The BNDES System, comprising BNDES and its subsidiaries, presented net income of R$ 34,069 million in 2021 (R$ 20,681 million in 2020). The result was influenced by divestments of Vale, JBS and Klabin, reversal of impairment losses of Petrobras, sale of Vale debentures, dividends and interest on equity, positive result with JBS equity and reversal of allowance for losses.

On December 31, 2021, the default rate of BNDES (90 days) was 0.19%, lower than the 2.30% registered by the National Financial System. The Basel Index (BIS ratio) was 40.2%, a comfortable situation in relation to the minimum of 10% required by the Central Bank of Brazil (in force since 10/01/2021).

Financial Ratios

R$ million, except percentages

	DEC/21	SEP/21	DEC/20
Total Assets	737,178	724,545	778,342
Shareholder's Equity	126,997	119,068	113,003
Shareholder's Equity/Total Assets	17.23%	16.43%	14.52%
Loans [1/], net of allowance for losses/Total Assets	59.62%	60.33%	57.42%
Nonperforming loans (30 days) / Total Loans [1/]	0.31%	0.23%	0.03%
Nonperforming loans (90 days) / Total Loans [1/]	0.19%	0.23%	0.01%
Allowance for losses/Total Loans [1/]	4.30%	4.37%	4.29%
Allowance for losses/Nonperforming Loans [1/]	14.08	19.04	126.83

[1] Includes loans and interbank onlendings

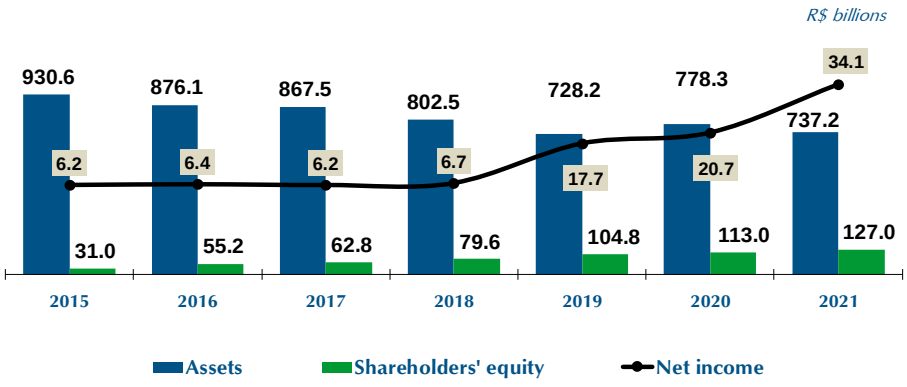
	9M21	4Q21	2021	2020
Net Income	26,371	7,698	34,069	20,681
Return on Assets [1] - ROA (% per year)	4.89%	4.36%	4.69%	2.93%
Return on Equity [1] - ROE (% per year)	36.89%	28.63%	34.23%	26.55%
Net Interest Margin [2] - NIM (% per year)	3.14%	2.73%	3.03%	1.99%
Net Interest Spread [3] - NIS (% per year)	2.51%	1.76%	2.33%	1.59%

[1] Excludes fair value adjustments in non-associated companies.
[2] Gross income from financial intermediation / average portfolio of financial assets.
[3] Average return from financial assets - average return from financial liabilities.

