Principal adjusted (TR)	236,078	329,956
Accrued interest (6% p.y.)	656	840
Third Series		
Principal adjusted (TR)	236,078	329,956
Accrued interest (6% p.y.)	656	840
Fourth Series		
Principal adjusted (TR)	236,078	329,956
Accrued interest (6% p.y.)	656	840
Fifth Series		
Principal adjusted (TR)	157,383	228,417
Accrued interest (6% p.y.)	437	582
Total	**1,104,756**	**1,552,183**
Current	369,870	445,113
Non-current	734,886	1,107,070

15.2. Financial Bills

On October 22, 2020, the BNDES issued R$ 1 billion in Green Financial Bonds (LFV's), known as Green Bonds. Funding was fully launched in the Brazilian domestic market, with a maturity of two years and CDI rate + 0.45% per annum. The issuance was made in the form of a private offer to the main business partners of BNDES, particularly Brazilian financial institutions and institutional investors and the funds will be allocated to finance environmentally sustainable energy generation projects, certified by a verifying company, specialized in environmental area.

The updated amount of obligation by issuances, maturities and interest are presented below:

	Maturities	2021	2020
Issuance amounts (Principal)	2022	1,000,000	1,000,000
Accrued interest		53,682	4,450
Total		**1,053,682**	**1,004,450**
Current		1,053,682	-
Non-current		-	1,004,450

16. OTHER FINANCIAL LIABILITIES

	2021	2020
Other liabilities – deposits to be allocated	422,439	495,508
From the National Treasury	3,880	16,354
Time acquisition of securities	96,942	-
Dividends and interest on shareholders' equity payable	-	4,911,855
Financial operations to be settled	603,228	120,813
Lease payable	49,269	48,943
Suppliers	112,042	53,907
Deposits to be recognized	11,188	17,044
Financial guarantees provided	910	-
Other	113,603	45,945
Total	**1,413,501**	**5,710,369**
Current	1,256,513	5,634,261
Non-current	156,988	76,108

16.1. Deposits to be recognized

	2021	2020
Deposits for settlement of loans	287,910	405,135
Deposits from AFRMM – special and blocked account	76,691	71,467
Other	57,838	18,906
Total	**422,439**	**495,508**
Current	422,439	495,508

16.2. Lease operations

We present below the changes of right-of-use assets of real estate properties, equipment and vehicles and the corresponding obligations for the year

a) Right-of-use assets

	2021			
	Real estate properties	Equipment	Vehicles	Total
Balance at the beginning of the year	**37,578**	**4,637**	**446**	**42,661**
Additions due to new contracts	**4,155**	**-**	**925**	**5,080**
Remeasurement adjustment	2,915	78	-	2,993
Depreciation	(3,306)	(4,715)	(477)	(8,498)
Balance at the end of the year	**41,342**	**-**	**894**	**42,236**

	2020			
	Real estate properties	Equipment	Vehicles	Total
Balance at the beginning of the year	**126,937**	**3,188**	**1,041**	**131,166**
Additions due to new contracts	-	7,729	-	7,729
Remeasurement adjustment	(83,303)	-	-	(83,303)
Depreciation	(6,056)	(6,280)	(595)	(12,931)
Balance at the end of the year	**37,578**	**4,637**	**446**	**42,661**

The balances presented in this chart are recorded in the "Property, plant and equipment" caption in the statement of financial position.

The remeasurement adjustments refer to the contracts that had the amounts of their installments restated.

b) Leases payable

	2021			
	Real estate properties	Equipment	Vehicles	Total
Balances at the beginning of the year	**43,727**	**4,696**	**520**	**48,943**
Additions due to new contracts	4,155	-	925	5,080
Remeasurement adjustment	2,915	78	-	2,993
Recognized interest	4,118	48	39	4,205
Payments	(6,549)	(4,822)	(581)	(11,952)
Balances at the end of the year	**48,366**	**-**	**903**	**49,269**
Current				6,794
Non-current				42,475

	2020			
	Real estate properties	Equipment	Vehicles	Total
Balance at the beginning of the year	**133,295**	**2,998**	**1,145**	**137,438**
Additions due to new contracts	-	7,729	-	7,729
Remeasurement adjustment	(83,303)	-	-	(83,303)
Recognized interest	4,151	170	96	4,417
Payments	(10,416)	(6,201)	(721)	(17,338)
Balance at the end of the year	**43,727**	**4,696**	**520**	**48,943**
Current				10,802
Non-current				38,141

17. INCOME TAX AND SOCIAL CONTRIBUTION

Taxes and respective applicable rates

Taxes are assessed based on tax legislation in effect. BNDES and its subsidiaries are subject to the tax rates presented in the following table:

Taxes	Rate
Income Tax - IR (15% + 10% surtax)	25%
Social Contribution on Net Income – CSLL [1]	25%
PIS/PASEP Contribution [2]	0.65%
Contribution for Social Security Funding - COFINS[2]	4%
ISS (Service Tax)	Up to 5%

[1] The CSLL rate was increased to 25% in the period from 07/01/2021 to 12/31/2021, returning to 20% as of 2022, according to Law 14183, of July 14, 2021.
[2] For the non-financial companies opting for the taxable income and the non-cumulative regime, the PIS/PASEP rate is 1.65% and the COFINS rate is 7.6%.

Details on legislation and tax accounting, see the Note 32.14.

17.1. Statement of Expenses and Income Tax and CSLL

The reconciliation of income tax and social contribution on net income calculated according to the nominal rates and recorded amounts are presented below:

	2021	2020
Income (loss) before income tax	**37,244,005**	**10,856,576**
Total charge of income tax and social contribution on net income at the aggregated rate of 50%	(18,622,003)	(4,885,459)
Adjustments	**8,933,720**	**2,425,774**
· Changes on the recognition of deferred tax assets[1]	(247,866)	(675,491)
· Increase in the CSLL rate[2]	834,994	259,807
· Equity method and dividends received from associated companies	3,807,569	405,642
· CSLL rate difference (non-financial)	2,156,944	199,179
· Interest on shareholders' equity	1,685,022	1,434,035
· Interest on instruments eligible to core capital	534,381	579,305
. Nonrefundable operations and tax incentives	(20,804)	100,122
· Other permanent differences	183,480	123,175
Income tax and social contribution on net income expenses presented in the statement of income	**(9,688,283)**	**(2,459,685)**
· Current Taxes	(6,762,658)	(4,615,699)
· Deferred Taxes	(2,925,625)	2,156,014
Effective rate	**26.01%**	**23%**

[1] Mainly resulted from deferred taxes not recognized on account of credit operations provisioned, with an expected realization of more than ten years.

[2] Refers to a 5% increase in the CSLL rate as of March 2020, which went from 15% to 20%, as well as the difference in the recording of deferred tax credits and obligations, when their expected realization occurs in 2021, considering the increase provided for by Law 14183, of July 14, 2021.

IRPJ and CSLL due

	2021	2020
Total current taxes recognized in income (loss)	**6,762,658**	**4,615,699**
Total current taxes recognized in shareholders' equity [1]	**3,868,181**	**6,567,332**
Prior period adjustments	17,232	(312,182)
Current taxes due for the year	**10,648,071**	**10,870,849**
(-) Prepayments	(6,395,299)	(8,693,470)
Income taxes and contributions payable	**4,252,772**	**2,177,379**

[1] Refers to taxes on gain in disposal of equity instruments at fair value through other comprehensive income (FVTOCI) - recognized in retained earnings.

17.2. Deferred taxes and contributions

a) Deferred tax assets and liabilities by nature and origin

Assets	2021	2020	Origin
Contra-entry recorded in the income:			
Allowance for loan losses	7,416,575	9,673,705	Receipt or effectiveness of loss
Allowance for losses on investments	4,562,474	3,228,017	Sale of securities
Adjustment to market value of financial instruments	982,971	308,640	Sale of securities
Labor and civil provisions	668,949	614,127	Final judicial decision
Employee profit sharing	112,966	111,207	Payment
Goodwill amortization	69,591	103,434	Sale of securities
Other	351,668	234,951	
Subtotal	**14,165,194**	**14,274,081**	
Recorded in the shareholders' equity:			
Adjustment to fair value of financial instruments FVTOCI	(1,683,779)	3,008,552	Sale of securities
Actuarial loss - FAMS	23,202	94,988	Payment of medical expenses
Subtotal	**(1,660,577)**	**3,103,540**	
Total deferred tax credits	**12,504,617**	**17,377,621**	

Liabilities	2021	2020	Origin
Contra-entry recorded in the income:			
Adjustment to market value of financial instruments	(318,417)	13,026	Sale of securities
Gain by bargain purchase	(51,813)	(61,561)	Sale of securities
Other	15,727	(46,256)	
Subtotal	**(354,503)**	**(33,230)**	
Recorded in the shareholders' equity:			
Adjustment to fair value of financial instruments FVTOCI	(11,588,416)	(19,157,655)	Sale of securities
Actuarial gain – FAMS	(223,164)	-	
Subtotal	**(11,811,580)**	**(19,157,655)**	
Total deferred tax credits	**(12,166,083)**	**(19,190,885)**	

b) Changes in deferred tax assets and liabilities by nature and origin:

Assets	2020	Recognition	Realization	2021
Contra-entry recorded in the income:				
Allowance for loan losses	9,673,705	7,683,059	(9,940,189)	7,416,575
Allowance for losses on investments	3,228,017	1,334,457	-	4,562,474
Adjustment to market value of financial instruments	308,640	683,415	(9,084)	982,971
Provision for labor and civil lawsuits	614,127	60,954	(6,132)	668,949
Employee profit sharing	111,207	112,966	(111,207)	112,966
Goodwill amortization	103,434	(994)	(32,849)	69,591
Other	234,951	238,481	(121,764)	351,668
Subtotal	**14,274,081**	**10,112,338**	**(10,221,225)**	**14,165,194**
Recorded in the shareholders' equity:				
Adjustment to fair value of financial instruments FVTOCI	3,008,552	-	(4,692,331)	(1,683,779)
Actuarial loss - FAMS	94,988	19,584	(91,370)	23,202
Subtotal	**3,103,540**	**19,584**	**(4,783,701)**	**(1,660,577)**
Total deferred tax credits	**17,377,621**	**10,131,922**	**(15,004,926)**	**12,504,617**

Liabilities	2020	Recognition	Realization	2021
Contra-entry recorded in the income:				
Adjustment to market value of financial instruments	13,026	(4,263,799)	3,932,356	(318,417)
Gain by bargain purchase	(61,561)	-	9,748	(51,813)
Other	15,305	-	422	15,727
Subtotal	**(33,230)**	**(4,263,799)**	**3,942,526**	**(354,503)**
Recorded in the shareholders' equity:				
Adjustment to fair value of financial instruments FVTOCI	(19,157,655)	(3,110,125)	10,679,364	(11,588,416)
Actuarial gain – FAMS	-	(223,164)	-	(223,164)
Subtotal	**(19,157,655)**	**(3,333,289)**	**10,679,364**	**(11,811,580)**
Total deferred tax credits	**(19,190,885)**	**(7,597,088)**	**14,621,890**	**(12,166,083)**

c) Deferred tax credits (debits), net

	2019	Effect on income (loss)	Effects on employee profit sharing	2020	Effect on income (loss)	Effects on employee profit sharing	2021
Deferred tax credits	16,619,889	1,063,155	(305,423)	17,377,621	(108,887)	(4,764,117)	12,504,617
Deferred tax debits	(26,770,715)	228,898	7,350,932	(19,190,885)	(321,273)	7,346,075	(12,166,083)
Deferred tax credits (debits), net	**(10,150,826)**	**1,292,053**	**7,045,509**	**(1,813,264)**	**(430,160)**	**2,581,958**	**338,534**

d) Expected realization of tax assets and liabilities

	2021				
	Tax credits	%	Tax debits	%	Net
2022	4,882,559	39.05	(5,556,528)	45.67	(673,969)
2023	2,401,929	19.21	(5,452,496)	44.82	(3,050,567)
2024	683,033	5.46	(290,327)	2.39	392,706
2025	1,824,390	14.59	48,819	-0.40	1,873,209
2026	607,156	4.86	5,921	-0.05	613,077
2027–2031	2,327,485	18.61	28,536	-0.23	2,356,021
>2031 [1]	(221,935)	-1.77	(950,008)	7.81	(1,171,943)
Total	**12,504,617**	**100**	**(12,166,083)**	**100**	**338,534**

[1] Refers to deferred tax assets recognized prior to Resolution 3059/2002.

	2020				
	Tax credits	%	Tax debits	%	Net
2021	5,088,613	29.30	(7,056,180)	36.80	(1,967,567)
2022	2,769,692	15.90	(5,310,960)	27.70	(2,541,268)
2023	2,459,752	14.20	(5,607,473)	29.20	(3,147,721)
2024	1,417,638	8.20	(21,479)	0.10	1,396,159
2025	2,690,661	15.50	(179,532)	0.90	2,511,129
2026–2030	2,944,261	16.90	(172,136)	0.90	2,772,125
>2030 [1]	7,004	0.00	(843,125)	4.40	(836,121)
Total	**17,377,621**	**100.00**	**(19,190,885)**	**100.00**	**(1,813,264)**

[1] Refers to deferred tax assets recognized prior to Resolution 3059/2002.

17.3. Recoverable taxes

Recoverable and prepaid taxes are as follows:

	2021	2020
IRPJ/CSLL recoverable/ Negative balance	24,904	-
IRRF (Withholding income tax)	325,704	92,408
Other	5,974	2,329
Total	**356,582**	**94,737**
Current	356,582	94,737

18. LABOR AND CIVIL PROVISIONS

BNDES and its subsidiaries are parties in labor and civil lawsuits arising from the normal course of their activities.

The BNDES Group's information on regulation and policy for the treatment of these proceedings can be found in Note 32.12.

The provision recorded was evaluated by the Management as sufficient to cover the possible losses.

Provisions recorded, separated by nature, are presented in the table below:

	2021	2020
Labor lawsuits	98,565	84,251
Civil lawsuits	1,820,395	1,677,396
Total	**1,918,960**	**1,761,647**
Current	754,486	2,030
Non-current	1,164,474	1,759,617

Expected schedule for the realization of these provisions:

	2021		2020	
	Labor lawsuits	Civil lawsuits	Labor lawsuits	Civil lawsuits
Years:				
up to 1	114	754,372	4	2,026
1–2	63,177	757	58,299	33
2–3	12,635	6,499	8,675	6,124
3–5	21,256	1,057,279	15,953	1,669,208
5–10	1,383	1,488	1,320	2
>10	-	-	-	3
Total	**98,565**	**1,820,395**	**84,251**	**1,677,396**

a) Labor provisions

Labor provisions reflect the probable loss on 136 lawsuits in progress related mainly to pre-contracted overtime hours, profit sharing, subsidiary responsibility of the Bank in labor claims proposed by outsourced employees, merger of bonus, retirement plan complementation and the Amnesty Law (Administrative Reform - Collor).

Changes in labor provisions in the year:

	2021	2020
Balance at the beginning of the year	84,251	75,356
Payments	(1,737)	(63)
Recognitions	17,803	9,297
Reversals	(1,752)	(339)
Balance at the end of the year	**98,565**	**84,251**

As of December 31, 2021, there were 20 lawsuits in progress classified in the category of possible risk in an estimated amount of R$ 9,420. As of December 31, 2020, there were 32 lawsuits in progress classified in the category of possible risk in an estimated amount of R$ 9,396.

b) Civil provisions

Civil provisions reflect the classification of probable loss on 36 lawsuits. The main claims refer to indemnities related to privatizations effected by the Federal Government and implemented by BNDES as manager of National Privatization Program (Programa Nacional de Desestatização, “PND”), in addition to those concerning to contractual matters and the main request is a lawsuit filed in 1995 related to a privatization auction that took place in 1989.

Changes in civil provisions in the year:

	2021	2020
Balance at the beginning of the year	1,677,396	1,499,540
Payments	(42)	(122)
Recognitions	152,205	178,653
Reversals	(9,164)	(675)
Balance at the end of the year	**1,820,395**	**1,677,396**

As of December 31, 2021, there were 49 lawsuits in progress classified in the category of possible risk in an estimated amount of R$ 1,516,670. As of December 31, 2020, there were 41 lawsuits in progress classified in the category of possible risk in an estimated amount of R$ 1,262,132.

19. ACTUARIAL LIABILITIES

Regulatory information on the supplementary retirement (Benefits Basic Plan - PBB) and pension plan and the health care plan (Health Care Plan - PAS) and other benefits granted to employees of BNDES and its subsidiaries can be found in the Note 32.13.

19.1. Supplementary retirement and pension plan and health care plan

Liabilities recorded in the statements of financial position referring to the supplementary retirement (Benefits Basic Plan - PBB) and pension plan and the health care plan (Health Care Plan - PAS) are represented below:

	2021	2020
Actuarial liability - PBB	1,920,688	3,479,669
Actuarial liability - PAS	3,634,405	4,809,207
	5,555,093	**8,288,876**
Current		
Actuarial liability - PBB	363,885	277,792
Actuarial liability - PAS	72,407	63,637
	436,292	**341,429**
Non-current		
Actuarial liability - PBB	1,556,803	3,201,877
Actuarial liability - PAS	3,561,998	4,745,570
	5,118,801	**7,947,447**

19.1.1. Benefits Basic Plan – PBB

Below is shown the actuarial valuation of the basic benefits plan made by an independent actuary, assets are based on data from November 30, 2021 and updated until December 31, 2021:

	2021	2020
Present value of the actuarial liabilities	18,623,309	21,771,479
Market value of the plan's assets	(14,781,934)	(14,812,141)
Present value of liabilities not covered by assets	**3,841,375**	**6,959,338**
Effect of risk sharing	(1,920,687)	(3,479,669)
Present value of Sponsor's net obligations	**1,920,688**	**3,479,669**

As of December 31, 2020, the PBB actuarial liability, or the present value of the Defined Benefit (BD) obligation, started to be recognized in the financial statements for the amount of 50% of the present value of the gross actuarial obligation not covered by the market value of the plan's assets, considering the adoption of risk sharing with participants and assisted participants, based on a study requested in 2020 by the BNDES Group's Management.

This study presented new information and added further experience on the topic. The maturity of the process was evidenced, especially from the point of view of legal certainty and the alignment with the adoption of the most recent practice, where the contributory parity was strictly observed in the cases of the last deficit resolution, through extraordinary joint contributions from the sponsor and of sponsored parties, and recent legal thesis that remove the risk of judicial decisions affecting the balance of supplementary pension plans or obliging sponsors of the BNDES Group to bear the burden of extraordinary costing unilaterally, with the assumption by them of a burden higher than the contributory parity defined in Complementary Law 108/2001 being remote.

Changes in the present value of the actuarial obligation and in the market value of PBB assets

Changes on present value of defined benefits' liabilities are as follows:

	2021	2020
Market value at the beginning of the year	21,771,479	17,921,751
Current service cost	438,392	631,322
Interest cost	1,419,510	1,390,893
Plan participants' contribution	104,658	83,403
Benefits paid	(834,615)	(781,455)
Actuarial losses (gains)	(4,276,115)	711,747
Change in assumptions (wage increase)	(372,967)	(162,698)
Change in forecasts (discount rate)	(5,049,816)	(374,835)
Change of assumptions (biometric tables)	-	877,662
Adjustment of experience	1,146,668	371,618
Effect of change of estimate by risk sharing [1]	-	1,813,818
Present value at the end of the year [2]	**18,623,309**	**21,771,479**

[1] To use risk sharing, it is necessary to exclude contributions from participants and assisted in the projection of actuarial liabilities, aiming to calculate the present value of the gross obligation, without discounting contributions and the change in the estimate at the end of the last year took place.
[2] As of 2020, the present value at the end of the year with risk sharing.

The actuarial and economic assumptions are presented in Note 19.2.

Changes in the market value of PBB's assets are as follows:

	2021	2020
Market value at the beginning of the year	14,812,141	15,073,987
Interest income	1,123,941	1,133,614
Return on the plan's assets, excluding interest	(630,063)	(866,041)
Contributions received from employer[1]	205,872	168,633
Contributions received from participants[2]	104,658	83,403
Benefits paid	(834,615)	(781,455)
Gross benefits	(942,923)	(872,836)
Contributions discounted from beneficiaries [2]	108,308	91,381
Market value at the end of the year	**14,781,934**	**14,812,141**

[1] Correspond to contributions to active and assisted participants and debt agreements (suspended for now).
[2] Contributions received from participants (active) and discounted from beneficiaries totaled R$ 212,966.

