Individual and consolidated financial statements

December 31, 2021

CONTENTS

Financial statements

STATEMENTS OF FINANCIAL POSITION 2
STATEMENTS OF INCOME 4
STATEMENTS OF COMPREHENSIVE INCOME 5
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY 6
STATEMENTS OF CASH FLOWS 7
STATEMENTS OF ADDED VALUE 8

Notes to the Financial Statements

1. OPERATIONAL CONTEXT 9
2. PREPARATION BASIS AND PRESENTATION OF THE FINANCIAL STATEMENTS 10
3. CONSOLIDATION CRITERIA 12
4. CASH AND CASH EQUIVALENTS 12
5. LOANS AND INTERBANK ONLENDINGS 13
6. SECURITIES 22
7. EQUITY INVESTMENTS 31
8. OTHER RECEIVABLES 41
9. OTHER ASSETS 41
10. BORROWINGS AND ONLENDINGS 42
11. FAT - SUBORDINATED DEBT AND SPECIAL DEPOSITS 45
12. REPURCHASE AGREEMENTS 46
13. OTHER LIABILITIES 46
14. LIABILITIES FOR ISSUING DEBENTURES AND FINANCIAL BILLS 47
15. INCOME TAX AND SOCIAL CONTRIBUTION 49
16. LABOR AND CIVIL PROVISIONS 54
17. ACTUARIAL LIABILITIES 56
18. SHAREHOLDERS' EQUITY 64
19. RELATED PARTIES 66
20. SEGMENT REPORTING AND RECURRING RESULT 73
21. RISK MANAGEMENT 75
22. OTHER INFORMATION 86
23. SUBSEQUENT EVENTS 88
24. GENERAL INFORMATION ON BNDES 89
25. CONSOLIDATION CRITERIA 89
26. DESCRIPTION OF SIGNIFICANT ACCOUNTING PRACTICES 90
MANAGEMENT MEMBERS 106
INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS 107