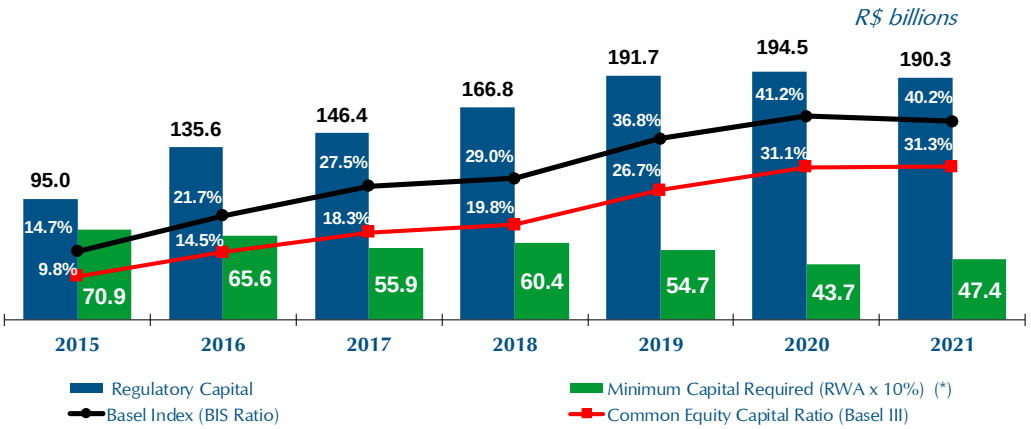
Ratios Evolution

Global Scale Issuer Rating - Long Term

Rating Agency	Foreign Currency	Outlook
Moody´s	Ba2	Stable
S&P	BB-	Stable



Regulatory Capital



(*) Until 2015, the minimum capital requirement was 11%. From 2016 to 2019, 10.5%. From 04/01/2020 to 3/31//2021 = 9.25%. From 04/01/2021 to 09/30/2021 = 9.625%. Since 10/01/2021 = 10.0%.

R$ millions, except percentages

	DEC/21	SEP/21	DEC/20
Tier I Capital [1/]	148,140	140,066	147,082
Tier II Capital [2/]	42,143	42,143	47,411
Regulatory Capital (RC)	**190,283**	**182,209**	**194,493**
Credit Risk (RWA_{CPAD})	392,982	398,493	404,084
Market Risk (RWA_{MPAD})	21,479	28,792	30,298
Operating Risk (RWA_{OPAD})	59,209	59,046	37,815
Amount of Risk-weighted Assets (RWA)	**473,670**	**486,331**	**472,197**
(=) Basel Index (RC/RWA)	**40.2%**	**37.5%**	**41.2%**

[1/] Tier I Capital fully composed by Common Equity.
[2/] CMN Resolution no 4.679, as of 07/31/18, limited the use of FAT as Tier II capital at 100% of the figure of June 30, 2018 and settled a reduction schedule of 10% per year beggining January 01, 2020.

In Dec/21, the Basel index reflects the increase in Shareholder's' Equity, mainly due to the net income for the period, in addition to the decrease in assets risk-weighted (RWA).