The estimated contribution to the supplementary retirement and pension plan for the next twelve months is close to R$ 213,077.

The average duration of the actuarial liability is 16.81 years as of December 31, 2021 (20.64 years as of December 31, 2020).

The table below presents the estimated benefits payable on the base date of December 31, 2021 for the next years:

PBB Plan	Up to 1 year	1–2 years	2–3 years	3–5 years	5–10 years	>10 years	Total
Consolidated	1,123,015	1,122,621	1,131,156	2,308,592	5,952,718	57,060,322	**68,698,424**

The table below presents the estimated benefits payable on the base date of December 31, 2020 for the next years:

PBB Plan	Up to 1 year	1–2 years	2–3 years	3–5 years	5–10 years	>10 years	Total
Consolidated	1,000,595	1,001,067	1,001,742	2,045,741	5,342,039	58,247,186	**68,638,370**

Impact on income (loss) and shareholders' equity

Amounts recognized in the statement of income are stated below:

	2021	2020
Current service cost	(438,392)	(631,322)
Interest cost	(1,419,510)	(1,390,893)
Interest income from assets	1,123,941	1,133,614
Subtotal	**(733,961)**	**(888,601)**
Contributions received from employer	205,872	168,633
Total	**(528,089)**	**(719,968)**

Amounts recognized in Other Comprehensive Income are presented below:

Shareholders' Equity - Other comprehensive income	**2021**	**2020**
Balance at the beginning of the year	835,374	747,295
Actuarial gains (losses)	4,276,115	(711,747)
Return on plan's assets, excluding interests	(630,063)	(866,041)
Balance at the end of the year	**4,481,426**	**(830,493)**
Effect of risk sharing [(1)]	(1,558,998)	1,665,867
Balance at the end of the year (with risk sharing)	**2,922,428**	**835,374**

[(1)] Changes in the effect of risk sharing in the years ended.

PBB's assets, segregated by measurement level, are the following:

Assets per category	**2021**				**2020**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment funds	58,678	12,951,609	538,578	13,548,865	62,942	13,239,294	426,652	13,728,888
Shares		404,435		404,435	8,095	501,954	-	510,049
Fixed rate				-	-	2	-	2
Multimarket		12,547,174		12,547,174	-	12,737,338	-	12,737,338
Equity investments			538,578	538,578	-	-	426,652	426,652
Real estate funds	58,678			58,678	54,847	-	-	54,847
Real estate properties [1]	-	-	898,787	898,787	-	-	965,770	965770
Leased to third parties	-	-	829,356	829,356	-	-	887,951	887,951
Leased to sponsors	-	-	69,431	69,431	-	-	77,819	77,819
Loans and financing	-	-	468,855	468,855	-	-	435,643	435,643
Subtotal	**58,678**	**12,951,609**	**1,906,220**	**14,916,507**	**62,942**	**13,239,294**	**1,828,065**	**15,130,301**
Other assets not evaluated at market value[2]				93,605				85,065
Other deductions [3]				(286,481)				(381,097)
Total as of 11/30/2021 and 11/30/2020				**14,723,631**				**14,834,269**
Updating on base date[4]				58,303				(22,128)
Total				**14,781,934**				**14,812,141**

[(1)] The market value of the properties occupied and used by FAPES amounts to R$ 17,128 as of December 31, 2021 (R$ 17,293 as of December 31, 2020).

[(2)] Sum of the cash and cash equivalent + advances and escrow deposits + other receivable accounts.

[(3)] Sum of the operating liability accounts + contingent liability + funds.

[(4)] Projection of the market value of plan assets from 11/30/2021 to 12/31/2021. Increase in the average monthly contribution, deduction of the average monthly benefit paid, and income on equity using the Selic rate goal in effect on 12/31/2021.

Sensitivity analysis

The table below presents how the defined benefit obligation would have been affected, on December 31, 2021, by the change in each relevant actuarial assumption, individually. Sensitivity analysis was performed for discount rate assumption (1% p.y. on the adopted rate), salary growth rate assumption (1% p.y. on the effective rate), mortality tables assumption (1 year on the death probabilities), using the same method and data base adopted in the calculation of the obligations.

Significant actuarial assumption	Impact on the actuarial obligation	Change on actuarial obligation (%)
Actuarial discount rate		
1% incr. p.y.	(2,107,743)	-11.32
1% decr. p.y.	2,628,425	14.11
Mortality Table		
One-year increase in age	374,430	2.01
One-year decrease in age	(383,757)	-2.06
Salary growth rate		
1% incr. p.y.	682,849	3.67
1% decr. p.y.	(595,834)	-3.20

Accounts payable - FAPES

Additional liabilities refer to the agreements of acknowledgment of debt entered into with the sponsors, with a fixed term of amortization, through monthly payments, totaling thirteen installments per year, calculated by the Price System and with annual interest corresponding to the actuarial rate of 6% p.y. plus the management fee and the monetary restatement, which occurs in the same periods and proportions in which the adjustment or general changes in the salaries and wages of the sponsors' employees are granted. Therefore, the contracted debt is recognized as an additional liability in the determination of the net liability.

The balance of these debts is represented below:

	2021	2020
2002 agreements [1]	1,235,001	1,067,868
2004 agreements [2]	90,266	79,116
Total	**1,325,267**	**1,146,984**

[1] Refers to the agreement between companies of BNDES Group and their employees, involving the recognition of the change in working hours, according to Law 10.556 of November 13, 2002 which resulted in an increase of 16.67% in the participation salaries of the participants and impacted directly on the mathematics provisions of the benefit plan. For partial coverage of the increase caused in these provisions, in 2002 agreements were signed providing the amortization of debt in 390 installments. The payment started on January 2003.

[2] Refers to the conversion of amounts of the mathematic provisions to be recorded (in compliance with BACEN's recommendation) which have been amortized monthly since November 1998 through extraordinary contributions, in a debt recognized by sponsors, failing due in November 2018. The payment of the first installment was made in December 2004.

Through a precautionary decision by the Brazilian Federal Government's Court of Auditors (TCU) (TC-029.845/2016-5) of July 18, 2017, corresponding payments to debt confession contracts of 2002 and 2004 are suspended. FAPES filed an injunction with the Supreme Court against the decision of the TCU's rapporteur in the scope of case number TC-029.845/2016-5 (and the injunction was dismissed in a monocratic decision that has not yet become final and non-appealable), and also initiated the judicial collection of dismissed payments (and had not yet obtained a favorable decision).

Additional Considerations

(a) Collection action filed by FAPES to fund events that took place between 1988 and 2009

FAPES claimed with the plan sponsors (BNDES Group's companies) the recognition of amounts in addition to the existing agreements due to the interpretation/revaluation of clauses established in these agreements, and events occurred from 1988 to 2009 which, in its opinion, require historical recovery of the plan costing.

On December 30, 2014, the Bank's Management expressed its position in relation to that, conditioning the acknowledgment of the additional amount additional debt to the evaluation and approval of the SEST, which was not confirmed. On July 26, 2016, SEST stated against to the payment of the amounts claimed by FAPES.

In July 2016, FAPES filed a lawsuit for collection of the debt in the federal court in Rio de Janeiro. On 11/24/2016, the Board of Executive Officers of FAPES informed the participants and beneficiaries in receipt of payments that, at the request of the Sponsors, the case had been suspended for 6 (six) months by the Judicature of the 29th Federal Circuit Court, in order to discuss at more length the different issues challenging the sustainability of the PBB (Basic Benefit Plan), administered by FAPES. In May 2017, the suspension term was renewed for a further 6 (six) months. On 1/31/2018, after the end of the new suspension term, the BNDES Group filed a claim. On 05/03/2018, as a form of evidence, BNDES applied for an actuarial expert assessment and FAPES for an economic and financial expert assessment to prove the impacts caused on the PBB (Basic Benefit Plan), resulting from the acts of the defendants. Subsequently, the Judge abstained for participation in the case, that was processed for free assignment. The Judge of the 23rd Circuit Court understood that the case does not fall within her jurisdiction either, and on 08/14/2018, raised the negative conflict of jurisdiction until judgment by the TRF2 (Regional Federal Court 2). The Conflict of Jurisdiction was judged and sent to the 29th Federal Court of Rio de Janeiro. The BNDES agreed with the Federal Government joining the process. On August 27, 2020, the judge in charge of the 29th Federal Court declared herself again prevented from prosecuting and judging the lawsuit. FAPES appealed saying that there was already a decision on the issue of impediment. The appeal was unanimously granted, and the case must be sent to the 30th Federal Court of Rio de Janeiro. Order issued on December 9, 2021, ordering the Federal Government to comment on evidence in the proceeding.

BNDES classified the risk of an unfavorable outcome of the lawsuit filed in the federal court in Rio de Janeiro as remote, and so that, the amount claimed was not provisioned.

(b) Plan of action for reimbursement of the amounts contributed at FAPES in 2009 and 2010

TCU, in case TC-029.058/2014-7, ordered BNDES, through Decision nº 2,766/2015-Plenario handed down on October 28, 2015, to submit, within ninety days, a plan of action with measures to obtain the reimbursement, of the amounts adjusted for inflation, transferred to FAPES, when it made unilateral contributions without the joint contribution of the beneficiaries, of R$ 395,262 in June 2009, R$ 11,479 in July 2010, and R$ 40,924 in August 2010, deemed undue, in violation of §3 of art. 202 of Brazil's Federal Constitution and §1 and §3 of art. 6 of Supplementary Law 108/2001, and the deadline for reimbursement is not to exceed the limit of 36 months. Considering the requests for reconsideration and motions for clarification, the decision was ultimately upheld by the TCU. On 06/07/2018, after obtaining a regular extension of that deadline, BNDES submitted the latest version of its action plan for deliberation by the TCU, only approved in February 2019. In order to comply with TCU's decision, BNDES, as the controller, issued a letter dated April 8, 2019 communicating the TCU's decision.

In 2019, FAPES filed a lawsuit against the Federal Government and the BNDES to annul the Brazilian Federal Government's Court of Auditors (TCU) decision that had determined the resumption of unilateral contributions made to PBB in 2009 and 2010. The BNDES filed a claim and a counterclaim for the purpose of collecting the aforementioned amounts. On August 22, 2019, a conciliation hearing was held without an agreement between the parties, and the lawsuit will proceed. Thereafter, FAPES presented a defense against requests for reimbursement of contributions. On March 03, 2021, an order was issued, in which the judge rejected the expert evidence in the economic-financial specialty required by FAPES, on the grounds that the matter addressed in the records is only of law, and allowed the Federal Government to file a Reply. The process has been submitted the judge of the case since October 5, 2021 for a decision. The process is in its initial phase, and it is not possible to specify its duration or when the sentence will be handed down.

Notwithstanding the collection effort made, such returns are being treated as contingent assets and, therefore, not accounted for.

19.1.2. Health Care Plan - PAS

Amounts recorded in the statement of financial position as post-employment benefit obligations are as follows:

	2021	2020
Present value of liabilities not funded	3,634,405	4,809,207
Net liabilities	**3,634,405**	**4,809,207**

Changes in the balance of obligation during the year are presented below:

	2021	2020
Balance at the beginning of the year	4,809,207	4,981,630
Current service cost	217,993	252,994
Interest cost of obligation	389,500	400,668
Actuarial losses (gains)	(1,671,492)	(735,326)
Change in forecasts (discount rate)	(1,524,839)	(121,472)
Adjustment of experience	(146,653)	(980,207)
Change of assumptions (biometric tables)	-	366,353
Benefits paid	(110,803)	(90,759)
Balance at the end of the year	**3,634,405**	**4,809,207**

The actuarial and economic assumptions are presented in Note 19.2.

Impact on income (loss) and shareholders' equity

Amounts recognized in the statement of income are stated below:

	2021	2020
Current service cost	(217,993)	(252,994)
Interest cost	(389,500)	(400,668)
Subtotal	**(607,493)**	**(653,662)**
Benefits paid	110,803	90,759
Total	**(496,690)**	**(562,903)**

Gross amounts recognized in Other Comprehensive Income are presented below:

Other comprehensive income - Shareholders' equity	2021	2020
Balance at the beginning of the year	(1,319,039)	(2,054,365)
Actuarial gains (losses)	1,671,492	735,326
Balance at the end of the year	**352,453**	**(1,319,039)**

The expected contributions from BNDES with the post-employment healthcare benefit for the next 12 months will be approximately R$ 104,184.

The average duration of the actuarial liability is 24.72 years as of December 31, 2021 (29.08 years as of December 31, 2020).

The table below presents the estimated benefits payable on the base date of December 31, 2021 for the next years:

PAS Plan	Up to 1 year	1–2 years	2–3 years	3–5 years	5–10 years	>10 years	Total
Consolidated	104,184	109,370	114,629	248,357	749,428	22,178,492	**23,504,460**

The table below presents the estimated benefits payable on the base date of December 31, 2020 for the next years:

PAS Plan	Up to 1 year	1–2 years	2–3 years	3–5 years	5–10 years	>10 years	Total
Consolidated	103,421	109,761	115,287	246,144	742,998	22,908,014	**24,225,625**

Sensitivity analysis

The table below presents how the obligation would have been affected, on December 31, 2021, by the change in each relevant actuarial assumption, individually. It was performed a sensitivity analysis for the assumptions of the discount rate (1% p.y. on the adopted rate), mortality tables (1 year on the death probabilities) and health costs (1% p.y. on the effective rate), using the same method and data base adopted in the calculation of the obligations.

Significant actuarial assumption	Impact on the actuarial obligation	Change on actuarial obligation (%)
Actuarial discount rate		
1% incr. p.y.	(581,075)	-15.99%
1% decr. p.y.	772,037	21.24%
Mortality Table		
One-year increase in age	139,430	3.84%
One-year decrease in age	(138,167)	-3.80%
Medical cost change rate		
1% incr. p.y.	765,647	21.07%
1% decr. p.y.	(587,096)	-16.15%

19.2. Actuarial and economic assumptions

All actuarial calculations involve future projections on some parameters, such as: salaries, interest, inflation, INSS benefits behavior, mortality, disability, among others. No actuarial result can be analyzed without the prior knowledge of the scenario of assumptions used in the evaluation. In the evaluations, the following economic hypotheses were adopted:

	2021	2020
Benefits considered	All regulatory benefits	All regulatory benefits
Actuarial valuation method	Projected Unit Credit	Projected Unit Credit
Mortality table for healthy persons	AT 2012 – Basic	AT 2012 – Basic
Mortality table for disabled persons	AT 49 Men	AT 49 Men
Table of new disability benefit vested	Álvaro Vindas segregated by 60%	Álvaro Vindas segregated by 60%
Actual rate of future salary growth		
Technical group	2.66% p.y.	3.24% p.y.
Support group	2.59% p.y.	2.91% p.y.
Nominal rate of future salary growth		
Technical group	6.25% p.y.	6.91% p.y.
Support group	6.18% p.y.	6.56% p.y.
Nominal discount rate	8.92% p.y.	7.16% p.y.
Inflation rate	3.50% p.y.	3.55% p.y.
Expected return on assets of the supplementary retirement and pension plan	8.92% p.y.	7.16% p.y.
Actual rate of the trend for medical costs	5.00% p.y.	5.00% p.y.

The real rate used to discount the PBB actuarial liabilities to present value was 5.24% p.y., corresponding to the indicative rate of NTN-B, traded on December 20, 2021 by Tesouro Direto, maturing on May 15, 2035, the closest date to the average duration of the plan, considered in the actuarial valuation. The same bond recorded a rate of 5.32% p.y. on December 30, 2021, representing an increase of 0.08 percentage points in relation to the discount rate used.

19.3. Lawsuits and contingencies

		2021		2020	
		PBB	PAS	PBB	PAS
Classification: Probable	Value	20,030	81	24,603	161
	Amount	22	7	26	6
Classification: Possible	Value	79,508	260	65,246	254
	Amount	59	9	76	11

Lawsuits assessed as possible loss are recorded in the FAPES contingent liabilities. These lawsuits amounted to R$ 20,030 in PBB and refer to requests for incorporation of bonuses and recalculation of overtime hours; receiving a discount as a supplementary pension for death; claim for supplementary pension for death and labor claim. In the PAS, the lawsuits total R$ 81 and refer to the request for inclusion of a dependent in the health care plan, homecare services and reimbursement for exams performed.

As per the IAS 37, FAPES does not record provision for possible losses, but does perform the disclosure in a note. Those lawsuits total R$ 79,508 in PBB and refer to a number of matters, most of them related to the Rules, in particular the interpretation of articles and requests for increase in the retirement and pension supplementation. In the

PAS, they correspond to R$ 260 and refer to the request for inclusion of dependents in the health care plan, indemnities and contractual default.

19.4 Other benefits granted to the employees

BNDES and its subsidiaries grant to their active employees the following benefits recognized in the income (loss):

	2021	2020
Meal voucher	60,931	60,851
Educational assistance	27,882	26,602
Total	**88,813**	**87,453**

20. OTHER LIABILITIES

	2021	2020
Provision for disbursement - Social Fund	154,485	222,132
Provision for disbursement - FUNTEC	294,019	151,388
Provision for disbursement - Cultural Fund	9,570	12,740
Employee profit sharing (Note 23.7)	251,427	247,735
Executive directors' profit sharing (Note 23.7)	4,333	4,210
Labor obligations (personnel)	370,934	325,796
Other	95,959	161,981
Total	**1,180,727**	**1,125,982**
Current	1,178,676	1,124,161
Non-current	2,051	1,821

21. SHAREHOLDERS' EQUITY

21.1. Capital

On December 31, 2021 and December 31, 2020, the subscribed capital of BNDES was represented by 6,273,711,452 registered common shares, without par value, held by the Federal Government.

BNDES capital may be increased, after approval by the General Meeting, up to the limit of authorized capital, of R$ 100,000,000, without the issue of new shares and regardless of statutory changes, in the following cases: incorporation of the reserve for future capital increase, after approval of the allocation of income for the year; incorporation of capital and legal reserves when they reach the limit of 20% of capital; incorporation of portion of the profit reserve for equalization of complementary dividends when the reserve reaches its limit and there is no possibility of distributing the full balance as dividends under the terms provided for in the BNDES Dividend Policy and according to the allocation of income for the year, provided for in the bylaws; and through the capitalization of funds that the Federal Government allocates to that end, by means of a decree from the Executive Branch.

In 2021, a capital increase was carried out, due to the merger of the full Reserve for future capital increase, derived from the allocation of 2020 income, in the amount of R$ 7,858,968, without the issuance of new shares. This capital increase was approved at the Extraordinary General Meeting held on April 26, 2021 and authorized by BACEN in July 2021, under the terms of BACEN Circular 3,180/2003. Accordingly, capital increased to R$ 61,842,148.

21.2. Instruments eligible to core capital

As of December 31, 2021, there were four debt agreements entered into with the Federal Government that make up BNDES' Reference Equity as instruments eligible to Core Capital as rules established by CMN Resolution No. 4,192/2013:

(i) Agreement 867/PGFN/CAF - financing agreement entered into on June 2013 between BNDES and the Federal Government to grant BNDES a credit in the amount of R$ 15,000,000, through the issuance of federal government bonds. On July 1, 2021, BNDES partially settled this debt contract with the National Treasury, in the amount of R$ 13,500,000. This amount considers the total volume of hybrid instruments included in the schedule of best efforts to return funds to the National Treasury presented to the Federal Court of Accounts (TCU), in compliance with TCU Decision 56/2021 - Plenary works;

(ii) Agreements 963 and 964/PGFN/CAF – Novation and debt acknowledgement contracts executed in June 2014 by BNDES and the Union, in the amount of R$8,731,760 and R$6,807,216, respectively; and

(iii) Contract 1018/PGFN/CAF – Debt breakup contract entered into in December 2014 by the BNDES and the Union, in the amount of R$ 5,000,000.

These agreements have no maturity and the redemption or repurchase of the obligation can only be performed by BNDES, subject to the previous authorization of BACEN.