STATEMENTS OF FINANCIAL POSITION

	Note	BNDES		Consolidated	
		2021	2020	2021	2020
CURRENT ASSETS		**221,755,252**	**238,258,608**	**242,932,784**	**269,965,716**
CASH AND CASH EQUIVALENTS	**4**	**433,135**	**465,093**	**434,479**	**465,524**
INTERBANK INVESTMENTS	**4**	**91,027,118**	**92,866,031**	**94,864,308**	**96,655,970**
Foreign exchange portfolio	4	309,918	499,825	309,918	499,825
Repurchase agreements	4	90,717,200	92,365,329	94,554,390	96,155,268
Investments in interbank deposits	4	-	877	-	877
SECURITIES	**6**	**75,105,896**	**92,307,180**	**74,674,100**	**100,400,722**
Investment fund shares	6.1|6.3	4,013,544	3,905,441	1,485,068	461,942
Government bonds	6.1	70,899,870	84,627,786	70,940,967	84,664,318
Foreign fixed income securities	6.1	9	9	71,189	67,803
Shares	6.1|7.1	-	-	571,696	10,045,547
Available for sale debentures	6.1|6.4.1	149,587	3,259,405	388,904	4,013,153
Held to maturity debentures	6.1|6.4.2	43,022	485,043	423,786	734,113
Allowance for loan losses	6.1|6.4.2	(214)	(2,425)	(3,335)	(4,768)
Derivative financial instruments - foreign exchange and interest rate	6.1|6.5.1	78	31,921	78	31,921
Derivative financial instruments - variable income	6.1|6.5.1	-	-	795,747	386,693
INTERBANK ACCOUNTS/RELATIONS	**5**	**18,200,452**	**17,330,273**	**37,075,654**	**36,670,392**
Interbank onlendings	5	18,308,175	17,448,541	37,257,412	36,873,294
Allowance for loan losses	5.6|5.7	(107,723)	(118,268)	(181,758)	(202,902)
LOANS	**5**	**25,418,317**	**26,122,631**	**28,895,879**	**29,102,535**
Loans	5	27,241,828	27,948,242	30,775,492	31,006,712
Allowance for loan losses	5.6|5.7	(1,823,511)	(1,825,611)	(1,879,613)	(1,904,177)
OTHER RECEIVABLES		**10,289,074**	**7,872,172**	**5,706,104**	**5,374,345**
Credit sale of securities	5.9	-	-	46,886	48,364
Allowance for loan losses - credit sale of securities	5.9.3	-	-	(36,187)	(41,922)
Rights receivables	5.9	1,648	1,795	966,242	126,212
Allowance for loan losses - Rights receivable	5.9.3	(1,031)	(821)	(964,174)	(125,018)
Recoverable and prepaid taxes	15.3	30,191	2,590	356,582	94,737
Dividends and interest on shareholders' equity receivable		4,896,728	2,919,653	132,415	227,301
Receivables from guarantee deposits		90,671	55,693	98,919	60,457
Reimbursable payments		299,607	250,259	115,774	69,845
Rights receivable - Eletrobras Group	8.1	4,549,390	4,295,530	4,549,390	4,295,530
Other		421,870	347,473	440,257	618,839
OTHER ASSETS	**9**	**1,281,260**	**1,295,228**	**1,282,260**	**1,296,228**
Prepaid expenses		1,280,073	1,293,241	1,280,074	1,293,242
Other assets		1,187	1,987	1,187	2,986
Non-financial assets held for sale		-	-	999	-
NON-CURRENT ASSETS		**552,447,469**	**560,106,224**	**494,245,653**	**508,376,259**
LONG-TERM RECEIVABLES		**433,502,524**	**442,081,664**	**482,203,729**	**497,243,903**
SECURITIES	**6**	**38,918,447**	**35,887,201**	**85,795,675**	**88,104,969**
Shares	6.1|7.1	7,126,933	7,307,037	50,940,167	54,739,405
Available for sale debentures	6.1|6.4.1	4,410,706	3,694,734	4,410,706	3,921,372
Held to maturity debentures	6.1|6.4.2	701,705	997,207	1,968,220	2,989,548
Allowance for loan losses	6.1|6.4.2	(4,321)	(6,050)	(10,990)	(17,558)
Government bonds	6.1	16,705,647	21,633,634	16,705,647	21,633,634
Foreign fixed income securities	6.1	9,678,240	2,260,222	9,678,240	2,260,222
Derivative financial instruments - foreign exchange and interest rate	6.1|6.5.1	151,704	-	151,704	-
Derivative financial instruments - variable income	6.1|6.5.1	147,833	417	149,457	748,467
Mutual investment and equity funds	6.3	-	-	1,802,524	1,829,879
INTERBANK ACCOUNTS/RELATIONS	**5**	**156,821,246**	**158,210,115**	**124,153,505**	**130,253,088**
Interbank onlendings	5	157,749,422	159,289,798	125,240,821	131,518,532
Allowance for loan losses	5.6|5.7	(928,176)	(1,079,683)	(1,087,316)	(1,265,444)
LOANS	**5**	**225,912,985**	**230,525,023**	**249,414,352**	**250,919,630**
Loans	5	242,119,995	246,635,542	266,000,502	267,567,859
Allowance for loan losses	5.6|5.7	(16,207,010)	(16,110,519)	(16,586,150)	(16,648,229)
OTHER RECEIVABLES		**11,848,558**	**17,459,325**	**22,838,909**	**27,966,216**
Tax credits	15.2	10,195,395	12,278,970	18,923,879	20,853,756
Credit sale of securities	5.9	-	-	598,295	1,060,812
Allowance for loan losses - credit sale of securities	5.9.3	-	-	(461,761)	(919,522)
Rights receivables	5.9	10,740	13,088	52,842	809,180
Allowance for loan losses - Rights receivable	5.9.3	(6,725)	(5,988)	(48,763)	(800,673)
Credits from the National Treasury	19.2.1	1,132,610	738,760	2,033,029	1,334,031
Rights receivable - Eletrobras Group	8.1	496,503	4,416,291	496,503	4,416,291
Tax incentives		1,350	3,350	29,298	21,927
Debtors for guarantee deposits		-	-	763,834	742,902
Assignment of capitalization rights		-	-	430,503	430,503
Other		18,685	14,854	21,250	17,009
OTHER ASSETS	**9**	**1,288**	**-**	**1,288**	**-**
Non-financial assets held for sale		1,288	-	1,288	-
INVESTMENTS	**7**	**118,838,282**	**117,906,251**	**11,935,261**	**11,014,047**
Interest in subsidiaries and associated companies	7.2	118,696,136	117,761,105	11,793,115	10,868,901
Interest in other companies	7.3	100,000	103,000	100,000	103,000
Other investments	7.4	42,146	42,146	42,146	42,146
PROPERTY, PLANT AND EQUIPMENT FOR USE		**100,532**	**107,259**	**100,532**	**107,259**
INTANGIBLE ASSETS		**6,131**	**11,050**	**6,131**	**11,050**
TOTAL ASSETS		**774,202,721**	**798,364,832**	**737,178,437**	**778,341,975**