Income Statement

R$ million, except percentages

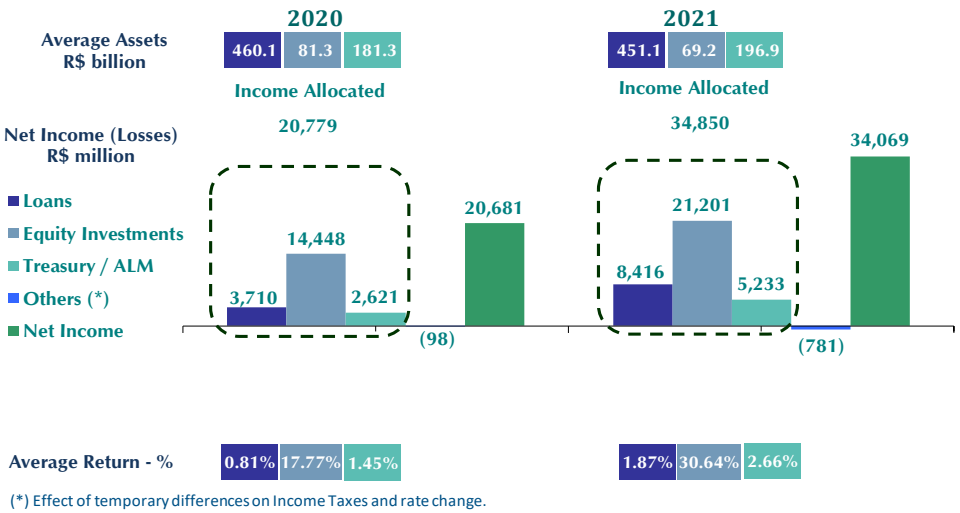
	4Q21	4Q20	▲% 3M	2021	2020	▲% 12M
Income from Loans	11,621	8,920	30.3	39,247	30,943	26.8
(+) Income from Securities	3,705	1,395	165.6	14,835	7,003	111.8
(-) Interest Expenses	(10,464)	(8,140)	28.6	(33,640)	(25,140)	33.8
(+/-) Exchange rate variation, net	(408)	(299)	36.5	(559)	9	(6,311.1)
(=) Gross Income from Financial Intermediation [1]	**4,454**	**1,876**	**137.4**	**19,883**	**12,815**	**55.2**
(+/-) Allowance for Losses on Loans [2]	976	856	14.0	2,719	(946)	(387.4)
= Income from Financial Intermediation	**5,430**	**2,732**	**98.8**	**22,602**	**11,869**	**90.4**
(+/-) Income from Equity Investments [3]	6,602	8,586	(23.1)	30,556	25,041	22.0
(-) Administrative and Personnel Expenses	(676)	(555)	21.8	(2,407)	(2,274)	5.8
(+/-) Other Expenses, net	(644)	(1,021)	(36.9)	(2,629)	(2,818)	(6.7)
= Income before Taxes	**10,712**	**9,744**	**9.9**	**48,122**	**31,819**	**51.2**
(-) Income Taxes	(2,761)	(2,499)	10.5	(13,799)	(10,888)	26.7
(-) Profit sharing	(254)	(250)	1.6	(254)	(250)	1.6
= Net Income	**7,698**	**6,993**	**10.1**	**34,069**	**20,681**	**64.7**

[1/] The increase of 55.2% in gross income from financial intermediation compared to 2020, was mainly due to income from securities, including gross income from sale of Vale debentures (R$ 3,8 billion) and increase of average treasury assets and higher Selic rate, including impact of interest rates derivatives.

[2/] In 2021, the reversal of allowance for losses on loans were influenced by recoveries of credits written off in previous years, of which R$ 1 billion honored by FGE. In 2020 allowance for losses expenses, in the context of the pandemic.

[3/] The result in 2021 was impacted by gross income from divestments (R$ 12.8 billion), mainly Vale, JBS and Klabin, in addition to dividends (Petrobras, Copel and Eletrobras), positive result with JBS equity (R$ 4.3 billion), and reversal of Petrobras impairment losses (R$ 5.5 billion). The result of 2020 was influenced by divestments of Vale, Petrobras and Suzano, in addition to dividends of Vale, Petrobras and Eletrobras.