Breakdown and changes in instruments:

Yield	Agreement No. (National Treasury)	Shareholders' equity			Liabilities			
		Principal	Amortization	2021	2020	Interest and monetary restatement	Interest payment	2021
Variable, limited to TJLP	867/PGFN/CAF	15,000,000	(13,500,000)	1,500,000	530,038	76,597	(534,635)	72,000
Variable, limited to TJLP	963/PGFN/CAF	8,731,760	-	8,731,760	308,542	421,801	(311,219)	419,124
Variable, limited to TJLP	964/PGFN/CAF	6,807,216	-	6,807,216	240,539	328,832	(242,624)	326,747
Variable, limited to TJLP	1018/PGFN/CAF	5,000,000	-	5,000,000	176,679	241,532	(178,211)	240,000
Total		**35,538,976**	**(13,500,000)**	**22,038,976**	**1,255,798**	**1,068,762**	**(1,266,689)**	**1,057,871**
Current					1,255,798			1,057,871

21.3. Profit reserves

	2021	2020
Legal reserve	7,437,688	5,734,234
Reserve for future capital increase	12,946,254	7,858,968
Equity Dividend Reserves	24,160,463	13,428,158
Tax incentives	201,355	201,355
Total	**44,745,760**	**27,222,715**

21.4. Payment of dividends and interest on shareholders' equity

In 2021, BNDES paid interest on shareholders' equity and dividends, as described below:

2021			
Event	**Base year**	**Stated value**	**Paid amount** [1]
Minimum mandatory dividends as interest on shareholders' equity	2020	3,186,745	3,210,973
Minimum mandatory dividends	2020	1,725,110	1,738,225
Interim mandatory minimum dividends in the form of interest on shareholders' equity	1st semester of 2021	3,621,404	3,590,069
Interim complementary dividends as interest on shareholders' equity	1st semester of 2021	310,501	307,814
Interim complementary dividends	1st semester of 2021	4,755,171	4,718,283
Total		**13,598,931**	**13,565,364**

[1] Includes adjustment by the SELIC rate from the date to which the earnings refer until the actual payment date.

During the 3Q21, Bank's Management decided to approve interim dividends and interest on shareholders' equity, in the amount of R$ 4,718,283 and R$ 3,897,883, respectively, totaling the amount of R$ 8,616,166 paid in November 2021.

21.5. Other comprehensive income

The breakdown of the balance of other comprehensive income, net of tax effects, is presented below:

	2021	2020
Own assets		
Adjustment to fair value of financial assets at FVTOCI	24,738,545	33,984,631
Remeasurement in actuarial liabilities	3,074,918	(388,680)
Subtotal	**27,813,463**	**33,595,951**
Assets of associated companies		
Adjustments as results of other comprehensive income	83,252	(20,965)
Investment translation adjustments abroad	2,453,665	3,199,459
Subtotal	**2,536,917**	**3,178,494**
Total	**30,350,380**	**36,774,445**

22. GROSS INCOME FROM FINANCIAL INTERMEDIATION

The table below presents the breakdown of loan's operations effects on the income (loss), in addition to other factors that comprehend the income of financial intermediation, which is subject-matter of BNDES.

	2021						
	Interest	Exchange-rate change	Adjustment to market value	Income (loss) from disposal	Provision for credit risk	Other	Total
Income from financial intermediation							
Loans and interbank onlendings	**38,256,024**	**3,032,541**	**-**	**-**	**-**	**309,727**	**41,598,292**
Loans	23,332,506	2,824,818	-	-	-	309,727	26,467,051
Interbank Onlendings	10,057,247	198,518	-	-	-	-	10,255,765
Credit sale of securities	56,751	9,205	-	-	-	-	65,956
Rights receivables	49,837	-	-	-	-	-	49,837
Income from operations related to National Treasury	4,759,683	-	-	-	-	-	4,759,683
Income from securities	**10,371,184**	**122,936**	**(2,046,687)**	**14,415**	**-**	**-**	**8,461,848**
Interbank investments and repurchase agreements	3,628,607	-	-	-	-	-	3,628,607
Federal bonds	5,151,294	-	(1,533,249)	(480,015)	-	-	3,138,030
Debentures	1,342,995	-	(510,241)	494,430		-	1,327,184
Mutual investment funds	-	-	(3,197)	-	-	-	(3,197)
Foreign fixed income securities	248,288	122,936	-	-	-	-	371,224
Income (loss) from management of funds and programs	-	-	-	-	-	1,068,846	**1,068,846**
Total	**48,627,208**	**3,155,477**	**(2,046,687)**	**14,415**	**-**	**1,378,573**	**51,128,986**
Financial intermediation expenses							
Financing and onlendings	**(32,570,931)**	**(5,191,232)**	**-**	**-**	**-**	**-**	**(37,762,163)**
Interbank deposits	(3,504)	-	-	-	-	-	(3,504)
Special Deposits	(557,891)	-	-	-	-	-	(557,891)
Repurchase agreements	(1,465,565)	-	-	-	-	-	(1,465,565)
Liabilities for issuing debentures and financial bills	(117,053)	-	-	-	-	-	(117,053)
Borrowings and onlendings	(6,399,436)	(3,042,202)	-	-	-	-	(9,441,638)
Subordinated debt	(24,008,370)	(2,149,030)	-	-	-	-	(26,157,400)
Expenses from operations related to National Treasury	(19,112)	-	-	-	-	-	(19,112)
Income (loss) from derivatives - fixed income	-	-	4,301,648	-	-	-	**4,301,648**
Reversal (recognition) of allowance for loan losses	-	-	-	-	10,472,128	-	**10,472,128**
Income (loss) from foreign exchange portfolio	-	66,732	-	-	-	-	**66,732**
Total	**(32,570,931)**	**(5,124,500)**	**4,301,648**	**-**	**10,472,128**	**-**	**(22,921,655)**
Gross income from financial intermediation	**16,056,277**	**(1,969,023)**	**2,254,961**	**14,415**	**10,472,128**	**1,378,573**	**28,207,331**

	2020						
	Interest	Exchange-rate change	Adjustment to fair value	Income (loss) from disposal	Provision for credit risk	Other	Total
Income from financial intermediation							
Loans and interbank onlendings	**29,766,963**	**9,518,243**	**-**	**-**	**-**	**448,573**	**39,733,779**
Loans	18,020,310	8,815,525	-	-	-	448,573	27,284,408
Interbank Onlendings	9,073,645	667,591	-	-	-		9,741,236
Credit sale of securities	91,490	35,127	-	-	-		126,617
Rights receivables	64,184	-	-	-	-	-	64,184
Income from operations related to National Treasury	2,517,334	-	-	-	-	-	2,517,334
Income from securities	**6,762,285**	**36,734**	**1,404,767**	**1,676,666**	**-**	**-**	**9,880,452**
Interbank investments and repurchase agreements	2,166,497	-	-	-	-	-	2,166,497
Federal bonds	3,190,487	-	112,743	1,676,760	-	-	4,979,990
Debentures	1,273,921	-	1,209,140	861		-	2,483,922
Mutual investment funds	-	-	88,756	-	-	-	88,756
Foreign fixed income securities	131,380	36,734	(5,872)	(955)	-	-	161,287
Income (loss) from management of funds and programs	-	-	-	-	-	763,000	**763,000**
Total	**36,529,248**	**9,554,977**	**1,404,767**	**1,676,666**	**-**	**1,211,573**	**50,377,231**
Financial intermediation expenses							
Financing and onlendings	**(23,858,343)**	**(15,967,060)**	**-**	**-**	**-**	**-**	**(39,825,403)**
Interbank deposits	(9)	-	-	-	-	-	(9)
Special Deposits	(382,821)	-	-	-	-	-	(382,821)
Repurchase agreements	(443,300)	-	-	-	-	-	(443,300)
Liabilities for issuing debentures and financial bills	(161,785)	-	-	-	-	-	(161,785)
Borrowings and onlendings	(8,410,599)	(10,158,678)	-	-	-	-	(18,569,277)
Subordinated debt	(14,414,730)	(5,808,382)	-	-	-	-	(20,223,112)
Expenses from operations related to National Treasury	(45,099)	-	-	-	-	-	(45,099)
Income (loss) from derivatives - fixed income	-	-	4,434,013	-	-	-	**4,434,013**
Recognition of allowance for loan losses	-	-	-	-	(3,014,520)	-	**(3,014,520)**
Income (loss) from foreign exchange portfolio	-	713,361	-	-	-	-	**713,361**
Total	**(23,858,343)**	**(15,253,699)**	**4,434,013**	**-**	**(3,014,520)**	**-**	**(37,692,549)**
Gross income from financial intermediation	**12,670,905**	**(5,698,722)**	**5,838,780**	**1,676,666**	**(3,014,520)**	**1,211,573**	**12,684,682**

23. RELATED PARTIES

The BNDES and its subsidiaries have relationships and carry out transactions with entities considered related parties, according to definitions contained in IAS 24 – Related Party Disclosures.

23.1. Transactions with the National Treasury

The Federal Government, through the National Treasury, is the full controller of BNDES.

The operations involving the National Treasury are summarized below, and the conditions of the transactions are described in the notes for each group of accounts:

	2021	2020
Assets		
Federal government bonds (Note 7.1)	87,646,614	106,297,952
Other receivables from the National Treasury (Note 23.1.1)	2,033,029	1,334,031
Liabilities		
Obligations for onlending in the country (Note 11.1.c)	101,318,093	158,463,841
Interest on instruments eligible to core capital (Note 21.2)	1,057,871	1,255,798
Other obligations with the National Treasury	3,880	16,354
Dividends and interest on shareholders' equity payable	-	4,911,855
Shareholders' equity		
Instruments eligible to core capital (Note 21.2)	22,038,976	35,538,976

	2021	2020
Result		
Income (loss) from government bonds	3,138,030	4,979,990
Income from other receivables - equalization	4,759,683	2,517,334
Expenses with onlending transactions	(5,631,211)	(8,326,290)
Expenses with other liabilities - equalization	(19,112)	(45,099)

23.1.1. Specific Credits - Credits from the National Treasury

	2021	2020
Credits from interest rate equalization	1,970,975	1,277,045
Other receivables	62,054	56,986
Total	**2,033,029**	**1,334,031**

Loans before National Treasury are mostly amounts receivable as interest rate equalization of programs promoted by the Federal Government as the Investment Support Program (Programa de Sustentação do Investimento, “PSI”), Pronaf, Revitaliza and Agricultural Programs.

It sets forth the difference between the funding cost in TJLP plus remuneration and the fixed rates established for the final borrower. According to Ordinance 950, December 24, 2015, the equalization amounts of the Investment Support Program (*Programa de Sustentação do Investimento*, “PSI”) will be assessed on June 30 and December 31 of each year, and due on July 1 and January 1 of each year.

The breakdown of balances is as follows:

	2021	2020
Amounts assessed in:		
2021	1,967,399	-
2020	521	1,273,442
<2020	3,055	3,603
Total	**1,970,975**	**1,277,045**

The changes in this caption were as follows:

	2021			2020		
	PSI	Other programs	Total	PSI	Other programs	Total
Balance at the beginning of the year	446,679	830,366	1,277,045	**901,968**	**972,425**	**1,874,393**
Amounts assessed in the year	625,315	4,122,564	4,747,879	1,047,863	1,459,844	2,507,707
Monetary restatement	-	1,667	1,667	-	172	172
Receipts	(769,347)	(3,286,118)	(4,055,465)	(1,503,152)	(1,167,784)	(2,670,936)
Formation of provisions [1]	-	-	-	-	(436,208)	(436,208)
Other	-	(151)	(151)	-	1,917	1,917
Balance at the end of the year	**302,647**	**1,668,328**	**1,970,975**	**446,679**	**830,366**	**1,277,045**

(1) Impairment, in accordance with accounting practices described in Note 32.10.

23.1.2. Subsidiary responsibility of the federal government

In accordance with the Opinion 1,124/1996 of the Ministry of Planning, Development and Management, BNDES, due to its condition as a company wholly controlled by the federal government, is not subject to the adjudication of bankruptcy, and the Federal Government has subsidiary responsibility for the liabilities contracted by BNDES.

23.2. Transactions with other governmental entities

In addition to transactions with its sole shareholder, BNDES holds transactions in the course of its transactions with other governmental entities, thus under common control, such as Banco do Brasil, Caixa Econômica Federal, Banco do Nordeste, Banco da Amazônia, Petrobras, Eletrobras, Financiadora de Estudos e Projetos – FINEP, FAT, Merchant Marine Fund - FMM and the Guarantee Fund for Promotion of Competitiveness (Fundo de Garantia para Promoção da Competitividade, "FGPC").

The balances of material transactions with these entities are summarized below:

	2021	2020
Assets	**59,333,538**	**71,997,126**
Loans and interbank onlendings	54,199,593	64,369,338
Allowance for loan losses	(116,486)	(1,168,309)
Rights receivable - Eletrobras	5,045,893	8,711,821
Other	204,538	84,276
Liabilities	**384,932,221**	**354,914,354**
Domestic loans and onlendings	27,496,508	29,466,539
Financial and development funds	8,867,488	8,741,749
Constitutional FAT - subordinated debts	340,713,933	307,807,297
FAT - Special Deposit	6,641,264	7,181,869
Issuance of debentures	1,104,756	1,552,183
Other	108,272	164,717

23.3. Provision of Privatization and Concession Services

The BNDES offers technical support to Public Entities, aiming to foster partnerships with the private sector for the execution of projects of public interest, other privatization measures or financial solutions that enable the interest of private capital in public investments.

The conditions for payment of BNDES remuneration and reimbursement of expenses incurred with the engagement of specialized technical services, as well as other costs necessary for the breakdown of Structuring Projects, are regulated in the project structuring contracts signed with clients. Additional information is available on the website: https://www.bndes.gov.br/wps/portal/site/home/financiamento/produto/bndes-estruturacao-de-projetos.

Moreover, information on ongoing and closed privatization processes, as well as other information, can be found on the website: https://www.bndes.gov.br/wps/portal/site/home/transparencia/desestatizacao.

As of December 31, 2021, the balance of BNDES remuneration, reimbursement of expenses and other costs related to the provision of privatization and concession services amounted to R$ 105,253, while income from services amounted to R$ 29,705.

23.4. Transactions with FAPES

The BNDES and the companies within the System do not have transactions with FAPES, other than those related to the management of the Retirement and Pension Plan and the Medical and Social Assistance Fund. The open balances with FAPES, summarized below, are detailed in Note 19:

	2021	2020
Liabilities		
Actuarial liabilities - Supplementary retirement plan (PBB)	1,920,688	3,479,669
Actuarial liability - Health Care Plan (PAS)	3,634,405	4,809,207
Shareholders' equity		
Equity valuation adjustments - PBB	2,912,984	1,004,290
Equity valuation adjustment - PAS	495,921	(996,307)

	2021	2020
Expenses		
PBB	(528,089)	(719,968)
PAS	(496,690)	(562,903)

23.5. Transactions with associated companies

BNDES by means its subsidiary BNDESPAR holds investments in associated companies, as detailed in the Note 9. In addition to capital contributions in investees and the receiving of dividends and interest on shareholders' equity, BNDES and its subsidiaries hold other operations of grant of loans with those companies.

These transactions with investees have the same conditions as those transactions carried out with other entities, not producing different effects in relation to others in the income and on BNDES' financial position.

The balances of transactions with these entities are summarized below:

	2021	2020
Assets		
Rights and receivables	187,110	108,433
Allowance for loan losses	(176,784)	(1,826)

23.6. Remuneration of management

At Extraordinary General Meetings of BNDESPAR and FINAME, both held on March 23, 2020, amendments to their Bylaws were approved, providing for that the Board of Directors and Fiscal Council of these companies are now composed of members of these respective BNDES Boards. Thus, the BNDES Group started unifying its Boards.

Remuneration costs and other benefits attributable to BNDES Group's key management personnel: members of Board of Executive Officers' members, Boards of Directors, Audit Committee, Risk Committee, and Tax Councils:

	2021	2020
Short-term benefits:		
Fees, benefits and charges	17,348	16,745
RVA (Cash installment)	952	652
Post-employment benefits		
Compensatory remuneration - quarantine	445	535
Long-term benefits		
RVA (Deferred portions)	1,148	999
Benefits on termination of employment contract		
Proportionate and compensated vacation time	23	-

BNDES Group does not offer share-based remuneration for its key management personnel.

BNDES and its subsidiaries do not grant loans to key management personnel. This practice is forbidden to all financial institutions under BACEN oversight.

Information on the highest and lowest remuneration (monthly fixed salary, without payroll charges) paid to key management personnel and employees in the year:

	2021		2020	
	Management	Employees	Management	Employees
Highest salary	80.84	85.21	80.84	76.79
Lowest salary	8.10	4.20	8.10	3.94
Average Salary	34.97	33.25	31.64	31.07

23.7. Employee profit sharing

Breakdown of the balance of expenses with profit sharing:

	2021	2020
Key management personnel (Annual Variable Compensation - RVA)	2,143	2,127
Employees	251,427	247,735
Total	**253,570**	**249,862**

Changes in the provisioned balances for profit sharing:

	2021		2020	
	Management	Employees	Management	Employees
Balance at the beginning of the year	4,210	247,735	3,820	180,026
Adjustments (prov. amount / prior years)	(157)	(21,624)	(108)	(5,059)
Payments made	(2,100)	(226,111)	(1,651)	(174,967)
Adjustment RVA provision - deferred [1]	237	-	22	-
Provision of the year	2,143	251,427	2,127	247,735
Balance at the end of the year	**4,333**	**251,427**	**4,210**	**247,735**

[1] The adjustment of deferred amounts is due to 4 reasons: i) monetary restatement of Directors' fees; ii) difference in the calculation of indicators, based on the internal audit report; and iii) decrease in the amount to be paid based on the calculation of the net income of the reference year of payment; and iv) Monetary updating by the change in shareholders' equity in relation to the previous year.

According to BNDES' Group Annual Variable Remuneration (RVA) Policy, established in compliance with CMN Resolution 3,921/2010, the profit sharing of the Board of Executive Officers (Directors) members is paid in cash, being, at least, 40% deferred for payment in future exercises. The deferral period shall be of at least three years, and the payments must be performed in a staggered manner, in proportional installments.

The members of the boards of directors and tax council are prohibited from receiving profit sharing, according to Law 9,292 of July 12, 1996.

Scheduling of RVA payments of BNDES Group's managers:

RVA	2021	2020
2021	-	2,389
2022	2,282	893
2023	976	574
2024	718	354
2025	357	-
Total	**4,333**	**4,210**

Information on the highest and lowest amounts of profit sharing paid to employees and members of the Board of Executive Officers (RVA) of the BNDES Group in the year is highlighted below:

	2021		2020	
	Management	Employees	Management	Employees
Greater profit sharing	133.10	229.75	161.93	167.50
Lower profit sharing	0.23	3.48	0.65	1.60
Average profit sharing	65.64	87.47	39.30	66.23

24. SEGMENT REPORTING

According to the methodology described in Note 32.4, we present below the business segment reporting of the BNDES Group.