See the accompanying notes to the financial statements.

	Note	BNDES		Consolidated	
		2021	2020	2021	2020
CURRENT LIABILITIES		**131,493,715**	**122,565,127**	**81,164,400**	**84,506,440**
DEPOSITS		**1,011,356**	**1,050,935**	**1,011,356**	**1,050,935**
FAT - Special deposits	11.2	939,667	1,027,032	939,667	1,027,032
Interbank deposits		71,158	23,392	71,158	23,392
Other		531	511	531	511
MARKET FUNDING		**93,068,413**	**79,720,758**	**39,825,117**	**40,521,542**
Repurchase agreements	12	93,068,413	79,720,758	39,825,117	40,521,542
ISSUANCE OF DEBENTURES AND FINANCIAL BILLS	**14**	**1,423,552**	**445,113**	**1,423,552**	**445,113**
Debentures	14.1	369,870	445,113	369,870	445,113
Financial Bills	14.2	1,053,682	-	1,053,682	-
BORROWINGS AND ONLENDINGS	**10**	**13,792,663**	**17,445,018**	**13,792,663**	**17,445,018**
Domestic borrowings	10.1	445,660	441,325	445,660	441,325
Foreign borrowings - Bonus	10.1	129,930	118,319	129,930	118,319
Domestic Onlendings		10,444,759	14,117,421	10,444,759	14,117,421
National Treasury	10.1|19.2.2	8,138,152	11,967,434	8,138,152	11,967,434
Merchant Marine Fund (FMM)	10.1	2,306,607	2,149,987	2,306,607	2,149,987
Foreign onlendings - multilateral institutions	10.1	2,772,314	2,767,953	2,772,314	2,767,953
OTHER LIABILITIES		**13,577,640**	**16,578,605**	**16,491,621**	**17,719,134**
Financial and development funds	13.1	8,277,037	8,174,767	8,328,770	8,200,175
Income taxes and contributions	15.1	2,517,069	1,421,753	4,252,772	2,177,379
Other taxes and contributions		194,011	170,394	243,661	244,129
Dividends and interest on shareholders' equity payable	18	-	4,911,855	-	4,911,855
Labor and civil provisions	16	2,038	1,942	754,486	2,030
Actuarial liability - PBB	17.1.1	283,335	216,233	363,885	277,792
From the National Treasury		1,707	6,186	3,880	16,354
Actuarial liability - PAS	17.1.2	43,867	37,761	72,407	63,637
Derivative financial instruments - foreign exchange and interest rate	6.5.1	46,206	12,701	46,206	12,701
Other liabilities – deposits to be allocated	13.2	377,490	382,680	422,439	495,508
Time acquisition of securities		-	-	96,942	-
Other	13.4	1,834,880	1,242,333	1,906,173	1,317,574
SUBORDINATED DEBTS		**7,562,220**	**6,068,900**	**7,562,220**	**6,068,900**
Constitutional FAT	11.1	7,562,220	6,068,900	7,562,220	6,068,900
Other subordinated debts		7,562,220	6,068,900	7,562,220	6,068,900
DEBT INSTRUMENTS ELIGIBLE TO CORE CAPITAL	**19.2.3**	**1,057,871**	**1,255,798**	**1,057,871**	**1,255,798**
Secretary for the National Treasury		1,057,871	1,255,798	1,057,871	1,255,798
NON-CURRENT LIABILITIES		**515,711,982**	**562,797,188**	**529,017,013**	**580,833,018**
DEPOSITS		**5,701,597**	**6,154,837**	**5,701,597**	**6,154,837**
FAT - Special deposits	11.2	5,701,597	6,154,837	5,701,597	6,154,837