Operating Segments



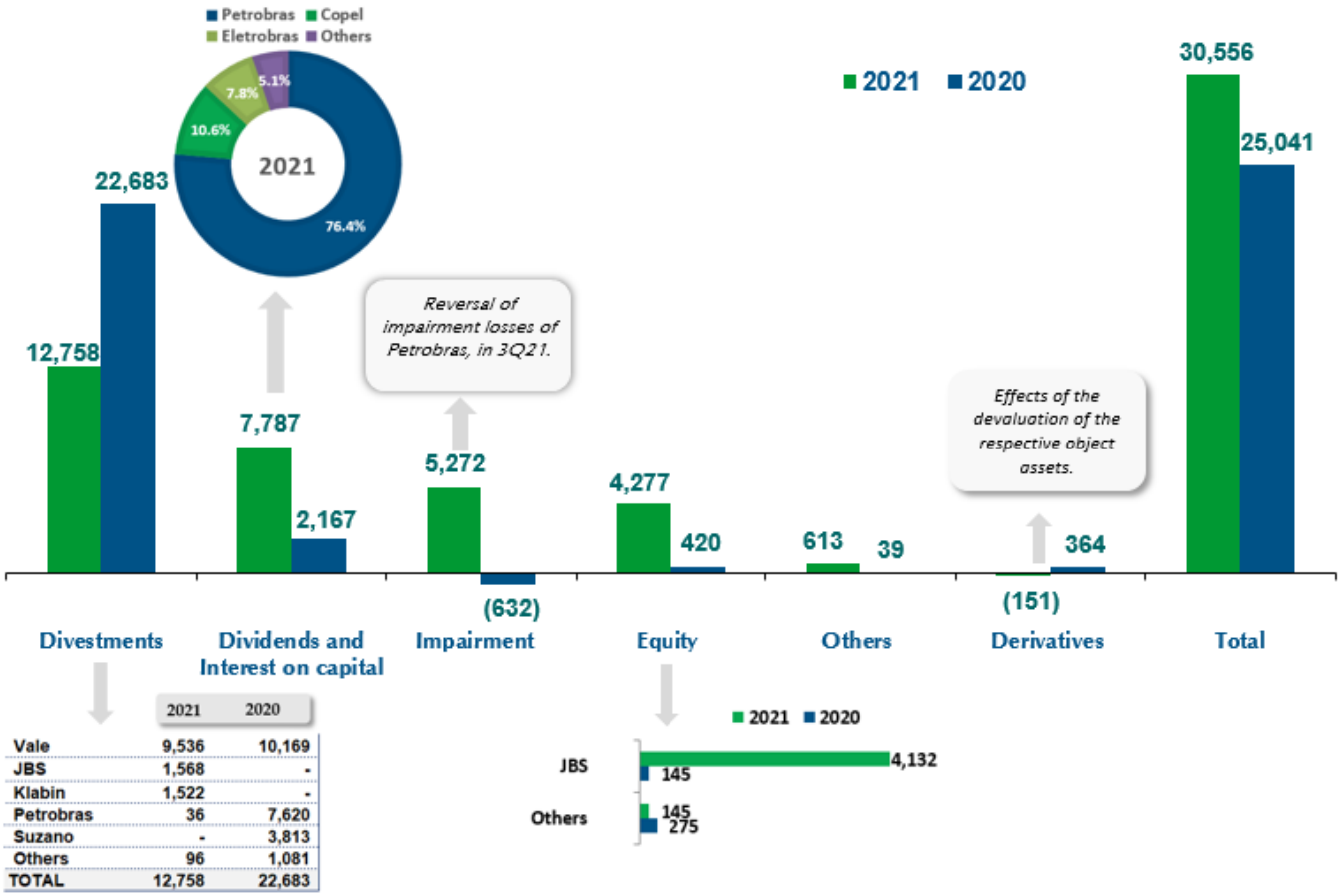
(*) Effect of temporary differences on Income Taxes and rate change.

Loans: *Basically composed of credit operations and onlendings, in addition to Debentures. The increase in relation to 2020, was influenced by the income from sale of Vale debentures in 2Q21, in addition to reversal of allowance for losses on Loans, basically by honor from FGE. In 2020 strong impact of allowance for losses expenses, reflecting the economic scenario of Covid-19.*

Equity Investments: *includes investments in affiliates and non-affiliates. The increase in 2021 is mainly due to higher income of dividends and interest on equity, equity income from affiliates and reversal of impairment losses, mitigated by lower divestments results.*

Treasury / ALM: *Includes Assets and Liabilities Management. The increase in 2021 is due to the migration of resources previously invested in equity portfolio to treasury, in addition to higher Selic Rate.*

Income from Equity Investments



	2021	2020
Vale	9,536	10,169
JBS	1,568	-
Klabin	1,522	-
Petrobras	36	7,620
Suzano	-	3,813
Others	96	1,081
TOTAL	12,758	22,683