	Consolidated				
	2021				
	Financing	Equity investments	Treasury/ALM	Non-allocated	Total
Income from Loans and interbank onlendings	39,246,653	-	-	-	39,246,653
Income from securities	5,116,979	-	9,717,605	-	14,834,584
Funding expenses	(29,719,127)	(2,978,422)	(942,076)	-	(33,639,625)
Net Foreign Exchange Effect	-	-	(559,048)	-	(559,048)
PRODUCT FROM FINANCIAL INTERMEDIATION	**14,644,505**	**(2,978,422)**	**8,216,481**	**-**	**19,882,564**
Allowance for losses, net of recovery	2,886,041	-	(166,716)	-	2,719,325
GROSS INCOME FROM FINANCIAL INTERMEDIATION	**17,530,546**	**(2,978,422)**	**8,049,765**	**-**	**22,601,889**
Income (loss) from equity investments	-	30,555,990	-	-	30,555,990
Administrative and personnel expenses	(2,061,447)	(228,649)	(116,731)	-	(2,406,827)
Other income (expenses), net	(1,844,234)	(926,604)	141,472	-	(2,629,366)
INCOME (LOSS) BEFORE INCOME TAX	**13,624,865**	**26,422,315**	**8,074,506**	**-**	**48,121,686**
Income taxes	(4,991,989)	(5,197,133)	(2,828,431)	(781,474)	(13,799,027)
Employee profit sharing	(217,183)	(24,089)	(12,298)	-	(253,570)
NET INCOME FOR THE YEAR	**8,415,693**	**21,201,093**	**5,233,777**	**(781,474)**	**34,069,089**
ASSETS	**451,550,844**	**68,080,227**	**198,623,487**	**18,923,879**	**737,178,437**
Investments in associated companies		11,793,115			11,793,115

	Consolidated				
	2020				
	Financing	Equity investments	Treasury/ALM	Non-allocated	Total
Income from Loans and interbank onlendings	30,942,929	-	-	-	30,942,929
Income from securities	1,236,024	-	5,766,874	-	7,002,898
Funding expenses	(21,210,303)	(2,212,045)	(1,717,849)	-	(25,140,197)
Net Foreign Exchange Effect	-	-	8,752	-	8,752
PRODUCT FROM FINANCIAL INTERMEDIATION	**10,968,650**	**(2,212,045)**	**4,057,777**	**-**	**12,814,382**
Allowance for losses, net of recovery	(544,238)	-	(401,467)	-	(945,705)
GROSS INCOME FROM FINANCIAL INTERMEDIATION	**10,424,412**	**(2,212,045)**	**3,656,310**	**-**	**11,868,677**
Income (loss) from equity investments	(339,980)	25,408,818	(27,926)	-	25,040,912
Administrative and personnel expenses	(1,914,775)	(202,284)	(157,280)	-	(2,274,339)
Other expenses, net	(2,325,958)	(1,037,730)	547,304	-	(2,816,384)
INCOME (LOSS) BEFORE INCOME TAX	**5,843,699**	**21,956,759**	**4,018,408**	**-**	**31,818,866**
Income taxes	(1,923,675)	(7,485,894)	(1,380,313)	(97,626)	(10,887,508)
Employee profit sharing	(210,360)	(22,223)	(17,279)	-	(249,862)
NET INCOME FOR THE YEAR	**3,709,664**	**14,448,642**	**2,620,816**	**(97,626)**	**20,681,496**
ASSETS	**462,439,257**	**79,915,772**	**215,133,190**	**20,853,756**	**778,341,975**
Investments in associated companies		10,868,901		-	10,868,901

25. RISK MANAGEMENT

25.1. Risk Management, Internal Control and Information Security

In accordance with internal and external regulations and based on the objectives established by Top Management, the BNDES Risk Management (AGR) and Integrity and Compliance Area (AIC) are responsible for:

- Define and propose to the Board of Executive Officers and the Board of Directors the general guidelines for risk management, internal control and information security for the BNDES Group;

- Monitor potential financial losses arising from credit, market, liquidity and operational risks in relation to the exposure levels approved by the Board of Executive Officers and the Board of Directors;

- Analyze future requirements for consumption of regulatory capital, economic capital and the projection of the allowance for losses according to the risk profile projected in the strategic plan of the BNDES Group;
- Analyze the evolution of provisions for doubtful accounts and their impacts on the income or loss of the BNDES Group;
- Evaluate the quality of the BNDES Group's internal control system, the definition of responsibilities, the segregation of duties, the risks involved and the compliance of processes with internal and external regulations, proposing measures for their improvement;
- Disseminate a culture of risk, internal control and information security management within the scope of the BNDES Group;
- Maintain and improve the BNDES Group's Business Continuity Management System;
- Develop and monitor the Risk Appetite Management System of the BNDES Group; and
- Promote the treatment, monitoring and governance of cyber risks.

Risk management at BNDES is an evolutionary process. The work is developed aiming to promote the continuous improvement of policies, processes, criteria and risk management, internal control and information security methodologies.

The' management structure for these topics comprises: Board of Directors; Board of Executive Officers; Chief Risk Officer (CRO); Audit, Risk Committee; Market risk Management Committees, Credit and Operating Risk Management, Internal Control and Integrity, Information Security Committee, Contingency Committee and Subcommittee; in addition to risk management and internal control units and information security.

It is worth highlighting that, in line with what the requirements of CMN Resolution 4,557/2017, which addresses the implementation of capital management structures to ensure that institutions maintain a sufficiently prudent capital level, develop and use better techniques in the processes of monitoring and managing their risks, as well as consistently planning their future capital needs, the BNDES defined its organizational structure for capital management as follows: (i) Financial Area, responsible for preparing the BNDES Capital Plan; (ii) the AGR, responsible for preparing the ICAAP report, which contains the calculation of capital need to cover the risks to which the BNDES is exposed, as well as simulations of severe events and extreme market conditions ("stress test"); (iii) the AIC, responsible for estimating the operational risk that makes up the capital requirement; (iv) Planning Area (PA), responsible for the strategy and guidelines for the BNDES performance profile; (v) Validation Unit (UVAL/AIC), responsible for preparing the ICAAP's independent validation report; and (vi) the Internal Audit Area, which must periodically evaluate the Bank's capital management process.

In compliance with the guidelines set forth in BACEN Resolution 54/2020 for the disclosure of information regarding risk management, BNDES discloses the Pilar 3 Report on a quarterly basis which is available for access at the following address: The information contained in this document is not part of the financial statements.

https://www.bndes.gov.br/wps/portal/site/home/relacoes-com-investidores/governanca-corporativa/relatorios-de-governanca/relatorio-pilar3/.

25.1.1. Operational Risk, Internal Control and Information Security

BNDES adopts the concept established in CMN Resolution 4,557/2017 in which the operating risk is defined as the possibility of the occurrence of losses resulting from external or failure events, weakness or inadequate internal processes, professionals and systems. Under this definition, operational risk includes legal risk. Cyber risk is also managed, which addresses information security risk involving an information technology asset and which may result in losses resulting from cyber incidents. On the other hand, Internal control is a process performed developed to mitigate risks at all levels of the Institution, having great importance in the management of these risks.

In line with the legal framework, BNDES has several processes and instruments aimed at properly managing operational risks, which includes activities for the identification, analysis, evaluation, treatment and monitoring of risks, with respective controls. Furthermore, the operational risk management and internal control unit carries out activities to evaluate the quality of the internal control system, manage business continuity, manage the cyber risk, allocate and assess the adequacy of regulatory capital, as well as an ongoing process of communication and dissemination of the risk, internal control and information security culture.

All activities are based on methodologies defined based on the Corporate Policies for Operational Risk Management and Internal Control and Business Continuity and Information Security Management, approved by the Board of Directors, which establish the set of principles, roles and responsibilities related to the main topics in the BNDES Group. Another major instrument is the BNDES Group Risk Appetite Statement, which guides the treatment of risks through its quantitative and qualitative limits.

The strengthening of the culture of operational risks, internal control and information security in the Institution is supported by a Communication Plan, developed with the objective of guiding actions, which include presentations, training, preparation of manuals, insertions in the internal media about these topics, as well as the availability of information on the Intranet.

Information Security Management

In the BNDES Group, the management of this topic is guided by the guidelines of the Information Security Management System (SGSI), formally approved by the Board of Directors. This system aims to preserve the confidentiality, availability and integrity of information processes and assets, owned or under the custody of the BNDES Group, comprising the Corporate Information Security Policy, the Strategic Information Security Plan and the Response Plan to Information Security Incidents.

These standards represent the cyber security policy and the action and response plan for incidents defined by CMN Resolution 4,893/2021. In addition to establishing guidelines for proper governance and information security management, the SGSI formalizes responsibilities and establishes the management structure.

In this context, the main duties of the operational risk management and internal control unit involve (i) managing vulnerabilities in critical information assets; (ii) defining the methodology for cyber risk management; (iii) promoting the treatment, monitoring and governance of identified risks; (iv) validating information security aspects in projects; (v) verifying occurrences and handling incidents related to information security; (vi) promoting adequate access management; (vii) preparing, maintaining and proposing standards and norms to discipline information security management; and (viii) carrying out communication actions to raise awareness and prevent information security incidents.

Operating Risk Measurement

BNDES currently uses the Basic Indicator Approach as a methodology to calculate the portion of risk-weighted assets related to the operating risk (RWA_{OPAD}), according to proceedings established in BACEN Circular Letter 3,640/2013.

The portion of RWA_{OPAD} increased from R$ 37,814,843 as of December 31, 2020 to R$ 59,208,432 on December 31, 2021. The increase in installment was due to the significant increase of the Exposure Indicator (EI) for the 2nd semester of 2020, considered only when calculating the portion in effect on December 31, 2021. The EI corresponds to the sum of the values of financial intermediation income and income from services rendered, net of expenses from financial intermediation.

25.1.2. Market risk

Market risk is the possibility of occurrence of financial losses from changes in the market value of long and short positions held by the Institution, among which the risks of operations subjects in the quotation of foreign currency, in the interest rates, in the prices of shares and the prices of commodities. Currently, BNDES is exposed to interest risk, foreign exchange risk and stock price risk.

The Corporate Policy for Management of Market Risk of BNDES Group, approved by the Board of Directors, and the market risk management structure define the set of methodologies, procedures, limits, instruments and responsibilities applicable to the permanent control of the Institution's internal processes in order to ensure adequate risk management.

Measurement of Market and Governance Risk

For the application of metrics and risk analysis defined by the regulator, BNDES' financial instruments portfolio is segregated into trading and non-trading portfolio, according to some assumptions.

The trading book consists of all transactions with financial instruments, including derivatives, held with the intention of active and frequent trading or intended to hedge other elements of the trading portfolio and which are not subject to the limitation of their negotiability. Transactions held for trading are those intended for (i) resale; (ii) obtaining benefits from actual or expected price movements; or (iii) carrying out arbitration. The non-trading portfolio corresponds to financial instruments that are not part of the trading portfolio. Risk management techniques may vary according to this risk classification.

BNDES Group manages the risks of interest, exchange and prices using the VaR (Value at Risk), Stress Test, sensitivity analysis and mismatches analysis by risk factor. In addition to this, the methodologies assigned by the regulator in its standardized modeling are applied. Two metrics are used to evaluate the interest rate risk for the non-trading portfolio: Economic Value Of Equity (EVE) and Net Interest Income (NII). The value of the interest rate risk of the non-trading portfolio for regulatory purposes, in accordance with the guidelines set forth in BACEN Circular Letter 3,876/2018 and its subsequent amendments, is a result of a weighting between the amounts calculated by the EVE and the NII. Finally, risk measures are analyzed through daily or monthly reports, depending on their purpose and decision-making.

As for governance, BNDES Group has different committees to discuss market risk issues, composed by different hierarchical levels. In addition, there is a structure of market risk limits and alerts that control the risks of portfolios, allowing the alignment with the risk profile stipulated in the committees.

Risk indicator for operations marked to market in the statement of financial position and foreign exchange operations

BNDES daily monitors and controls the market risk of operations marked to market in the Institution's Statement of Financial Position. The metric used in this monitoring and control is a Parametric VaR with EWMA volatility, with a 0.95 decay factor, 99% confidence and a holding period of 1 business day.

The values for December 31, 2021 and December 31, 2020, segregated by risk factor, are shown in the table below:

Risk factors	2021	2020
Interest	144,301	73,675
Exchange	9,090	236
Shares	2,010,810	2,421,668
Diversification effect	(139,132)	(62,904)
Total VaR	**2,025,069**	**2,432,675**

Non-trading Portfolio interest rate risk

BNDES adopts two methodologies to determine the bank portfolio's interest risk: *Net Interest Income* (NII) and *Economic Value of Equity* (EVE). The NII methodology measures the effect of changes in interest rates on accounting results, while the EVE methodology measures the change in the economic value of the portfolio after the application of interest rate shocks.

The two methodologies are complementary in risk evaluation. While NII quantifies the risks in a going concern scenario, while the EVE measures the risk in a scenario of disruption.

The tables below show the interest rate risk values of the banking portfolio according to the *Net Interest Income* (NII) and *Economic Value of Equity* (EVE) metrics for December 31, 2021 and December 31, 2020.

Metric	2021	2020
ΔEVE	9,153,054	27,238,359
ΔNII	923,129	276,853
IRRBB (Total)	1,502,515	**2,174,943**

Risk Weighted Assets regarding the Market Risk Portion (RWA_{MPAD}) and the Interest Rate Risk Portion of the Banking Portfolio (IRRBB)

The BNDES calculates daily the portion of regulatory capital related to market risk (RWA_{MPAD}) and the interest rate risk of the banking portfolio (IRRBB) monthly as a combination of EVE and NII. The breakdown of the market risk portion and IRRBB amounts are presented in the table below:

Breakdown of RWA_{MPAD}	2021	2020
RWA_{JUR1}	498,658	554,913
RWA_{JUR2}	-	-
RWA_{JUR3}	1,430,217	1,462,701
RWA_{CAM}	19,550,496	28,280,668
Total RWA_{MPAD} portion	**21,479,371**	**30,298,282**
IRRBB	**1,502,515**	**2,174,943**

Market risks from equity portfolio (RWA_{ACS}) and from commodities (RWA_{COM}) were equal to zero at the end of the years analyzed, since BNDES does not have exposure to these factors in its trading portfolio and to commodities.

Exposure to market risk

We present below a comparative table containing exposures to interest rate risk, exchange rate risk and price risk, for December 31, 2021 and December 31, 2020:

Risk group	Financial instrument / Risk factor	2021	2020
Fixed income operations			
Interest	Selic / DI	60,821,617	45,103,828
Interest	TJLP	(13,808,548)	(5,549,705)
Interest	Fixed rate	4,465,340	4,333,194
Interest	IGPM	768,979	4,884,239
Interest	IPCA	5,106,961	4,930,172
Interest	Ref. rate	(6,357,700)	(6,901,487)
Exchange	Foreign currency	(758,336)	68,800
Variable income operations			
Prices	Shares	51,511,862	64,784,952
Prices	Debentures convertible into shares	490,577	1,150,810
Prices	Stock options	683,389	428,449

Sensitivity analysis

Under the guidance of BACEN Resolution 02/2020, we present the table below showing the sensitivity analysis of financial instruments present in BNDES operations, which describes the risks inherent in these operations, and which may generate financial/economic losses to BNDES. The sensitivity analysis of financial instruments considered the tax effect on the profit/loss of fixed and variable income operations.

Scenarios II and III apply shocks of 25% and 50% (in the direction of loss) on market data. The tables below show the results of this year as of December 31, 2021 and December 31, 2020.

Risk group	Financial instrument / Risk factor	Risk	2021		
			Probable scenario	Scenario II	Scenario III
Fixed income operations					
Interest	Selic / DI	SELIC/DI increase	(230,824)	(946,957)	(1,578,262)
Interest	TJLP	TJLP increase	(50,125)	(138,527)	(277,055)
Interest	Fixed rate	PRE decrease	(34,051)	(6,810)	(11,350)
Interest	IGPM	IGPM decrease	(5,006)	(6,574)	(10,956)
Interest	IPCA	IPCA decrease	(13,224)	(37,564)	(62,607)
Interest	Ref. rate	Reference rate increase	(21,155)	(14,223)	(28,446)
Exchange	Foreign currency	USD decrease	(1,776)	(125,125)	(250,251)
Variable income operations					
Prices	Shares	Decrease in quotations	5,871,630	(8,499,457)	(16,998,915)
Prices	Debentures convertible into shares	Decrease in quotations	-	(121,642)	(228,297)
Prices	Stock options	Decrease in quotations	-	(280,695)	(531,407)

Risk group	Financial instrument / Risk factor	Risk	2020		
			Probable scenario	Scenario II	Scenario III
Fixed income operations					
Interest	Selic / DI	SELIC/DI increase	(184,565)	(169,681)	(282,801)
Interest	TJLP	TJLP increase	(9,890)	(40,199)	(80,399)
Interest	Fixed rate	PRE decrease	35,523	(5,651)	(9,418)
Interest	IGPM	IGPM decrease	165,371	3,546	5,910
Interest	IPCA	IPCA decrease	6,508	(25,250)	(42,084)
Interest	Ref. rate	Reference rate increase	(6,832)	-	-
Exchange	Foreign currency	USD decrease	(1,629)	(9,082)	(15,136)
Variable income operations					
Prices	Shares	Decrease in quotations	3,383,049	(10,689,517)	(21,379,034)
Prices	Debentures convertible into shares	Decrease in quotations	-	(434,513)	(850,730)
Prices	Stock options	Decrease in quotations	-	(9,779)	(11,533)

The potential loss indicated for the years of deterioration of the risk variable considered in the sensitivity analysis, in compliance with BACEN Resolution 02/2020, including those related to derivative instruments naturally originated within the scope of financial support operations through variable income instruments, do not reflect BNDES' perception of market risks within the scope of operations structuring and contracting; do not correspond to probable financial and economic burdens of the Institution; and do not represent the likely impacts to occur in the result of the BNDES Group, they are presented for reference purposes.

25.1.3. Liquidity risk

The liquidity risk corresponds to the possibility of the institution (i) not being able to effectively honor its expected and unexpected, current and future obligations, including those resulting from entailment of guarantees, without affecting its daily operations and without incurring material losses; and (ii) not being able to trade assets at market price, due to the high size of its positions in relation to the volume normally traded or due to some discontinuity in the market.

The Corporate Policy for Management of Liquidity Risk of BNDES Group, approved by the Board of Directors, and the liquidity risk management structure define the set of methodologies, procedures, limits, instruments and responsibilities applicable to the permanent control of the Institution's internal processes in order to ensure adequate risk management.

Treasury operations in BNDES are carried out with the purpose to support its main mission: providing funds to companies through loans and interests in the capital markets, characterizing itself, therefore, as an intermediary activity for the projection and investment of long-term funding. The treasury operations routine is driven to the cash flow management and management of proprietary positions, in compliance with BNDES' Financial Policy. The liquidity management of BNDES determines that the minimum cash volume must be equal, at least, to the sum of the capital, administrative and tax expenses of the subsequent month. In addition to the minimum cash, BNDES works with other liquidity buffer, the reserve of disbursements stabilization, with the purpose to guarantee cash outflows for BNDES's disbursements for a certain number of months defined by the Board of Executive Officers.

BNDES monitors its liquidity risk using 3 indicators, with the purpose to cover both, short-term and long-term risk. In order to monitor the short-term liquidity risk, two indicators are calculated, which are inspired on the guidelines associated to implementation of Basel III in Brazil. The first index is the Liquidity Coverage Ratio (LCR), which measures the capacity of the financial institution to cover, with high liquidity assets, net cash outflows. The indicator is calculated as the ratio of high liquidity assets to net cash outflows. The second ratio, the minimum cash index, extends LCR analysis horizon from 1 to 6 months. It is worth highlighting that, as of January 2021, the methodology for calculating short-term indicators was revised so that different stress scenarios are currently used in the calculation. Furthermore, the horizon of analysis of the ratios went from 1 to 3 months to 1 to 6 months.

In order to monitor the long term liquidity risk, the risk management unit replicates the Net Stable Funding Ratio (NSFR or Long-Term Liquidity Ratio) methodology, proposed in the Basel III Agreement. The NSFR is calculated as the ratio of long-term liabilities to illiquid assets. For the three indicators, their values should be above 1.

The following table shows the values of these indicators for December 31, 2021 and December 31, 2020.

Liquidity Risk Indicators	2021 (new methodology)	2020 (old methodology)
Liquidity Coverage Ratio (LCR)	26.6	8.7
Minimum Cash Ratio - 6 months (ICM)	6.4	11.7
Net Stable Funding Ratio (NSFR)	1.4	1.4

The disclosure of the balances of financial instruments by maturity is presented in Note 4.5.

25.1.4. Credit risk

Credit risk is the risk associated with the possibility of losses arising from: (i) counterpart's failure to fulfill their respective financial obligations under the agreed-upon conditions, (ii) devaluation of a loan agreement due to deterioration of the loan taker's risk classification, (iii) the decrease of gains or remuneration, (iv) the benefits granted in renegotiations, or (v) the recovery costs.

Objectives, Policies and Processes

The main objective of the credit risk management process is to ensure that the different credit risk exposures are aligned with the goals defined by the Board of Executive Officers and the Board of Directors, as well as ensuring that they are in line with the prudential requirements established by the National Monetary Council. Currently, exposure limits and concentration limits, as well as concentration, profitability and default targets, among others, have been defined.