ISSUANCE OF DEBENTURES AND FINANCIAL BILLS	**14**	**734,886**	**2,111,520**	**734,886**	**2,111,520**
Debentures	14.1	734,886	1,107,070	734,886	1,107,070
Financial Bills	14.2	-	1,004,450	-	1,004,450
BORROWINGS AND ONLENDINGS	**10**	**148,421,595**	**205,884,653**	**148,421,595**	**205,884,653**
Domestic borrowings	10.1	2,387,290	2,751,055	2,387,290	2,751,055
Foreign borrowings - Bonus	10.1	8,877,833	8,267,259	8,877,833	8,267,259
Domestic Onlendings		115,538,570	170,622,004	115,538,570	170,622,004
National Treasury	10.1|19.2.2	93,179,941	146,496,407	93,179,941	146,496,407
Merchant Marine Fund (FMM)	10.1	21,722,720	23,674,444	21,722,720	23,674,444
Other		635,909	451,153	635,909	451,153
Foreign onlendings - multilateral institutions	10.1	21,617,902	24,244,335	21,617,902	24,244,335
OTHER LIABILITIES		**5,659,172**	**11,368,805**	**18,964,203**	**29,404,635**
Financial and development funds	13.1	316,132	346,321	538,718	541,574
Actuarial liability - PBB	17.1.1	1,269,946	2,734,635	1,556,803	3,201,877
Labor and civil provisions	16	143,187	129,595	1,164,474	1,759,617
Derivative financial instruments - foreign exchange and interest rate	6.5.1	3,275	3,570	3,275	3,570
Actuarial liability - PAS	17.1.2	2,985,545	4,020,273	3,561,998	4,745,570
Deferred taxes and contributions	15.2	938,126	4,132,590	12,135,974	19,150,606
Other	13.4	2,961	1,821	2,961	1,821
SUBORDINATED DEBTS		**333,151,713**	**301,738,397**	**333,151,713**	**301,738,397**
Constitutional FAT	11.1	333,151,713	301,738,397	333,151,713	301,738,397
Other subordinated debts		290,433,757	253,680,696	291,008,526	254,327,312
Eligible for capital		42,717,956	48,057,701	42,143,187	47,411,085
DEBT INSTRUMENTS ELIGIBLE TO CORE CAPITAL	**19.2.3**	**22,038,976**	**35,538,976**	**22,038,976**	**35,538,976**
Secretary for the National Treasury		22,038,976	35,538,976	22,038,976	35,538,976
DEFERRED INCOME (LOSS)		**4,043**	**-**	**4,043**	**-**
SHAREHOLDERS' EQUITY	**18**	**126,997,024**	**113,002,517**	**126,997,024**	**113,002,517**
Capital		61,842,148	53,983,180	61,842,148	53,983,180
Capital		61,842,148	53,983,180	61,842,148	53,983,180
Profit reserves		44,745,760	27,222,715	44,745,760	27,222,715
Legal reserve		7,437,688	5,734,234	7,437,688	5,734,234
Tax incentive reserve		201,355	201,355	201,355	201,355
Reserve for future capital increase		12,946,254	7,858,968	12,946,254	7,858,968
Equity Dividend Reserves		24,160,463	13,428,158	24,160,463	13,428,158
Equity valuation adjustments		20,409,116	31,796,622	20,409,116	31,796,622
Of own assets		17,983,021	29,066,027	17,983,021	29,066,027
Of assets of associated companies and subsidiaries		2,426,095	2,730,595	2,426,095	2,730,595
TOTAL LIABILITIES		**774,202,721**	**798,364,832**	**737,178,437**	**778,341,975**

See the accompanying notes to the financial statements.