Result from taxes

R$ million

	BNDES	FINAME	BNDESPAR	2021 BNDES System	2020 BNDES System
Income Tax	(2,191)	(408)	(4,187)	(6,786)	(7,426)
Social Contribution Tax	(1,952)	(368)	(1,525)	(3,845)	(3,757)
Tax Credits	(1,869)	(102)	(1,197)	(3,168)	296
Subtotal	(6,012)	(878)	(6,909)	(13,799)	(10,888)
PIS	(144)	(13)	(122)	(279)	(232)
COFINS	(889)	(78)	(709)	(1,676)	(1,397)
Others	(23)	(2)	(4)	(29)	(31)
Total	(7,068)	(971)	(7,744)	(15,783)	(12,548)

Financial Position

R$ million, except percentages

	DEC/21	SEP/21	DEC/20	▲% 3M	▲% 12M
Cash and Financial Investments	95,299	77,172	97,121	23.5	(1.9)
- Own [1/]	46,418	37,384	45,906	24.2	1.1
- Third-parties [2/]	48,881	39,788	51,215	22.9	(4.6)
Securities	105,670	110,689	121,429	(4.5)	(13.0)
- Government Securities [1/]	87,647	95,373	106,298	(8.1)	(17.5)
- Debentures	7,177	6,951	11,636	3.3	(38.3)
- Others [1/]	10,846	8,365	3,495	29.7	210.3
Loan Portfolio [1/ 3/]	439,539	437,116	446,946	0.6	(1.7)
Equity Investments [4/]	66,735	67,966	78,091	(1.8)	(14.5)
Credit from the National Treasury	2,033	950	1,334	114.0	52.4
Others	27,902	30,652	33,421	(9.0)	(16.5)
Total Assets	737,178	724,545	778,342	1.7	(5.3)
FAT [1/ 5/]	347,355	333,116	314,989	4.3	10.3
National Treasury [1/ 6/]	124,415	134,052	195,259	(7.2)	(36.3)
International Funding	33,398	33,929	35,398	(1.6)	(5.7)
FGTS/FI-FGTS	2,939	3,131	3,752	(6.1)	(21.7)
Repurchase Agreements [2/]	39,825	31,007	40,522	28.4	(1.7)
Others [1/]	62,249	70,242	75,419	(11.4)	(17.5)
Shareholders' Equity [7/]	126,997	119,068	113,003	6.7	12.4
Total Liabilities	737,178	724,545	778,342	1.7	(5.3)

[1/] In 4Q21, increase mainly due to net return of loan portfolio of R$ 9.0 billion, inflows from FAT resources of R$ 6.6 billion, dividends and interest on equity of R$ 4.6 billion and funds from divestments (R$ 2.2 billion). Effects mitigated by interim dividends payment of R$ 8.6 billion, in addition to prepayments of R$ 8.5 billion and ordinary payments of R$ 2.6 billion to National Treasury.

[2/] In 4Q21 increase in operations as dealer of Central Bank of Brazil (R$ 8.8 billion).

[3/] In 4Q21, accrual of interest of R$ 9.9 billion and positive exchange variation of R$ 1.5 billion, mitigated by loan portfolio return, higher than disbursements of R$ 9.0 billion.

[4/] In 4Q21, devaluation of non-affiliated portfolio of R$ 0.8 billion, mainly Eletrobras (- R$ 1.4 billion) and Copel (- R$ 0.6 billion), mitigated by Petrobras (+ R$ 1.2 billion).

[5/] In 4Q21, accrual of interests of R$ 8.3 billion, inflows of R$ 6.6 billion, and positive exchange variation (R$ 0.5 billion), attenuated by payments of interest of R$ 0.9 billion and Special Deposits amortization of R$ 0.4 billion.

[6/] In 4Q21, prepayments of R$ 8.5 billion, and ordinary payments of R$ 2.6 billion.

[7/] In 4Q21, net income of R$ 7.7 billion and positive equity valuation adjustments of R$ 0.3 billion, net of taxes.