The identification, evaluation and monitoring of credit risk exposures are carried out both individually, for each subsidiary of the BNDES Group, as well as in consolidated terms. The process seeks to ensure that communication about possible exceptions to policies, procedures and limits is made in a timely manner to Top Management, aiming to enable the implementation of mitigating or corrective actions appropriate to each case.

The Corporate Credit Risk Management Policy, in line with the principles of CMN Resolution 4,557/17, and its subsequent amendments, formalizes the credit risk management process of BNDES and its subsidiaries in Brazil and abroad, establishing responsibilities, principles, guidelines, processes and procedures related to the management of credit risks to which BNDES is exposed. The policies are approved and reviewed annually by the Board of Executive Officers and the Board of Directors.

Credit risk management at BNDES permeates the full process of granting, monitoring, collecting and recovering credit associated with each of the financing projects.

Further details on policies and processes related to credit risk management can be obtained through the Pilar 3 Report mentioned in the introduction to this note on risk management. The document presents a brief description of the main phases of the processing flow of financing projects, describes the main activities of the credit risk management process, among other information on the Prudential Conglomerate's loan portfolio.

Measurement of credit risk

BNDES measures credit risk based on the standardized approach, as established by Bacen Circulars 3,644/13 and 3,809/16. Credit risk exposures are calculated on a monthly basis in accordance with the normative guidelines. It is worth highlighting that, in addition to the Institution's loan portfolio, other financial assets, such as marketable securities, swaps and repurchase agreements are included in the regulatory capital portion related to credit risk (RWA_{CPAD}).

The table below shows the calculation of the credit risk portion based on standardized methodology (RWA_{CPAD}). The amounts are presented based on the Prudential Conglomerate of the BNDES Group.

	2021	2020
Interbank investments	396,137	609,442
Securities	63,942,283	79,254,533
Interbank Onlendings	78,561,707	81,104,366
Loans	211,366,895	193,514,018
Other rights receivable	1,308,108	1,541,179
Investment and property, plant and equipment in use	11,448,385	10,330,404
Credit commitments and Balances to be released	10,990,973	22,217,697
Tax credits	11,245,396	13,150,069
Other RWA_{CPAD} items	3,722,442	2,362,174
TOTAL exposure of the RWA_{CPAD} portion	**392,982,326**	**404,083,882**

In addition to the calculation of regulatory capital, BNDES makes estimates for the different components of the loan portfolio risk, with a view to assessing potential financial losses: probability of default (PD) by the counterparty, exposure at default (EAD) and loss due given default (LGD). The probability of default by risk range is estimated based on historical frequency, and recovery rates are calculated based on the receipt flows identified for defaulted contracts. Migration matrices and the value at risk for the loan portfolio are also estimated, currently using analytical methodologies and simulation.

Control of credit risk limit

The BNDES monitors the exposure limits established in internal and external regulations. The exposure limits per client and public sector are established, respectively, through CMN Resolutions 2,844/2001 and 4,589/17, and their subsequent amendments are monitored and inserted in the periodic internal distribution reports. Similarly, the sectoral limits defined by the BNDES Board of Executive Officers are monitored and several indicators related to the BNDES portfolio are determined, such as defaults and credits written-off as losses, portfolio quality and provisioning, concentration by economic group and by sector of activity, risk mitigators, among others. The indicators produced are analyzed and inserted in the Credit Risk Management Report, sent monthly to the Risk Management Committee.

Guarantees and credit risk mitigation policy

Potential loan losses are mitigated by using several types of guarantees required by BNDES in its operations of financial collaboration, such as: mortgage, pledge, fiduciary property, surety, binding or assignment in guarantee.

In order to calculate the regulatory capital, BNDES only applies some of the guarantees received on direct and indirect loans as credit risk mitigators, as described below:

	Mitigated Position	
Description of Mitigator	**2021**	**2020**
Guarantee provided by the National Treasury	40,011,749	45,735,896
Guarantee provided by Export Guarantee Fund (Fundo de Garantia à Exportação, "FGE") [1]	-	17,940,254
Guarantee provided by States Participation Fund (Fundo de Participação dos Estados, "FPE") and Municipalities Participation Fund (Fundo de Participação do Município) (FPM) [2]	2,925,150	7,310,886
Guarantee from financial institutions or other institutions authorized to operate by BACEN	9,550,689	11,823,425
Federal government bonds, if there is no mismatch between currencies in which the exposure is denominated or indexed and the respective financial collateral	1,410,366	1,353,703
Total	**53,897,954**	**84,164,164**

[1] Bacen Resolution 83 revoked §1 of art. 27 of BACEN Circular 3,809, and the use of the Export Guarantee Fund (FGE) as a mitigating factor for the purposes of RWA_{CPAD} is no longer permitted.

[2] BACEN Circular Letter 3,877, revoked the provisions of BACEN Circular Letter 3,809 which authorized the use of the State (FPE) and Municipal (FPM) Participation Funds as mitigating factors for RWA_{CPAD} (credit risk) purposes. The use of this mitigating factor was restricted to contracts approved by or before the date of publication of the regulation.

Exposure of Financial Assets to Credit Risk

The exposure to total credit risk, without application of risk mitigators or provision for loan loss, is detailed below:

	2021	2020
Financial assets		
At amortized cost		
Securities	6,290,758	3,777,561
Loans	296,775,995	298,574,571
Interbank Onlendings	162,498,232	168,391,826
Other receivables	1,664,265	2,044,567
At fair value through profit or loss		
Securities	67,721,578	79,642,429
At fair value through other comprehensive income		
Securities	85,401,103	103,940,947
Commitments to be released in up to 360 days	**69,672,490**	74,953,804
Total	**690,024,421**	**731,325,705**

Disclosure of concentration of financial assets exposed to credit risk is presented in Note 4.6.

The reconciliation of expected loan losses segregated by phases is presented in Note 6.4.

25.2. Determination of capital requirements

The table below presents the minimum capital requirements introduced by CMN Resolution 4,193/2013.

	Formulas	2021	2020
I- Factor "F" of Reference equity	**PR / RWA**	**8.0%**	**8.0%**
Core capital	Core capital/RWA	4.5%	4.5%
Level I	Tier I / RWA	6.0%	6.0%
II - Additional Core Capital (ACE)	**ACC / RWA**	**2.0%**	**1.25%**
Conservation	Conservation ACC / RWA	2.0%	1.25%
Countercyclical	Countercyclical ACC / RWA	0.0%	0.0%
Factor “F” of RE + ACC	**(PR + ACP) / RWA**	**10.0%**	**9.25%**
Core capital+ ACC	**(Core capital + ACC) / RWA**	**6.5%**	**5.75%**
Tier I + ACC	**(Tier I + ACC) / RWA**	**8.0%**	**7.25%**

Measurement of Regulatory Capital

The Regulatory Capital of the Prudential Conglomerate is as follows:

CAPITAL REQUIREMENT - Consolidated	2021	2020
Reference Equity (RE)	**190,283,623**	**194,493,120**
Level I	**148,140,436**	**147,082,035**
Core capital	**148,140,436**	**147,082,035**
Shareholders' equity	126,997,024	113,002,517
Instruments eligible to core capital	22,038,976	35,538,976
Prudential Adjustments	(895,564)	(1,459,458)
Goodwill Paid	(587,408)	(790,902)
Intangible assets	(6,131)	(11,050)
Minor Difference – Resolution Adjustments 4,277/13	(302,025)	(657,506)
Level II	**42,143,187**	**47,411,085**
Subordinated debts – Constitutional FAT [1]	42,143,187	47,411,085

	2021	2020
Total risk-weighted assets (RWA) [2]	**473,670,129**	**472,197,007**
Credit risk (RWA_{CPAD})	392,982,326	404,083,882
Market risk (RWA_{MPAD})	21,479,371	30,298,282
Operational risk (RWA_{OPAD})	59,208,432	37,814,843
Bank risk (RBAN)	1,502,515	2,174,943
Total	**475,172,644**	**474,371,950**

	2021	2020
Required Minimum Reference Equity[3]	**37,893,610**	**37,775,761**
RE Compatibility Margin (RE - REMR - Rban)	**150,887,498**	**154,542,416**
Additional Core Capital (ACC)	**9,474,223**	**5,903,253**
Conservation ACC [4]	9,473,403	5,902,463
Countercyclical ACE [5]	820	790

Index	2021	2020
Basel Ratio (BR)	40.17%	41.19%
Tier I Capital ratio	31.28%	31.15%
Core capital ratio	31.28%	31.15%
Leverage ratio	17.79%	17.04%

[1] Pursuant to article 29-A of CMN Resolution 4,192/2013, the Constitutional FAT funds recognized in the RE on 12/31/2021 correspond to the application of the 80% limiter on the amount calculated in Tier II on 06/30/2018 (the 90% limit applies on 12.31.2020).

[2] Assessment in accordance with CMN Circular Letter 4,958/2021 and amendments.

[3] The Minimum Required Reference Equity corresponds to the application of the factor of 8.00%, as of January 1, 2019.

[4] Established by CMN Resolutions 4,443/2015 and 4,783/2020. Results from the application of 2.5% to the RWA amount as of December 31, 2020; and 2.0% from October 1, 2021–March 31, 2022.

[5] Assessment in accordance with CMN Circular Letter 3,769/2015 and further amendments. It is limited to the maximum percentage of 2.50% in relation to the RWA amount, as of January 1, 2019.

In the period between December 31, 2020 and December 31, 2021, the Reference Equity of the Conglomerate reduced by R$ 4,209,498, due to the decrease in the Equity Valuation Adjustment, of R$ 11,396,210, as well as due to the early settlement of R$ 13.5 billion of PGFN/CAF Contract 867/PGFN/CAF entered into between BNDES and the Federal Government to grant credit to BNDES, recorded in the Other Eligible Instruments to Core Capital account. This decrease was partially offset by the Income for the year.

The Risk-Weighted Assets (RWA), composed by the sum of the portions of credit risk (RWA_{CPAD}), market risk (RWA_{MPAD}) and operating risk (RWA_{OPAD}), presented a growth of R$ 1,473,122 (0.3%), due to the increase of RWA_{OPAD} portion, partially offset due to the decrease of RWA_{CPAD}.

26. OTHER INFORMATION

26.1. Management of funds and programs

Delegated by the Federal Government, BNDES performs the role of administrator, manager, or agent of the funds in the tables below:

a) Funds with amounts held or invested by BNDES

The table shows the funds kept as cash and cash equivalents or invested in securities operations with BNDES, used in loan operations with risk from BNDES or risk from the fund itself, in addition to other assets.

Amount invested	2021	2020
Merchant Marine Fund (FMM)	24,790,102	26,402,945
FT - Land and Agrarian Reform Fund	880,539	996,598
FSA - Audiovisual Sectorial Fund	1,703,358	1,695,369
FNMC - Fundo Nacional sobre a Mudança do Clima	1,921,880	1,764,787
FAN - Amazon Fund	3,583,826	3,549,553
FUNTTEL - Fund for the Technological Development of Telecommunications	634,230	449,727
Fund for Regional Development with Privatization Resources (FRD)	240,908	244,182
FAT-DE - Workers' Aid Fund - Special Deposits	6,641,264	7,181,869
FNRB - Benefit-Sharing National Fund	3,945	2,616
FGI - Investment Guarantee Fund [1]	1,409,496	1,370,138
FGI-PEAC - Investment Guarantee Fund - Emergency Credit Access Program [2]	21,034,328	20,762,531
Total	**62,843,876**	**64,420,315**

[1] As of December 2020, the FGI started to be presented in the group of Funds with values maintained or invested in BNDES, since most of the funds started to be invested in BNDES, in repurchase agreements. The management of FGI's financial funds is the responsibility of BNDES and the portion not invested in BNDES continued to be invested in Banco do Brasil.

[2] According to Law 14,042, 08/19/2020.

b) Assets of funds not invested at BNDES

The related funds have their resources held in the Treasury Single Account. The securities held in the Export Guarantee Fund portfolio are not actively managed by BNDES. Such bonds were transferred by the Federal Government to the FGE.

Fund's assets	2021	2020
FGE	41,343,664	38,966,916
FGPC [1]	63,000	2,425,486
Total	**41,406,664**	**41,392,402**

[1] Based on Article 5 of Constitutional Amendment 109, of March 15, 2021, and Ordinance 759, of March 22, 2021, which determines that the financial surplus of federal public funds be centralized in the UG/Management 170012/0001, for subsequent allocation to the amortization of the Federal Government's public debt, on March 29, 2021, a transfer of funds from the FGPC in the amount of R$ 2,417,588 to the indicated GU was carried out.

c) Other funds

The BNDES was appointed as manager of the National Privatization Fund - FND, pursuant to Decree 99,464/1990, while Law 9,491/1997 maintained this determination, even listing its duties and assignments with respect to the PND. The FND is an accounting fund formed, by way of deposit, of shares or quotas directly or indirectly owned by the Federal Government issued by companies that have been included in the National Privatization Program - PND, including minority interests held by the Federal Government, directly and indirectly included in the PND.

d) Income from commissions and fees from funds at BNDES

	2021	2021
PIS/PASEP	-	55,593
Merchant Marine Fund (FMM)	807,314	601,909
FSA - Audiovisual Sectorial Fund	7,904	4,348
FNMC - Fundo Nacional sobre a Mudança do Clima	10,167	11,774
FNRB - Benefit-Sharing National Fund	60	34
FGI-PEAC - Investment Guarantee Fund - Emergency Credit Access Program	207,461	72,647
FGI - Investment Guarantee Fund	14,687	14,224
FND – National Privatization Fund	15,035	2,344
Total	**1,062,628**	**762,873**

26.2. Leniency Agreement between the Federal Public Prosecutor's Office and J&F Investimentos S.A.

On June 5, 2017, a Leniency agreement was entered into between the Federal Public Prosecutor's Office, for its work in the operations "Greenfield", "Sépsis", "Cui Bono" (Car Wash) and "Carne Fraca" (Weak Meat), and J&F Investimentos S.A., working in collaboration with the investigations, whose object were misconduct committed by J&F Investimentos S.A.

In this agreement it was established that J&F Investimentos S.A. must pay, on a fine and minimum reimbursement basis, over the period of 25 years to the entities indicated in the Leniency Agreement, the total amount of R$ 10,300,000, R$ 1,750,000 of which must be allocated to BNDES, as one of the entities considered as injured by the MPF. The payment of the total amounts (R$ 10,300,000) is expected to be made as follows: five semi-annual installments, in the amount of R$ 50,000, first installment of which falling due on December 1, 2017; and, in the sequence, other 22 annual installments to settle the debit balance, with installments falling due as from December 1, 2020. The total received up to December 31, 2021 was R$ 133,087. Of this amount, R$ 83,284 related to the 1st annual installment, out of a total of 22 installments provided for in the Agreement, was received during the year 2020. In 2021, BNDES did not receive the deposit in its own account referring to the 2nd annual installment, out of a total of 22 installments provided for in the Agreement. Furthermore, there is a judicial deposit of R$ 3,755 made in 2020, whose application for the withdrawal permit was requested and depends on the respective granting for the actual receipt by the BNDES.

After evaluating the terms of the agreement, and considering the characteristics thereof, in which there are chances that receipt of the set amounts is not expressly guaranteed, thus generating uncertainties as to the future feasibility and enforceability of the agreement and considerable possibility that the right to receive such amounts will no longer be assured unto BNDES, management is treating this asset as a "contingent asset," pursuant to IAS 37. The amounts actually received by BNDES are being recorded as income in the period in which they occur, as fines.

Pursuant to IAS 37, "contingent assets" are not recognized in the financial statements, but are disclosed. Once the economic benefits are practically certain, they must be recognized in the financial statements for the period in which this change in estimate occurs.

26.3. Tax expenses

Tax expenses, excluding income taxes (corporate income tax and social contribution, disclosed in Note 17), are mostly related to PIS and COFINS.

26.4. ESG Agenda

The commitment to sustainable development, green economy, socio-environmental development and governance is expressed in our vision and guides the Bank's strategy and operations. The management of Environmental, Social and Governance aspects (ESG) includes social, transparency, relationship and climate factors, and our performance is in line with the UN Sustainable Development Goals (SDGs).

The Bank incorporates socio-environmental commitment and the ESG agenda into its policies. Non-supportable activities and projects include advances in critical sectors in terms of socio-environmental risk. The list of activities, projects and items that cannot be supported by the BNDES can be consulted at https://bndes.gov.br/wps/portal/site/home/financiamento/guia/lista-exclusao-atividades-e-itens-not-supportable-by-bndes/

Further information about the ESG agenda at BNDES can be found in the Management Report, Annual Report and at the electronic address: https://www.bndes.gov.br/wps/portal/site/home/desenvolvimento-sustentavel/compromisso/objetivo3-conteudo.

27. RECONCILIATION BETWEEN ACCOUNTING STANDARDS

The table below shows the reconciliation between the Shareholders' Equity items disclosed in the individual and consolidated financial statements of BNDES, according to the accounting practices regulated by BACEN and CMN ("Cosif Standard") and those disclosed by BNDES in these financial statements prepared in accordance with the international accounting standards issued by the IASB ("IFRS Standard").