Loan Portfolio Quality

As of December 31, 2021

	BNDES System	SFN[1]	Private Fin. Institutions[1]	Public Fin. Institutions[1]
AA - C	91.3%	91.9%	92.3%	91.5%
D - G	6.1%	5.5%	5.4%	5.6%
H	2.6%	2.6%	2.3%	2.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Non-performing loans (90 days)/Total Loans	0.19%	2.30%	2.53%	1.97%
Allowance for losses/Total Loans	4.30%	5.74%	5.90%	5.50%
Allowance for losses/Nonperforming loans	14.08	2.48	2.33	2.79

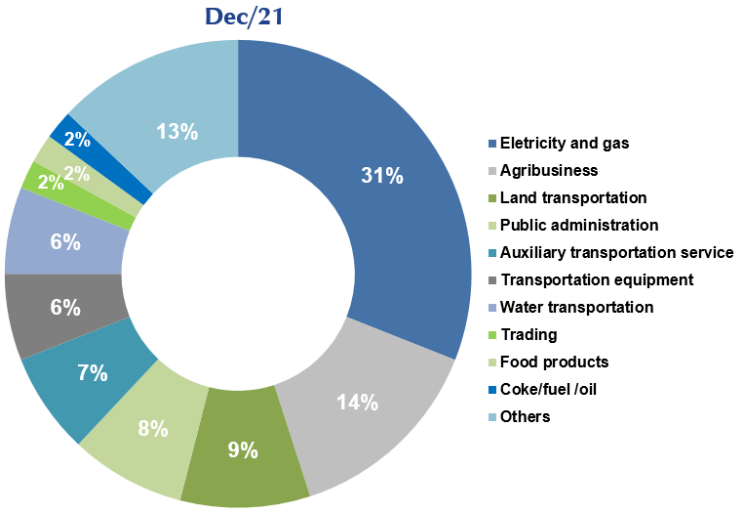
[1] Data refers to September 30, 2021 (latest information available), except Non-performing loans (90 days).

The good quality of the portfolio stands out, with a concentration of 91.3% of operations between risk levels AA and C, considered low risk, a percentage slightly lower than the average of 91.9% of the National Financial System - SFN.

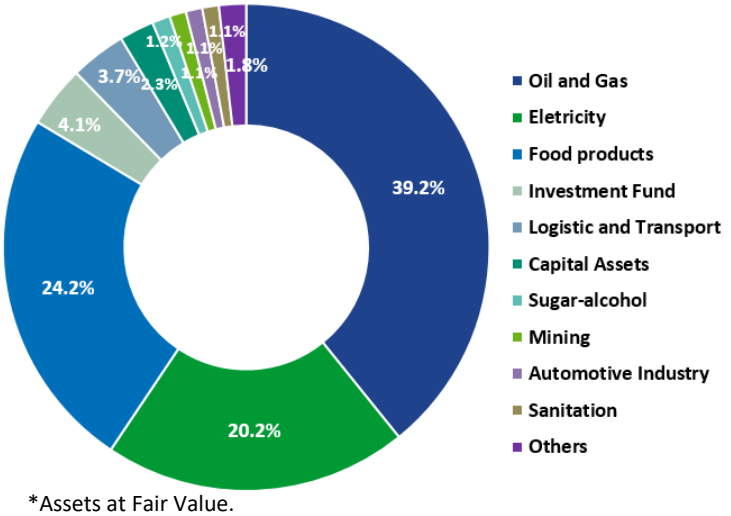
The BNDES default rate (90 days) was 0.19%, lower than the SFN average (2.30%).