	2021					2020
	Net income for the year	Other comprehensive income (OCI)	Non-appropriated accumulated earnings	Shareholders' equity		Shareholders' equity
Cosif Standard	**34,069,089**	**20,409,116**	**-**	**126,997,024**		**113,002,517**
Adjustments in accounting practices:						
(a) Instruments eligible to core capital	1,068,762	-	(1,068,762)	22,038,976	B	35,538,976
(b) Gain on bargain purchase	(28,670)	-	181,062	152,392		181,062
(c) Equity in earnings (losses)	(7,907)	-	(17,237)	(25,144)		(17,237)
Impairment loss						
(d) Assets recognized (derecognized) from the loan portfolio	(1,045,303)	-	6,824,124	5,778,821		6,824,124
(e) Loan portfolio	8,932,958	-	425,342	9,358,300		425,342
(f) Interest in associated companies	(6,678)	-	(28,670)	(35,348)		(28,670)
(g) FVTOCI Shares _ CMN Res. 4,175	393,774	4,301,875	(4,695,649)	-		-
(h) Shares FVTOCI _ Bacen Circ. Letter No. 3,068	(5,448,816)	12,199,131	(6,750,315)	-		-
(e) Other financial assets measured at amortized cost; and FVTOCI	228,273	34,061	337,028	599,362		681,088
(i) Adjustment to fair value of debentures	(480,966)	3,080,031	(2,599,065)	-		-
Other adjustments - Financial instruments						
(j) Disposals of shares at FVTPL	(11,580,532)	-	11,580,532	-		-
(k) Impairment loss of shares and debentures at DPV (In the Cosif Standard)	189,558	(4,002,849)	3,813,291	-		-
(l) Reclassification of financial assets	(3,082,324)	-	3,167,883	85,559		65,373
Other effects	(309,393)	-	309,393	-		-
(m) Adjustments of effective interest rate	24,821	-	(86,882)	(62,061)		(86,882)
(n) Lease - IFRS 16	(1,362)	-	(4,632)	(5,994)		(4,632)
Tax effect on adjustments of accounting practices	4,640,438	(5,670,985)	(5,418,824)	(6,449,371)		(3,516,414)
Net income for the year under IFRS standard			27,555,722			
Allocation of corporate income			(34,069,089)			
IFRS standard	**27,555,722**	**30,350,380**	**(544,748)**	**158,432,516**		**153,064,647**
		C	D	A		
Total adjustments to the IFRS Standard [1]	**(6,513,367)**	**9,941,264**	**(544,748)**	**31,435,492**		**40,062,130**

[1] A – B = C + D

a) According to the IFRS Standard, certain debt instruments are classified in shareholders' equity. However, BACEN, through BCB/Desup Official Letter No. 6323/2015, determined that such instruments be presented and disclosed as a liability item in the Cosif Standard. Thus, BNDES reclassifies the interest on the instruments eligible to principal of the result in the Cosif Standard, recording directly in Retained earnings as they are considered as remuneration of own capital to the IFRS Standard.

b) Pursuant to IFRS 3 - Business Combination, BNDES recognizes "Gain from bargain purchase" on the acquisition of associated companies in the income (loss) for the period when the transaction takes place. Based on the Cosif Standard, such gain is maintained in assets as a "negative goodwill," reducing the value of the investment, being written-off to income (loss) when the investment is made.

c) As a consequence of the difference in the practice described in item (b) above, BNDES's equity investments that present negative goodwill have an investment value determined in accordance with the Cosif Standard, below that calculated in accordance with the IFRS Standard. Thus, the recognition of equity-related losses may cause the investment balance in a certain associated company to become negative in the Cosif Standard while remaining positive in the IFRS Standard, requiring a practice adjustment to cancel part of the loss recognized in accordance with the IFRS Standard.

d) The criterion for the write-off of financial assets under the IFRS Standard considers recovery expectations, whereas in the Cosif Standard, the delinquency time is the determining factor for the non-maintenance of the asset in the statement of financial position.

e) Adjustment in accounting practice arising from the different methodologies for determining "impairment loss" determined by the CVM Standard (IFRS 9 - Financial Instruments) and the Cosif Standard (CMN Resolution 2,682/1999 in relation to loan portfolio and Resolution 3,068/2001 in relation to securities).

f) As a result of the difference in practices described in item (b), for cases of the associated companies with negative goodwill in which BNDES recorded an allowance for impairment, the provision amount was adjusted to the Cosif Standard so that the total investment corresponds to the recoverable value.

g) Adjustment in accounting practice arising from the difference in accounting for the "Impairment loss" of available-for-sale shares under the IFRS Standard (IAS 39 - Financial Instruments) compared to that practice determined by the Cosif Standard (CMN Resolution 4,175, issued by BACEN on December 27, 2012). Until December 31, 2017, the IFRS Standard provided for the recognition of the Impairment Loss in the income or loss (amended by IFRS 9 - Financial Instruments as of January 1, 2018), while CMN Resolution No. 4,175 provides for that the loss calculated with certain shares remains in OCI and transits through income or loss only when realized. Changes in income for the year ended December 31, 2021 refer to the realization of part of this difference due to the sale by BNDESPAR of Vale S.A. common shares.

h) Adjustment in accounting practice arising from the different methodologies for calculating the "Impairment loss" of available-for-sale shares determined by the IFRS Standard up to December 31, 2017 under the scope of IAS 39 – Financial Instruments (concept of losses linked to a significant or prolonged decline of asset value) and Cosif Standard within the scope of BACEN Circular 3,068/2001 (concept of permanent losses). The changes in the year ended December 31, 2021 stems from the reversal of the permanent loss recognized between 2014 and 2016 for Petrobras shares, reverted only in the Cosif Practice.

i) Pursuant to IFRS 9 - Financial Instruments, BNDES classifies certain debentures in the "Designated as at Fair Value through Profit or Loss" category, and recognizes the Fair Value Adjustment of the fixed income portion in income for the year. According to the Cosif Standard, such debentures are classified in the "Available for Sale" category, with the Fair Value Adjustment being recognized in OCI, considering that BACEN Circular No. 3,068/2001 does not provide for the category "Designated at Fair Value through Profit or Loss". As of December 31, 2021, the accumulated adjustment of the practice in OCI is equivalent to the negative Fair Value Adjustment of such debentures.

j) As from January 1, 2018, BNDES has adopted IFRS 9 - Financial Instruments, which has not been approved by the Central Bank of Brazil. One of the primary effects of this pronouncement on the BNDES's equity investment portfolio is that the gain/loss on disposal of shares valued at "fair value through other comprehensive income" no longer circulates through the income (loss) for the period, and directly recognized in retained earnings.

k) Adjustment in accounting practice resulting from the difference in accounting for the loss on shares and debentures classified in the Cosif Standard in available for sale category. According to the Cosif Standard (BACEN Circular 3,068/2001), losses considered permanent are recognized in the statement of income for the year, whereas according to the IFRS Standard (IFRS 9 - Financial Instruments) the concept of permanent loss (i) is not applicable to equity instruments and debentures classified as FVTPL, and (ii) follows the methodology for calculating "Impairment loss" (described in item (e) above), for debentures measured at FVTOCI.

l) Practice adjustment resulting from financial assets classified in Cosif standard in the categories "held to maturity" and "available-for-sale," that failed the SPPI test and, therefore, had their fair values recorded in the income (loss) for the year under the IFRS Standard.

m) Under the IFRS Standard, incremental income directly attributable to the origination of credit is included in the calculation of the amortized cost and deferred over the contract term, instead of the immediate recognition in the income (loss) under the Cosif Standard.

n) Adjustment of practice resulting from the adoption as of January 1, 2019 of IFRS 16 – Leases, not accepted by Bacen.

28. TRANSACTIONS NOT INVOLVING CASH

As of December 31, 2021 and December 31, 2020, there were no operations involving cash.

29. SUBSEQUENT EVENTS

Disposal of Petrobras' shares by BNDESPAR

Between January and February 2022, BNDESPAR sold, in a trading session on the stock exchange (B3), all the common shares of Petrobras (PETR3) it held, represented by 17.7 million shares, corresponding to 0.24% of Petrobras' voting capital, for the total amount, net of sales expenses, of R$ 634,631,000, at an average unit price of R$ 35.88 per share. BNDESPAR's interest in Petrobras' total capital was reduced from 7.04% to 6.90% of the investee's total capital.

Disposal of JBS's shares by BNDESPAR

On February 16, 2022, continuing the strategy of divestment of mature positions, BNDESPAR sold, through a block trade operation on the stock exchange (B3), 50 million common shares issued by JBS S.A., in the total amount, net of sales expenses, of R$ 1,867,896, at the unit price of R$ 37.52 per share (JBSS3), which represented a 3% discount on the closing price of the share on the previous day of the transaction, causing BNDESPAR's interest in JBS to be reduced from 21.55% to 19.45% of the total capital and of the investee, currently holding a total of 461,661,101 common shares of JBS S.A.

30. GENERAL INFORMATION ON BNDES

Objectives and operations

BNDES Group, which include BNDES and its subsidiaries, is the principal instrument of the federal government for long-term financings, with an emphasis on stimulating the national private initiative.

The BNDES structure, whose mission is to offer financial solutions that provide investments for sustainable development, generating employment and reducing social and regional inequalities, prioritizes the following:

- Expanding investments in infrastructure with support to economic, social and urban infrastructure;
- Increasing the competitiveness of Brazilian companies with support to investment that make them more capable to explore opportunities and to overcome its market challenges;
- Contributing to social and economic inclusion through products that broaden the access to credit;
- Supporting the development of public institutions and structuring of projects associated to public concessions and public-private partnerships; and
- Stimulating innovation, environmental sustainability and regional development in the projects supported.

In addition to the performance as a development bank, BNDES has an important role in the formulation of national development policies and in the identification of solutions for structural problems of the Brazilian economy.

BNDES also operates through its two wholly-owned subsidiaries:

- BNDES Participações S.A. - BNDESPAR, which invests through the purchase of shares, debentures underwriting and venture capital and private equity funds with purpose, among others, to support the development of new projects, which incorporate new technologies, and to contribute to the strengthening of the capital markets; and
- Agência Especial de Financiamento Industrial S.A. – FINAME, which supports the expansion and modernization of the Brazilian industry through financing, using financial institutions, the purchase of machinery and equipment of national production and the financing of imports and exports of machinery and equipment.

31. CONSOLIDATION CRITERIA

The consolidation process of equity and income accounts corresponds to the horizontal sum of balances of assets, liabilities, income and expenses accounts, according to the nature of each balance, reflecting, however, the following exclusions:

- interest in the capital, reserves and retained earnings held by institutions;
- transactions among BNDES and its subsidiaries and other balances, comprising asset and/or liabilities, held by institutions;
- income and expenses, as well as unearned profits resulting from transactions among institutions; and
- taxes on the portion of unearned profit and presented as deferred taxes in the consolidated statements of financial position.

32. SIGNIFICANT ACCOUNTING PRACTICES AND GENERAL ESTIMATES

Accounting practices adopted by BNDES are applied in a consistent way, in all the years presented in these financial statements and uniformly to all the entities of BNDES Group.

It is worth highlighting that the preparation of these consolidated financial statements requires estimates and judgments. Accordingly, we present below the accounting practices and general estimates considered significant by Bank's Management.

32.1. Financial instruments

32.1.1 Financial assets

Financial assets are recognized when BNDES is an active party of the contractual provisions of the instruments. They are initially recognized at fair value and subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss, based on BNDES business models for management and in the evaluation of contractual characteristics of the cash flow of said instruments.

a) Classification and measurement of financial assets

Evaluation of business model for management of cash flows

The BNDES determines its business models for the management of its financial assets at the level that best reflects the way in which the financial asset portfolios are managed to achieve the business objectives and how the reports are provided to Management.

The document containing the Business Model of the BNDES Group (approved by its Board of Directors) presents the four categories, defined as follows:

• **Business model 1 (MN1): Maintain to gather only contractual cash flows**

This model includes fixed income financial assets whose management is based on the collection of contractual cash flows with the purpose of holding these instruments to maturity. Sales will be incidental to this purpose and will be insignificant.

Moreover, these assets were proven through a preventive assessment as being composed exclusively of principal and basic interest on loans.

• **Business model 2 (MN2): Maintain both to collect contractual cash flows and to sell**

This model includes fixed income financial assets whose management is based both on the receipt of contractual cash flows and on the sale of financial assets before their maturity.

Moreover, these assets were proven through a preventive assessment as being composed exclusively of principal and basic interest on loans.

• **Business model 3 (MN3): Other business models for fixed income financial instruments and derivatives**

This business model includes fixed income financial assets that failed the cash flow test, those held for trading and derivatives.

• Business model 4 (MN4): Other business models for fixed income instruments

Assets included in this model are investments in unrelated shares and investment fund quotas in private equity investment funds.

When the management of these instruments indicates that they are not held for trading, BNDES will choose (irrevocably), at the beginning, to subsequently measure them at "Fair Value through Other Comprehensive Income."

b) Categories of measurement of financial assets

(i) Amortized cost

Financial assets classified into MN1 are subsequently measured at amortized cost using the effective interest rate method and are presented net of allowance for expected loan losses.

(ii) at fair value through other comprehensive income

Financial assets classified under MN2 are subsequently measured at fair value with the corresponding contra entry in Other comprehensive income.

For equity instruments designated for this category, subsequent measurement was carried out at fair value, with unrealized gains and losses arising from changes in the fair value of these instruments recognized in "Other comprehensive income," net of tax effects. When the investment is sold, the accumulated gain or loss will be transferred within Shareholders' Equity (from "Other Comprehensive Income" to "Non-appropriated profit or loss").

(iii) At fair value through profit or loss

In this category, fixed income or variable income financial assets are recorded at fair value and any resulting gains or losses are recognized in the income (loss) for the period.

(iv) Summary of financial asset categories of the BNDES Group

Stated at fair value through profit or loss:

- Federal government bonds;
- Investment funds;
- Repurchase agreements with possibility of early redemption;
- Derivatives; and
- Hybrid debentures.

Measured at amortized cost:

- Cash and cash equivalents;
- Interbank investments such as: foreign exchange portfolio, interbank deposits, cash and cash equivalents and investments in foreign currency and repurchase agreements without the possibility of early redemption;
- Private issue simple debentures;
- Interbank onlendings and loans; and
- Credit sale of securities, rights receivable; rights receivable from Eletrobras, credits with the National Treasury, dividends and interest on shareholders' equity receivable, sundry debtors, debtors for guarantee deposits and payments to be reimbursed.

Measured at fair value through other comprehensive income:

- Unrelated shares, private equity fund quotas, debentures, federal government bonds.

c) Reclassifications of financial asset categories

Financial assets will only be reclassified when BNDES changes its business model to manage them.

d) Write-off of financial assets

Financial assets are written-off only when there is no reasonable expectation of recovering the contractual rights to receive cash flows or when BNDES transfers the contractual rights to receive cash flows from financial assets. Subsequent recoveries of amounts previously written-off are recorded as income in the income (loss) for the period in which they occur.

32.1.2 Contingent liabilities

a) Recognition and initial measurement

Financial liabilities are recognized when BNDES is a defendant of contractual provisions of the instruments.

b) Subsequent classification and measurement

After their initial recognition, financial liabilities are measured at amortized cost or at fair value.

c) Summary of the BNDES Group's financial liability categories

Stated at fair value through profit or loss:

- Derivatives.

Measured at amortized cost:

- FAT special deposits, sundry deposits, interbank deposits, restricted deposits;
- Repurchase agreements;
- Debentures, financial bills and agribusiness credit letters issued
- Loans and onlendings;
- Subordinated debt;
- Financial and development funds; and
- Other obligations: accounts payable, creditors linked to settlement of transactions, liabilities for unearned deposits, dividends and interest on shareholders' equity, creditors for the purchase of term shares and obligations linked to the National Treasury.

d) Write-off of financial liabilities

Financial liabilities are written off when its contractual obligations are eliminated, canceled or extinguished.

32.1.3 Presentation of financial instruments by the net position between assets and liabilities

Financial assets and liabilities are presented in the statement of financial position at their net value only when BNDES has the legal right and the intention to offset asset values with liability values and settle these assets and liabilities by the difference or realize the asset and settle the liability simultaneously.

32.1.4 Derivatives

When applicable, BNDES uses derivatives for hedging purposes, aiming at adapting its breakdown of financial assets and liabilities, managing product profiles and meeting any other purposes aligned with its institutional objectives, seeking efficiency in financial management. Derivatives are not used to take speculative positions, which intentionally generate uncovered positions linked to directional bets.

The protection strategy consists on offset to fully or partially offset the risks arising from exposure to changes in fair or market value or in the cash flow of any financial asset or liability.

Derivatives are initially recognized at fair value on contracting date and are subsequently measured at fair value at the end of each report period. Possible gains and losses are directly immediately recognized in income.

A derivative with a positive fair value is recognized as an asset, while a derivative with a negative fair value is recognized as a liability. A derivative is presented as a non-current asset or liability if the instrument's remaining maturity is greater than 12 months and is not expected to be realized or settled in a shorter period.

Furthermore, BNDES uses financial instruments that fit the definition of embedded derivatives, as part of some variable income operations. For example, such derivatives, options to convert/exchange debentures into shares, are embedded in certain debentures.

32.1.5 Impairment of financial assets

The BNDES Group adopts the impairment approach based on the three-phase model, according to the significant increase in credit risk. This approach is adopted for fixed income instruments included in the categories amortized cost and fair value through other comprehensive income, credit commitments and financial guarantees, when issued.

For the adoption of this approach, BNDES uses reasonable and supportable information on past events, current conditions, forecasts of future events and economic conditions and, thus, to determine if there has been a significant increase in credit risk since the initial recognition of its instruments.

a) Determination of stages and significant increase in credit risk

The phased approach to the allowance for expected loan loss is based on the change in the credit quality of BNDES financial assets since the initial recognition.

To this end, BNDES has an internal credit risk rating system, and uses external risk ratings and forward-looking information to assess the deterioration in the credit quality of a financial instrument. A deterioration must be considered significant when the exposure is assigned a rating from which a recovery is not expected to occur within a given period of time. In other words, when the rating of a particular operation is downgraded to a level where recovery to the original level is not usually observed, there is a significant increase in credit risk. Aiming to establish the level of limit risk for changing the phase, BNDES carries out an analysis based on the observed historical frequency of changes between ratings.

BNDES assesses whether credit risk has significantly increased collectively, where financial assets are grouped based on shared credit risk ratings, considering the type of instrument, credit risk ratings, the initial recognition date, the remaining term, area, geographic location of the counterparty, among other relevant factors. Therefore, all operations are initially classified in Phase 1, and remain in this situation as long as there is no significant increase in

credit risk. If there is a significant increase in credit risk on the valuation date, the assets will be migrated from Phase 1 to Phase 2, and for that purpose, BNDES uses two criteria:

i. Significant rating downgrades assigned to the operation, compared to the time of credit granting (provided they do not continue being considered as having a low credit risk); and

ii. Operation with payments overdue >30 days.

For assets classified at this phase, the allowance is calculated according to an amount equal to the expected loan losses over the useful life of the contract.

When one or more events occur that have a negative impact on the estimated future cash flows of a financial asset, the financial asset is migrated to Phase 3, and an allowance for loan losses equal to the expected losses for the useful life is realized. The migration criteria for this phase are as follows:

- Operation stated by BNDES as asset with credit recovery problem; or
- Overdue >90 days

BNDES uses, but is not limited to, the following criteria for declaring an asset as having a credit recovery problem:

- Payment of the debtor's installments will depend, in whole or in part, on the receipt of funds arising from the triggering by BNDES or on payment made by an interested third party that does not belong to the debtor's economic group;
- Significant deterioration of credit quality;
- The exposure of the transaction is restructured;
- Debtor declares bankruptcy.

Therefore, BNDES understands that the definition of a significant credit increase used for migration between phases is consistent with its internal models for credit risk management.

Eventually, BNDES individually assesses operations classified in Phase 3 with significant balances to obtain the best estimate of the cash flows expected to be received. For such, BNDES exercises its judgments as to the financial condition of a debtor and at the net realizable value of any underlying collateral.

National government bonds are considered assets with low credit risk are and, therefore, remain in phase 1. Federal government bonds issued in Brazil are considered risk free and, therefore, there is no allowance for losses.

b) Return between stages

For an operation to migrate from Phase 2 to Phase 1, it is enough that its rating is reviewed to a level above (better) than that determined as a limit for migration to Phase 2; or, if the 30-day criterion is used, whether the late payment has been regularized.

While in order to migrate from Phase 3 to the other phases, the operation should no longer be considered as an asset with credit recovery problems, the condition of which may be changed if there is evidence that the borrower has resumed its ability to honor its contractual obligations again, and must fulfill one of the following conditions:

i. The financial default has been regularized through the full settlement of overdue and unpaid installments;

ii. Realization of significant amortization;

iii. Change of client or of its parent company;

iv. Significant change in the value or quality of the collateral.

Interest income is calculated on the gross book value of financial assets in Phases 1 and 2 and on the net book value of financial assets in Phase 3.

c) Measurement of expected loan losses

Measurement of allowance for expected loan losses is mainly based on the result of the following factors:

(i) the probability of default (PD), based on the internal credit risk rating of the financial instrument,

(ii) the loss given default (LGD) of Phases 1 and 2 (and any individualized estimates for the relevant exposures in Phase 3); and

(iii) Exposure at Default - EAD

(iv) and the individual assessment of certain transactions classified in Phase 3 with significant balances, using judgments regarding the financial situation of a debtor and the net realizable value of any underlying collateral.

The BNDES, to adjust its PD estimates, uses the estimate of migration matrices adjusted to the macroeconomic cycle (point-in-time – PIT).

d) Credit commitments

BNDES recognizes the allowance for expected loan losses based on the sum of the projection of future disbursement commitments for certain credits, adjusted by the Credit Conversion Factor (CCF).

32.1.6 Calculation of the fair value of financial instruments

BNDES classifies the fair value measurement hierarchy according to the relevance of the data observed in the measurement process as follows (breakdown of instruments per level is presented in Note 4.3):

Level 1: Prices quoted (not adjusted) in active markets for identical assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market price at the statement of financial position date. A market is considered as active if transactions are carried out at frequency and volume sufficient to provide continued pricing information.

Level 2: Inputs which are observable for the asset or liability, either directly or indirectly, except for quoted prices included in level 1.

Level 3: Valuation techniques for which any significant input is not based on observable market data.

The specific valuation techniques used to assess financial instruments include (i) market prices or quotes from financial institutions/brokers for similar instruments; discounted cash flow, Black-Scholes-Merton and Monte Carlo Simulation (for European type options whose object assets are traded on the stock exchange) and binomial tree (for American type options whose object assets are traded on the stock exchange).

The main assumptions used when adopting the Black-Scholes-Merton technique, Monte Carlo simulation and Binomial Tree are as follows:

- Start date: refers to the date of the assessment; that is, the end date of each month;
- Final date: maturity date;
- Asset price: last average quotation of the underlying asset observed on the base date;
- Strike price: projection of the exercise price of the option on the end date, according to the contractual conditions;
- Free risk rate: fixed nominal rate of government bond issued by the National Treasury that has a term compatible with that of the asset under evaluation;
- Dividend yield: calculated on a case-by-case basis, but generally defined by the projection made available at Bloomberg;

- Volatility: annualized volatility was adopted as a standard based on the daily fluctuation of the underlying asset over the last 1008 trading sessions.

For options/derivatives whose object asset is not traded on a stock exchange, no pricing will be assigned as market value, and the net cost or null value may be considered. Derivatives whose object assets, for call options, or whose counterparty, for put options, are residual interests in extinct companies, written-off, in a problematic situation, filing for bankruptcy and/or under court-ordered reorganization, or that have already been subject to total impairment, will also be maintained at cost or null value.

The market value of each swap transaction is defined as the difference between the estimated present value of its long and short positions. The estimate of each position consists of the calculation of its respective future cash flows - based on the contracted rate of the transaction, in the event of a position in a fixed rate, or in projections taken from the market curves, in the event of a floating rate - brought to present value by the market curves applicable to each operation.

Investment fund quotas are managed by private financial institutions and are valued at the quota amounts disclosed by the respective administrator on the base date of the financial statements.

The Fair Value of loans and other financial instruments subject to credit risk and which do not have a price quoted in an active market is calculated based on a mathematical model of discount of estimated cash flows, adopting interest rates extracted from the interest curves observed in the market for similar instruments, usually being a composition of interest curves: a curve linked to the operation's index (fixed rate, interest rate coupon, foreign exchange coupon, etc.) composed of a credit risk spread curve with the same rating as the financial instrument evaluated. In cases where it was not possible to expand the cash flows for a given contract, the net provision balance was used as a proxy for the fair value.

Regarding BNDES' main funding activities are with the Workers' Assistance Fund - FAT, with the National Treasury Secretariat, with financial and development funds and with international development institutions, it is worth emphasizing that such funding has its own characteristics that allow BNDES to meet its main objectives and provides for specific rates, conditions and terms, determined by the regulations applied to each funding. Thus, the funding book balances are close to their fair values, both in their initial recognition and in subsequent dates.

32.2. Investment in associated companies

Associated Companies are all the entities over which BNDES has the power to participate in financial and operating decisions of investees, without controlling them individually or jointly. The significant influence is presumed when holds 20% or more of the voting capital of the investee. The presumption of influence is dismissed when there is no participation in the investee's decisions, even if it holds 20% or more of the voting capital.

The Management understands that certain equity investments held that represent more than 20% of the voting capital does not grant significant influence over these entities, as a result, mostly, of the non-participation in the preparation of the operating and financial policies of the investee. On the other hand, the Management considered it has significant influence on entities in which it holds less than 20% of the voting capital by influencing the operating and financial policies of these entities.

Investments in associated companies are accounted for at the equity method and initially recognized at cost. The book value is increased or decreased by the recognition of the interest in the equity changes of investees, which occurred after its acquisition. The profit sharing of associated companies is recognized in income (loss) and its participation in other comprehensive income is recognized, in consequence, directly in the shareholders' equity.

Gains and losses through dilution or increase in the interest in associated companies are recognized in the income (loss) as soon as they occur.

Investment in associated companies includes the goodwill in the acquisition, evaluated by the difference between the amount paid (or commitments payable) and its participation in the fair value of the net assets acquired. The gain on

the bargain purchase determined on the acquisition of an associated company is recognized in the income (loss) for the period in which they occur.

There are no significant restrictions that could limit the ability of associated companies to transfer funds to BNDES in the form of dividends or to make payments for credits and/or advances.

When the interest of BNDESPAR in the losses of an associated company is equal to or exceeds the book value of the investment, including any long-term assets that make up part of the investment in the associated company ("net investment"), BNDESPAR does not recognize further losses, unless it has incurred legal or constructive obligations (not formalized) to make payments on behalf of the associated company, which is not the case now. Moreover, BNDESPAR does not have an obligation related to possible contingent liabilities of its associated companies, whether totally or shared with other investors.

To apply the equity in earnings (losses) method, BNDES uses the associated companies' information with gap of 60 days, as permitted by corporate law and accounting pronouncements, due to unfeasibility of information use in the same base date. That is because associated companies are independents from BNDES, with non-integrated accountability, and, consequently, several schedules for preparation of financial statements, which make impossible the provision of timely information. Exceptionally, a greater or lesser lag may be used.

32.3. Assets held for sale

BNDES classified as "Assets held for Sale," the non-current asset whose value will be recovered mainly through a sale transaction rather than its continuing use. The classification in this category was made due to the fact that the asset is ready for sale in its current conditions, and the sale is highly likely and will occur in up to one year.

32.4. Segment reporting

BNDES is a development bank and the main instrument of the Brazilian Federal Government for long-term financing. Its activities are carried out both directly and through its wholly-owned subsidiaries BNDESPAR and FINAME. BNDESPAR invests mainly in variable income instruments, notably equity investments, while FINAME operates in the financing segment, notably of machinery and equipment via intermediary financial agents, and direct support for the export of machinery, equipment and services.

The administrative structure of the BNDES Group, which includes BNDES and its wholly owned subsidiaries, is unique and shared, as is its internal control and risk management structure. Strategic and financing decisions are managed by the Corporate Controller, who uses BNDESPAR and FINAME as an instrument for carrying out its mission, depending on the product and the form of financial support.

BNDES defines its operating segments based on the reports made available to Top Management for performance analysis and strategic decision making, considering the nature of the forms of support. Such decisions compete ultimately to the Board of Executive Officers that, acting as a board, is liable by the management of business segments.

BNDES's business segments are classified into the following categories: (i) Financing; (ii) "Equity investments;" and (iii) "Treasury/ALM."

Funding costs are allocated to operational segments according to the following criteria:

• "Financing" segment: financed by institutional funding, notably that which is indexed to the TJLP / TLP / US$ + Libor, mainly from the Constitutional FAT and National Treasury onlendings, except for Debentures, which are financed by ALM, with current cost equivalent to 100% of the SELIC rate.

• "Equity investments" segment: financed by the integrated asset liability management ("ALM") with current cost equivalent to 100% of the SELIC rate.

• "Treasury/ALM" segment: includes (i) Treasury, which, just as the equity Investments segment, is financed by ALM, with current cost equivalent to 100% of the SELIC rate; and (ii) ALM, which receives the difference between the total funding cost and that which is transferred to the Financing, Equity investments and Treasury Segments.

The basis for the allocation of fund-raising costs is the value of the average monthly portfolio of each segment in the reporting period.

Financial support through financing instruments comprehend basically the operations with characteristics of loan, represented, mainly, by loan operations and onlendings, and debentures. This segment is mainly represented by the operations carried out by BNDES and FINAME.

Financial support through equity investments include investments in associated companies (over which exist significant influence) and in other companies, measured at market value (over which there are no significant influence). This segment is mainly operated by BNDESPAR, although BNDES also has a portfolio of equity interests in non-associated companies.

The Treasury/ALM segment represents (i) the management of cash and cash equivalents, mostly composed of federal government bonds and DI investments; and (ii) integrated asset liability management (ALM), which includes fund-raising activities and allocation of funding among the business segments. Effect from exchange rate variation of each financial intermediation income and expense caption, including provision for credit risk, is isolated and allocated in "ALM" segment, whose attributions include managing foreign exchange exposures of BNDES Group.

The performance of segments is evaluated based in the difference between the income and expenses attributed to respective portfolios. Income arise fully from external clients, thus there are no operations among the operational segments.

Administrative and personnel expenses, as well as corporate assets are allocated to the segments according to the assumptions defined in the cost model adopted for the BNDES Group. Regarding tax expenses, the allocation is made according to the nature of the taxable income and the company of the BNDES Group that originated it (given the different rates). Only the effects of changes in the expectation of realization of deferred tax credits, including possible impacts of changes in tax rates, are classified as "Unallocated."

The accounting policies adopted in determining the segment reporting are consistent with the accounting policies adopted in preparing the financial statements.

The operating segment reporting was prepared considering the amounts calculated in accordance with the accounting practices adopted under BR GAAP, since Management uses this information for the analysis of the business. The reconciliation between the accounting practices in BR GAAP and those in IFRS and their effects on the main amounts presented in the segment reporting is presented in Note 27.

32.5. Foreign currency translation

Transactions in foreign currency are carried out by BNDES and translated into the current exchange rates on the dates of the transactions. The foreign exchange variations arising from the settlement of such transactions and from the conversion of monetary assets and liabilities into foreign currency at closing exchange rates are recognized as a gain or loss in the income (loss) for the year.

32.6. Income recognition

Interest income and expenses

Interest income and expenses regarding all financial instruments bearing interest are recognized in "financial intermediation income" and "expenses from financial intermediation" in the statement of income using the effective interest rate method.

Income from fees and commissions

Fee and commission income is recognized on an accrual basis for the year in which the services are provided.

However, commission income characterized as origination income is added to the initial fair value of the related financial instruments, and appropriated to income (loss) using the effective interest rate method, being recognized in the respective interest income and expense accounts, as applicable.

Dividend income

Dividend income arising from equity investments classified in the fair value category through other comprehensive income is recognized in the statement of income when the right to receive is established.

32.7. Property, Plant and Equipment

Property, Plant and Equipment are recorded at acquisition cost, net of the respective accumulated depreciation, calculated on a straight-line method in accordance with their estimated useful life.

Details on the recognition of right-of-use assets are described in Note 32.9.

32.8. Intangible assets

Intangible assets are recorded at formation or acquisition cost, net of the respective accumulated amortization, calculated on a straight-line method based on estimated useful life of assets.

32.9. Lease operations

BNDES recognizes a right-of-use asset and a lease liability on the lease inception date. The right-of-use asset is initially measured at cost and subsequently at cost net of any accumulated depreciation and impairment losses, and adjusted, when applicable, and also by remeasurements of the lease liability. Depreciation is calculated using the straight-line method according to the remaining term of contracts. Lease liability is initially measured at the present value of payments of contractual obligations, discounted using the lease incremental interest rate, which is defined as the rate equivalent to what the lessee would normally have to pay upon loan (for a similar term and with similar collateral) the funds required to obtain the asset with a value similar to the right-of-use asset, in a similar economic environment. To this end, BNDES adopted the Pre-DI rate on the date of each contracting or remeasurement.

32.10. Impairment of other assets

Investments in associated companies

After the equity method application, BNDES evaluates the need to recognize additional impairment loss on the net investment of each associated company, including possible portion of goodwill, by comparing its book value with its recoverable value (value net of sale costs or value in use, whichever the higher). The test is performed half-yearly or whenever there is an indication of loss on the investment value.

For the calculation of the recoverable value, the amount of the net sales is determined: i) by the B3's quotation price, deducted from possible sale costs for investments in listed companies; or ii) by pricing model based on multiple or discounted cash flow for investments in unlisted companies. The amount of the value in use is determined based in the calculation of the present value of expected (dividends and interest on shareholders' equity), plus the residual value expected from associated company's future sale determined based on pricing models.

Assets related to legal or administrative proceedings

The existence of legal or administrative proceedings on Other Credits in which the chance of an unfavorable outcome is equal to or greater than that of having a favorable outcome results in full recognition of the estimated financial loss (possible and probable risks, respectively).

32.11. Cash and cash equivalents

Cash and cash equivalents for the statement of cash flow purposes include cash and cash equivalents, short-term repurchase agreements and any other high-liquidity short term investment that may be promptly convertible into a known amount of cash and that are not subject to a significant risk of value change.

Short-term operations are the ones with maturity equal to or inferior than three months from the acquisition date.

32.12. Provisions and contingent assets and liabilities

Recognition, measurement and disclosure of liabilities and assets contingencies are performed in accordance with the defined criteria in IAS 37 - Provisions, Contingent Liabilities and Assets.

Basically, the standard requires the following regarding Contingent Assets and Liabilities, as well as the Provision for labor and civil lawsuits:

- Contingent assets: they are not recognized in the books, except when the realization of the gain is practically certain, and the asset is no longer contingent, thus requiring its recognition.
- Contingent liabilities: they are not recognized in the books, and a brief description of their nature must be disclosed for each class of contingent liability and when practicable: (i) the estimate of the financial effect, (ii) the indication of the uncertainties related to the amount or time of occurrence of the outflow of funds, and (iii) the possibility of any disbursement. Contingent liabilities for which the possibility of an outflow of funds to settle them is remote are not disclosed.
- Allowance: they are present obligations, recognized as liabilities, provided that a reliable estimate can be made and it is probable that an outflow of funds embodying economic benefits will be necessary to settle the obligation.

Considering the nature of the claims, their similarity with previous processes, their complexity, applicable jurisprudence and the procedural phase, the lawsuits are classified into three risk categories: maximum, medium and minimum, considering the possibility of loss, based on the opinion of internal and external legal advisors.

According to the expectation of loss, the policy adopted for the classification, recognition and disclosure of lawsuits is as follows:

Legal Criteria	Loss risk	Possibility of Loss	Disbursement risk	Provision/Disclosure
Maximum risk	Chance of an unfavorable outcome higher than a favorable outcome	Probable	Yes	Provision of 100%
			No	Disclosure
Average risk	Chance of an unfavorable outcome equal to a favorable outcome	Possible	Yes	Disclosed in Note
			No	
Minimum risk	Chance of a favorable outcome higher than an unfavorable outcome	Remote	No	There is no provision and disclosure in the Note

The provision recorded was evaluated by the Management as sufficient to cover the possible losses.

32.13. Employee benefits

32.13.1. Benefits Basic Plan – PBB

BNDES and its subsidiaries offer to their employees a supplementary retirement benefit. The PBB, structured in the category of defined benefit is financed in a joint manner with participants, financed by payments determined by periodic actuarial calculations. In December 2018, the PBB was closed to new participants.

PBB is managed by the Social Assistance and Social Security Foundation of BNDES – FAPES, and sponsored by the BNDES Group's companies (BNDES, BNDESPAR, FINAME) and FAPES itself. Until the last amendment of its Regulations, approved by PREVIC in December 2018, the PBB granted supplementary social security benefits paid by the National Institute of Social Security (INSS). As a result of this amendment, with the separation from the INSS, the PBB started to supplement a "theoretical INSS" linked to the Reference Unit (UR), set at R$ 5,000.00 (five thousand reais) on 09/30/2017 (to be restated on an annual basis), representing R$ 6,168.16 on 12/31/2021.

Among the material risks associated with the PBB, there are:

- The uncertainty regarding the maintenance of the level of the basic social security benefit, whose cap on December 31, 2021 was R$ 6,433.57 (six thousand, four hundred, thirty-three reais and fifty-seven centavos) per month. Any reduction in the amount of the basic benefit may increase the plan's commitments (in relation to benefits granted before 12/18/2018); and
- The possibility of granting real gains at the time of the adjustment of the beneficiaries' actual wage benefit, without contra-entry in the basic benefit plan (PBB)'s costing.

In addition, there are the actuarial risks inherent to the model in which the PBB is structured, including possible departures from economic, financial, biometric and demographic long-term assumptions. In order to mitigate the actuarial risks of the model, a regular follow-up of the appropriateness of the assumption adopted in the measurement of the commitments is carried out, by means of regular tests of adherence of assumptions.

No unusual risks specific to the Plan have been identified or any significant risk centralizations that could expose the sponsors to a concentrated risk.

FEATURES OF THE PLAN

Benefits Basic Plan – PBB provides the granting of the following benefits:

a) supplementation of retirement;
b) pension supplement;
c) supplementation of confinement allowance;
d) supplementation of annual bonus (13th salary);
e) supplementation of sickness allowance; and
f) lump-sum death benefit:

Plan's Regulatory Framework

The Plan is governed by its Basic Regulations, whose last update was approved by the PREVIC Ordinance 1,166, of December 12, 2018, and published in the DOU (Official Federal Gazette) of 12/18/2018 by Resolutions of the Statutory Boards of FAPES, by the rules issued by the National Superintendence of Pension Funds (PREVIC), by the National Council of Supplementary Pensions (CNPC) and others issued by public authorities, particularly the provisions of:

- **Constitutional Amendment 20/1998**, which establishes the transition rule to contributive parity between the participants and sponsors in plans sponsored by governmental entities, including state-owned and mixed-capital companies;
- **Complementary Law 108/2001**, which establishes, among other requirements, that the regular contributions aimed by governmental entities to social security benefit plans sponsored by them cannot exceed to the regular contribution of the participants;
- **Complementary Law 109/2001**, which provides for the Supplementary Social Security Regime in Brazil;
- **CNPC Resolution 30/2018** that replaces CGPC Resolutions 18/2006 and 26/2008, effective as of 01/01/2019 and provides the conditions and procedures to be observed by private supplementary pension entities in determining of the net income, the allocation and use of surplus and the equalization of the deficit of the social security benefit plans that it manage, among other measures. Both the allocation and use of the surplus and the adjustment of technical deficit of plans subject to Complementary Law nº 108/2001 will be given in a joint manner between participants and sponsors. and
- **CGPAR Resolutions 9/2016 and 25/2018**, which particularly affect federal state-owned companies sponsoring supplementary pension plans and regulate, respectively, the systematic supervisory and inspection activities on benefit management, as well as the sponsorship guidelines for the supplementary pension benefit.

Actuarial Evaluation and Recognition

The actuarial commitment was evaluated by an independent auditor using the PUC Method. Actuarial interest equivalent to the remuneration of the National Treasury Notes, Series B (NTN-B), negotiated on December 20, 2021, was used to update the amounts for the specific dates, maturing in 2035, corresponding to 5.24% p.y. The same note ended the base date of these financial statements on December 31, 2021, at 5.32% p.y., representing an increase of 0.08 percentage points in relation to the discount rate used.

MPS/CNPC Resolution 29 of April 13, 2018, which provides the accounting procedures of private entities on supplementary social security, approved indexes that deal with the standard accounting planning, models and instructions for filling out the financial statements. The main categories of the plan's assets were presented in accordance with this Resolution.

Actuarial assets, determined by independent actuaries, are not recognized as a sponsor asset in view of the impossibility of compensation of such values with future contributions, as determined on the pension plan regulation.

As of December 31, 2020, the liability started to be recognized in the financial statements for the amount of 50% of the present value of the Defined Benefit obligation (normal, extraordinary contributions and unbalanced deficit) not covered by the fair value of the plan assets, after the adoption of risk sharing, based on a study requested in 2020 by the BNDES Group's Management. The defined benefit obligation is calculated quarterly by independent actuaries, using the PUC. The present value of the defined benefit is determined by means of discount of estimated future benefits, using interest rates in compliance with the market yield, which are expressed in the currency in which benefits are paid and having maturity terms close to the ones of the respective obligation of pension plan by applying the apportionment of 50% equivalent to the parity employer cost of future insufficient resources in the plan.

Debts contracted between BNDES and the pension fund are considered in the determination of additional liabilities related to future contributions that are not recoverable.

Actuarial gains and losses arising from adjustments based in actuarial assumptions changes and experience, as well as effect of the change in the estimate by risk sharing, are recognized in Other Comprehensive Income as it occurs. The current service costs, the financial cost and the expected return on plan's assets are recognized in the income (loss) for the period.

32.13.2. Health Care Plan - PAS

The Assistance and Healthcare Plan (PAS) is operated by the Social Assistance and Social Security Foundation of BNDES - FAPES, and its beneficiaries are the active and assisted employees of BNDES and its subsidiaries, admitted up to 03/18/2018, as well as their respective dependents. PAS is ruled by the Regulations of Health Assistance Plan (Regulação do Plano de Assistência à Saúde, "RAS"), approved by the Board of Executive Officers of BNDES and by the standards issued by the National Supplementary Health Agency (Agência Nacional de Saúde Suplementar, ANS).

The Bank offers post-employment healthcare assistance, subject to compliance with the requirements of the plan's regulations. The expected costs of this benefit are accumulated during the work period, following the same accounting method used for the supplementary healthcare plans.

No unusual risks specific to the plan or any significant risk centralizations that could expose the sponsor to a concentrated risk have been identified.

On December 31, 2021, according to the quarterly actuarial valuation carried out by an external actuary, based on November 2021 and restated up to December 31, 2021, the actuarial obligation amount related to the post-employment benefits of the participants was recorded as well as the active participants for the average term of future labor time.