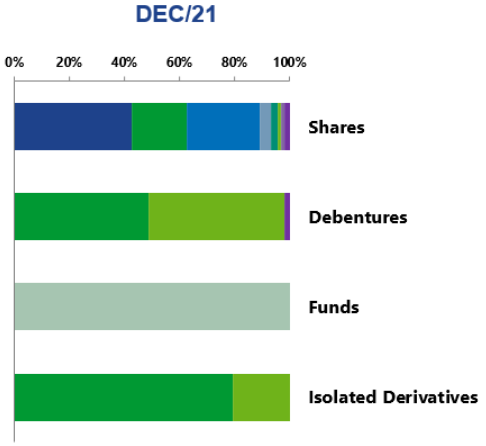
In the 12-month period ended 12/31/21, renegotiated credits represented 15.17%, of loan portfolio (9.31% in Sep/21), influenced by the Standstill – Electricity Sector (emergency program of temporary suspension of amortizations for plants of 50 MW of installed capacity, to face the effects arising from the water crisis in 2021). Disregarding this effect, the renegotiation rate would be 1.66%.

Loan Portfolio by Sector



Sectorial Variable Income Portfolio *





*Assets at Fair Value.

Equity Investments

R$ millions, except percentages

	DEC/21	%	SEP/21	%	DEC/20	%
Non-associated	**51,512**	**77.4**	**52,472**	**77.4**	**64,785**	**83.1**
Petrobras	30,065	45.1	28,829	42.5	29,856	38.3
Eletrobras	8,455	12.7	9,804	14.5	9,265	11.9
COPEL	4,147	6.2	4,723	7.0	4,684	6.0
Klabin	-	-	-	-	2,205	2.80
Vale	-	-	-	-	10,046	12.90
Others	8,845	13.3	9,116	13.4	8,729	11.2
Associated	**11,793**	**17.7**	**12,339**	**18.2**	**10,869**	**13.9**
JBS	9,716	14.6	10,182	15.0	9,010	11.6
Tupy	781	1.2	717	1.1	737	0.9
Igua Saneamento	418	0.6	428	0.6	128	0.2
Oceana Offshore	305	0.5	289	0.4	249	0.3
CTC - Centro de Tecn. Canavieira	242	0.4	241	0.4	246	0.3
Others	331	0.5	482	0.7	499	0.6
Others	**3,288**	**4.9**	**3,013**	**4.4**	**2,292**	**2.9**
Total	**66,593**	**100**	**67,824**	**100**	**77,946**	**100**

In 4Q21, the decrease in equity investments was explained by devaluation of non-affiliated portfolio of R$ 0.8 billion, especially Eletrobras (- R$ 1.4 billion) and Copel (- R$ 0.6 billion), mitigated by valuation of Petrobras (+ R$ 1.2 billion).

The associates' portfolio in 4Q21 decreased R$ 0.6 billion, mainly due to JBS, with emphasis on the divestments and dividends payment (R$ 0.6 billion), mitigated by positive equity income result (R$ 1 billion), and gain with variation of the participation percentage.

Changes in Funding Sources

R$ million

	2021			
	National Treasury[1]	FAT	*Bonds*[2]	Multilateral Institutions[2]
Initial Balance	**195,259**	**314,989**	**8,386**	**27,012**
Inflows	-	22,173	-	-
Early Amortization	(63,000)	-	-	-
Amortizations	(6,262)	(1,960)	-	(4,500)
Return of funds[1]	(987)	-	-	-
Accrued Interest, Monetary Adjustment and Others	5,478	24,811	493	219
Payment of Interest	(6,498)	(14,565)	(479)	(212)
Exchange Variation	425	1,904	609	1,871
Final Balance	**124,415**	**347,355**	**9,008**	**24,390**

[1] Return of resources of National Treasury allocated to the Emergency Employment Support Program (PESE), and to the Emergency Credit Access Program (PEAC).
[2] Classified as "International Funding" at Financial Position.

Changes in Shareholder's Equity

R$ million

As of December 31, 2020	**113.003**
(+) Net income in period	**34.068**
(-) Dividends/Interest on Equity - Net income of first semester	**(8.687)**
(+/-) Fair value adjustments	**(11.387)**
BNDES portfolio	(14.210)
From subsidiaries and associated companies portfolio	(305)
Other Comprehensive Income	3.128
As of December 31, 2021	**126.997**