Liabilities recognized in the statement of financial position are the present value of the obligation on the statement of financial position date. Actuarial gains and losses arising from adjustments based in actuarial assumptions changes and experience are recognized in Other Comprehensive Income as it occurs. The current service costs and the financial cost of the plan are recognized in the income (loss) for the period.

PAS is sponsored by the companies of BNDES Group (BNDES, BNDESPAR and FINAME) on a supplementary basis to the public health system and the expenses related to the maintenance of PAS are covered by the Social Medical Assistance Fund - FAMS, a revolving fund, endowed with resources from Sponsors. FAMS is not covered by collateral assets and prepayment of benefits is performed by BNDES based on the budgets presented by the Foundation that renders accounts for monthly incurred costs, through the Statement of Rendering Accounts, as Adhesion Agreement registered at ANS.

32.13.3. Termination benefits

BNDES and its subsidiaries recognize rescission benefits when compromised, contractually, with the rescission of employees, according to a detailed plan, that cannot be suspended or cancelled, or in case of providing termination benefits as a result of an offer made to encourage the voluntary dismissal.

32.13.4. Employee profit sharing

BNDES and its subsidiaries recognize a profit sharing liability and an expense (presented in the item “Personnel expenses” in the statement of income). BNDES record a provision when there is a contractual obligation.

32.14. Income tax and social contribution

Current and deferred income tax and social contribution is recognized in the statement of income, provided that they are related to items directly recognized in other comprehensive income. In this case, taxes are also recognized directly in the shareholders’ equity.

Income taxes

Current income taxes and social contribution (IRPJ and CSLL) represent the amount payable or recoverable.

Current income tax and social contribution are calculated based on the accounting income, adjusted by the additions and exclusions provided for in the tax legislation on which the rates in force for the calculation period are used. They are calculated based on the laws and tax rules enacted at the closing date of the year, according to the Brazilian tax regulations.

Income tax and social contribution - deferred

Deferred taxes on income are recognized on the temporary differences, on the balance date, between the accounting and tax income and on the tax losses and negative base for CSLL. The main temporary differences of BNDES refer to the non-deductible allowances and to the adjustment to market value of financial instruments.

Deferred tax liabilities are recognized for all temporary taxable differences.

Deferred income tax and social contribution are calculated under the liability method and levy on temporary differences arising from differences between the tax basis of assets and liabilities and their book values in the financial statements. Taxes are determined by using the official tax rates (and tax laws) that have been enacted, or substantially been enacted, by the statement of financial position date, and that must be applied when the respective deferred income tax and social contribution asset is realized or when the deferred income and social contribution tax liability is settled.

The main temporary differences arise from the adjustment to fair value of certain financial assets and liabilities and provisions; and in relation to acquisitions, the difference between the fair values of net assets acquired and their accounting bases. Nevertheless, they are not recorded if they result in the initial recognition of an asset or liability in a transaction that is not a business combination, which, at the time of the transaction, affects neither shareholders' equity, nor the net income, nor taxable income or tax loss/negative basis.

Deferred taxes are also recognized for temporary differences arising from investments in associated companies and provided that it is probable that the temporary difference will not be reversed in a foreseeable future. In the event of asset balances, recognition occurs when it is probable that future taxable income will be available, against which temporary differences can be used.

32.15. Allocation of income and allocation of reserves

The accounting policies adopted both in the formation and allocation of reserves and in the payment of dividends are based on Brazilian accounting standards and regulations for financial institutions, and not based on the Consolidated Financial Statements prepared under IFRS.

The amount to be distributed as dividends to the Sole Shareholder is recognized as a liability in the financial statements based on the mandatory minimum dividends provided BNDES' in by-laws. Any amount above the mandatory minimum dividend only can be provisioned on the date in which is approved by the Board of Directors. In general terms, the Dividend Policy provides for the following destination to Adjusted Net Income:

	%
Minimum mandatory dividend	25.0
Reserve for future capital increase	40.0
Dividend equalization reserve	35.0

Interest on shareholders' equity and interest on instruments eligible for principal are treated as dividends and presented in these Financial Statements as a reduction in shareholders' equity.

The Dividend equalization reserve can be used to pay supplementary dividends, provided that projections for the subsequent three years indicate that such a payment will not bring about any to non-compliance within the prudential limits.

32.16. FAT - Subordinated debt and special deposits

According to a Constitutional provision, FAT funds, composed basically by the product of the collection of PIS/PASEP contribution and by the income derived from these investments, are aimed to pay for the unemployment-insurance, other social security shares and the salary bonuses, as well as the economic development programs, through BNDES, by means the use of the minimum portion of 28% of such collection.

Thus, FAT succeed the Fundo de Participação PIS-PASEP, significantly changing the purpose of the said social contribution. While the Fundo de Participação PIS-PASEP had a purpose to constitute an individual wealth for the employee, that were its quotaholders, FAT acts as an instrument to fight unemployment with two pillars: The first one, as an emergency one, helping the unemployed with a provisional compensation and with training programs and professional placement, and the second one, as a prevention, seeking the creation of new jobs by means of economic development programs.

FAT resources transferred to BNDES are classified in two categories: Constitutional and Special deposits.

Constitutional FAT

Constitutional FAT includes the transfer of funds correspondent to, at least, 28% of the collection of PIS/PASEP contribution bearing long-term interest rate (FAT – TJLP); at the average rate of Special Settlement and Custody System — SELIC discounted from the remuneration rate (REDUCED SELIC RATE) and by the interest rates of the international market (FAT - Exchange). For the portion of funds that will be part of the FAT - Foreign Exchange modality, the debt balances of the financing granted will have their equivalent in Reais and may be determined based on two currencies: (i) US dollar, being remunerated by the Interest Rate for Loans and Financing in the London Interbank Market - *LIBOR* - or by the interest rate of United States *Treasury Bonds* - "*Treasury Bonds*"; (ii) euro, being remunerated at the offer interest rate for borrowing in the euro currency or at the rate representative of the average *yield* on government bonds of countries in the euro zone - " *euro area yield curve* ".

Every six months, in January and July, BNDES transfers to FAT the amount corresponding to the yield on the funds indexed to the Long-Term Interest Rate (TJLP) and the TLP to the full yield on the FAT-Exchange, and the transfer is represented by the TJLP and TLP is limited to 6% p.y. and the positive difference is capitalized. The amount corresponding to the remuneration of resources indexed to the REDUCED SELIC rate, levied on available funds, is paid by BNDES to the FAT monthly, by the tenth business day of the month following its closing.

The resources from Constitutional FAT will only be subject to amortization in case the funds are not sufficient to pay for the unemployment insurance program, payment of the salary bonuses and financing of professional and technological education programs.

FAT - Special Deposits

The balance of FAT Special Deposits represents additional transfers to Constitutional FAT. The Special Deposits resources are used in specific programs and under special conditions, presenting different rules for remuneration, amortization and interest payment from FAT - Constitutional.

The FAT - Special deposits are remunerated by the TJLP or the TLP rate, starting from the release of the loans to the final beneficiaries. The funds still not used, and therefore available, bear interest according to the same criteria applied to cash equivalents of the Brazilian National Treasury, currently at the SELIC rate.

32.17. Estimates and critical accounting judgements

The preparation of these Financial Statements requires the use of estimates and assumptions regarding future conditions that may affect the balances of assets, liabilities and contingencies required for disclosure due to the uncertainties and the high level of subjectivity involved. Thus, actual results in the future may differ from those reported.

The Bank's Management understands that all the adjustments considered necessary for a good presentation of the statement of financial position, the statement of income of the period and the cash flows of BNDES Group for the year presented have been made and finally the information provided in Notes.

Assets and liabilities subject to these estimates include notably:

- Calculation of fair values of financial instruments, including derivatives;
- Definition of methodology and use of prospective data to calculate expected loan losses on financial assets measured at amortized cost and financial assets measured at FVTOCI;
- Survey of criteria for calculating write-offs of financial assets;
- Calculation of impairment of investments in associated companies
- Actuarial calculation of defined benefit plans;
- Measurement of deferred income tax and social contribution; and
- Civil and liability provisions and contingencies.

Change in accounting estimates - Criteria for declaring assets with credit recovery problems

In estimating the calculation of expected credit losses on financial assets measured at amortized cost and FVTOCI, BNDES used as one of the criteria the classification of operations with rating D or lower on the rating scale risk from BACEN for declaring an asset with a credit recovery problem.

For the base date of December 31, 2021, BNDES revised this estimate based on new information available in 2021 and on the experience acquired over the years in applying the standard and in the process of assessing the expected credit loss, periodic review carried out by the institution, assessment of the best market practices, and the ongoing evolution of the institution's processes. Thus, BNDES no longer considers operations rated D or lower (in the BACEN classification scale) as a criterion for declaring a problematic asset.

This change does not relate to previous periods. The amount of the effect of subsequent periods was not disclosed since the estimate of the same is not feasible.

MANAGEMENT MEMBERS

BOARD OF DIRECTORS

Marcelo Serfaty - President

Walter Baere de Araújo Filho

Arthur Cesar Vasconcelos Koblitz

Sônia Aparecida Consiglio

Pedro Maciel Capeluppi

Marcelo Pacheco dos Guaranvs

João Laudo de Camargo

Heloisa Belotti Bedicks

Fábio de Barros Pinheiro

Joisa Campanher Dutra Saraiva

TAX COUNCIL

Pricilla Maria Santana – President

Marília Moreira Garcez

Diogo Mac Cord de Faria

Antônio Simões Branco Junior - Deputy

AUDIT COMMITTEE

Fábio de Barros Pinheiro - President

Maria Salete Garcia Pinheiro

Paulo Marcelo de Miranda Serrano

BOARD OF EXECUTIVE OFFICERS

Gustavo Henrique Moreira Montezano – CEO

Bianca Nasser Patrocínio

Bruno Caldas Aranha

Bruno Laskowsky

Claudenir Brito Pereira

Fábio Almeida Abrahão

Ricardo Wering de Barros

Rodrigo Donato de Aquino

Saulo Benigno Puttini

Solange Paiva Vieira

SUPERINTENDENT OF THE CONTROLLERSHIP AREA

Patricia da Silva Barros

CORPORATE REPORT DEPARTMENT HEAD

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Independent auditor's report on the consolidated financial statements

To the Board Members and Directors of
Banco Nacional de Desenvolvimento Econômico e Social – BNDES
Brasília – DF

Opinion

We have examined the consolidated financial statements of Banco Nacional de Desenvolvimento Econômico e Social - BNDES ("Bank") and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2021 and the respective consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended and consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Bank and its subsidiaries at December 31, 2021, the consolidated financial performance of its operations and its consolidated cash flows, for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board - IASB.

Basis for opinion

Our audit was conducted according to Brazilian and international standards on auditing. Our responsibilities, in accordance with such standards, are described in the following section entitled "Auditor's responsibilities for the audit of the consolidated financial statements." We are independent of the Bank and its subsidiaries, based on the significant ethical principles established in the Code of Professional Ethics of the Accountant and the professional standards issued by the Federal Accounting Council, and fulfill other ethical responsibilities according to such standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Auditores Independentes Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Key audit matters

Key audit matters are those which, in our professional judgment, were the most significant in our audit of the consolidated financial statements of the year ended December 31, 2021. These matters were treated in the context of our audit of consolidated financial statements as a whole and in forming our opinion on thereon and, therefore, we do not provide a separate opinion on these matters.

1 – Expected losses on loans and interbank onlendings

Refer to Notes 6.4 and 32.1.5 of consolidated financial statements.

Key audit matter	How our audit approached this matter
The Bank continuously reviews its portfolio of loan operations and interbank transfers, evaluating the estimated impairment of these operations. The Bank has internal policies and models for calculating expected losses from operations subject to credit risk that require, by its nature, the use of judgments and assumptions by the Bank, which include analyzes of both external factors, such as general economic conditions and projections, as well as internal factors, such as payment and renegotiation history, counterparty risk assessments, client information, guarantees provided, financial history, among others. Due to the relevance of loans and interbank onlendings' degree of judgment, involved in the determination, and the current social and economic scenario resulting from the Covid-19, inherent in determining the estimate expected losses of these operations, as well as considering the complexity of the methods and assumptions used, we consider this matter significant for our audit.	Our audit procedures included, among others: – evaluation of the design and operational effectiveness, by sampling basis, of the relevant internal controls related to the processes of approval, recording and updating of operations subject to credit risk, including the internal policies and manuals documenting the developed models, the application of methodologies, the use of ratios and assumptions used by the Bank in calculating expected losses from loan operations and interbank transfers; – evaluation, based on a sample, of the expected loss of items from loan operations and interbank transfers considered individually material and we inspected the documentation and assumptions supporting the Bank's assessment of the expected losses from operations, including the analysis of the sufficiency of guarantees provided; – substantive tests, with the involvement of our specialists, of the models, assumptions and data used by the Bank to measure the expected losses from loan operations and interbank financial transfers assessed collectively, including the assumptions and data used to determine the expected losses through the application of statistical calculations to assess the performance and stability of these models and methodologies developed by the Bank; – evaluation of the disclosures made in the consolidated financial statements. Based on the evidence obtained from the procedures summarized above, we considered the level of expected losses for loans and interbank onlendings to be adequate, as well as the Bank's respective disclosures, in the context of the consolidated financial statements taken as a whole for the year ended December 31, 2021.

2 – Fair value of financial instruments	
Refer to Notes 7 and 32.1.6 of consolidated financial statements.	
Key audit matter	**How our audit approached this matter**
The Bank has significant balances of derivative financial instruments and securities classified at levels 2 and 3 that are measured at fair value through profit or loss or other comprehensive income. These derivative financial instruments and marketable securities, measured at fair value, are relevant to the Bank's consolidated financial statements. For financial instruments, which measurement of fair value does not directly use quoted prices (levels 2 and 3 in the fair value hierarchy), the determination of fair value is subject to a higher level of subjectivity, as the Bank makes significant judgments to estimate the fair value. Accordingly, we consider the fair value measurement of these derivative financial instruments and marketable securities as one of the key audit matters.	Our audit procedures included, among others: – evaluation of the design and operational effectiveness of the key internal controls implemented by the Bank on the measurement of fair value of financial instruments; – for a sample of derivative financial instruments and securities measured at fair value, which market price measurement parameters are not observable, we evaluate with the support of our specialists financial instrument, the models developed by the Bank for determining fair values as well as the reasonableness of data, the parameters and information included in the pricing models used. – recalculation, on a sampling basis, of the fair value of these derivative financial instruments and securities, as well as analysis of the policy and criteria related to indications of evidence of expected loss of these financial instruments; and – evaluation of the Bank's disclosures in the consolidated financial statements described in notes. Based on the evidence obtained from the procedures summarized above, we consider adequate the measurement and recoding of fair value of derivative financial instruments and securities, as well as the respective disclosures in the context of the consolidated financial statements taken as a whole for the year ended December 31, 2021.

3 – Interest in associated companies	
Refer to Notes 9 and 32.2 of consolidated financial statements.	
Key audit matter	**How our audit approached this matter**
The Bank, through its subsidiary BNDES Participações S.A. – BNDESPAR, carries investments in shares of privately-held and publicly-held companies in which it experts significant influence, and which comprise a relevant portion of its investment portfolio, thus making a relevant contribution for the results obtained by the Bank over the period. These investments are classified in the accounting	Our audit procedures included, among others: – participating in the planning of procedures carried out by the auditors of the subsidiary BNDES Participações S.A. – BNDESPAR, which included the discussion of the risks of audit misstatements also related to the estimates and resulted in the sending of specific instructions to the independent auditors of this subsidiary;

category "interests in associated companies" and are recorded under the equity method. When there are indications of loss, it is necessary to conduct impairment tests, such as for associated companies. The main assumptions of the economic valuation models used are as follows: (i) associated company's projected cash flow; (ii) other macroeconomic events that may have an impact on business models; and (iii) the company's business plan for subsequent years Due to the relevance and the high level of judgment involved in the process of determining these assumptions, accentuated worsened by the current social and economic scenario resulting from the Covid-19 and the potential impact that any changes in the assumptions could have on the consolidated financial statements, we considered this as a matter material for our audit.	–to respond to the risks of misstatement related to interests in associated companies, our audit procedures included, among others, the analysis of the work instructions sent to the independent auditors of the associated companies, the audit procedures performed and the conclusions reached, specifically the determination of materiality and the effect of uncorrected misstatements; –review of the auditor's working papers of the subsidiary BNDES Participações S.A. – BNDESPAR; and –appropriateness evaluation of disclosures in the consolidated financial statements described in notes. Based on the evidence obtained from the procedures summarized above, we consider that the investment value is acceptable, as well as the disclosures related in the context of consolidated financial statements taken as a whole for the year ended December 31, 2021.

4 – Employee benefits obligations

Refer to Notes 19 and 32.13 of consolidated financial statements.

Key audit matter	How our audit approached this matter
The Bank sponsors pension plans and supplementary healthcare plans which ensure the supplementation of retirement and healthcare benefits to its employees. The estimated defined benefit plan obligations partially depends on the selection of certain actuarial assumptions. The Bank engages external actuaries to assist in the process of evaluating actuarial assumptions and calculating actuarial liabilities. We considered the measurement of benefit plan obligations as a key audit matter due to the high level of judgment involved in the determination of actuarial assumptions, as well as the impact that changes in these assumptions could have in the employee benefits obligations.	Our audit procedures included, among others: – evaluation of the design and operating effectiveness of key internal controls linked to the process of measurement actuarial liabilities, including controls related to the determination, review and approval of the assumptions involved in measurement benefit plan obligations; – evaluation of the work, competence and objectivity of the external actuary engaged to assist in the measurement of the benefit plans obligations related to pension plans and supplementary healthcare plans, including the nature and scope of the work performed, their professional qualifications and experiences; and – evaluation, with the involvement of our actuarial specialists, of the assumptions involved in measurement benefit plan obligations, including comparison with data obtained from external sources. Based on the evidence obtained from the procedures summarized above, we considered that the measurement of employee benefits plans obligations are adequate in the context of the consolidated financial statements taken as a whole for the year ended December 31, 2021

Other information accompanying the consolidated financial statements and the auditor's report

The Bank's executive board of directors is responsible for this other information that comprises the Management Report.

Our opinion on the consolidated financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work that we have, we conclude that there is a material misstatement in the Management Report, we are required to report this fact. We have nothing to report in this respect.

Responsibilities of the executive board of directors and those charge with governance for the consolidated financial statements

The executive board of directors is responsible for the preparation and adequate presentation of consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the *International Accounting Standards Board* – IASB, for such internal controls as management determines necessary to enable the preparation of these consolidated financial statements that are material misstatement, whether due to fraud or error.

In preparing of consolidated financial statements, the executive board of directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, the matters relating its going concern and the using the going concern of this basis of accounting, unless the executive board of directors intends to liquidate the Bank and its subsidiaries or cease its operations, or has no realistic alternative to avoid but to do so.

Those charged with governance are for overseeing the Bank's and its subsidiaries financial reporting.

Auditor's responsibilities for the audit of consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence, the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit according to Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, due to fraud or error, we design and perform audit procedures responsive to those risks, and obtain proper and sufficient audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in circumstances, but not with the purpose of expressing an opinion on the effectiveness of the Bank's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the executive board of directors.

- Conclude on the appropriateness of the executive board of directors' use of the accounting basis for going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Bank's ability to continue as going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report the related disclosures in the consolidated financial statements in our report, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank and its subsidiaries to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities of the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide to those charged with governance with a statement that we have complied with relevant ethical requirements, regarding independence, and communicate with them all the relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Out of matters communicated to those charged with governance, we determined those that were considered the most significant in the audit of the consolidated financial statements in the current period, and that, accordingly, comprise the key audit matters. We describe these matters in our audit report, unless a law or regulation has prohibited the public disclosure of the matter, or when, under extremely rare circumstances, we determine that the issue shall not be reported in our report, because the adverse consequences from such report may, from a reasonable perspective, exceed the benefits from the report for public interest.

Rio de Janeiro, February 24, 2022

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-RJ
(Original report in Portuguese signed by)

Marcelo Faria Pereira
Accountant CRC RJ-077911/O-2

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