STATEMENTS OF INCOME

	Note	BNDES			Consolidated		
		2nd semester of 2021	2021	2020	2nd semester of 2021	2021	2020
INCOME FROM FINANCIAL INTERMEDIATION		**29,977,470**	**51,708,029**	**46,314,929**	**31,064,098**	**54,345,109**	**48,779,755**
Loans and interbank onlendings							
. Local currency		19,174,659	35,334,703	26,699,926	19,856,035	36,625,531	28,389,606
. Foreign currency		4,964,780	4,075,768	10,728,223	5,228,529	4,584,818	11,308,569
Income from securities		5,235,328	11,228,712	8,123,780	5,376,831	12,065,914	8,318,580
Income from management of funds and programs		602,703	1,068,846	763,000	602,703	1,068,846	763,000
FINANCIAL INTERMEDIATION EXPENSES		**(22,623,971)**	**(34,689,604)**	**(37,181,089)**	**(20,542,983)**	**(31,743,220)**	**(36,911,078)**
Market funding - financing and onlendings							
. Local currency		(19,394,816)	(34,170,365)	(24,164,241)	(17,986,418)	(32,144,600)	(23,305,156)
. Foreign currency		(8,408,342)	(6,686,325)	(17,807,591)	(8,408,342)	(6,686,325)	(17,807,591)
Income (loss) from derivative financial instruments - foreign exchange and interest rate	6.5.3	4,089,640	4,301,648	4,434,013	4,089,640	4,301,648	4,434,013
Income (loss) from allowance for loan losses	5.10	1,009,937	1,803,817	(361,505)	1,675,012	2,719,325	(945,705)
Reversal (recognition) of allowance for losses		116,866	(433,253)	(7,118,501)	500,100	166,259	(9,449,060)
Recovery of written-off credits		893,071	2,237,070	6,756,996	1,174,912	2,553,066	8,503,355
Income (loss) from foreign exchange portfolio		79,610	61,621	718,235	87,125	66,732	713,361
GROSS INCOME FROM FINANCIAL INTERMEDIATION	**5.11**	**7,353,499**	**17,018,425**	**9,133,840**	**10,521,115**	**22,601,889**	**11,868,677**
OTHER OPERATING INCOME (EXPENSES)		**13,553,226**	**23,216,302**	**16,826,038**	**14,122,620**	**25,519,797**	**19,950,189**
Equity in earnings (losses)	7.2.1|7.2.3	13,229,873	23,792,927	11,469,140	2,858,450	4,276,712	419,951
Net Monetary restatement on assets and liabilities		352,854	759,396	1,116,320	354,822	675,442	956,911
Goodwill amortization		-	-	-	(12,867)	(25,748)	(304,357)
Reversal (recognition) of allowance for losses in investments - variable income	7	1,110,388	1,110,388	(198,801)	5,283,927	5,271,639	(632,330)
Dividend income	7.1.4	514,663	846,289	145,541	4,424,261	6,430,359	818,321
Income from interest on shareholders' equity	7.1.4	142,736	142,736	67,871	1,317,904	1,356,814	1,348,825
Income (loss) from disposals of variable income securities	7.1.3	35,636	35,636	7,516,511	1,676,338	12,757,889	22,683,087
Income (loss) from derivative financial instruments - variable income	6.5.3	(328)	147,416	61	(96,282)	(150,650)	363,882
Income (loss) from private equity investment funds		52,821	56,767	18,414	657,032	529,753	418,500
Other income (expenses) from equity investment		-	-	-	406,266	109,222	(74,967)
Reversal (recognition) of labor and civil provisions	16	(4,189)	(15,447)	(62,661)	(81,542)	(159,092)	(186,936)
Tax expenses		(375,930)	(1,056,328)	(607,357)	(640,482)	(1,983,882)	(1,660,144)
Personnel expenses		(670,236)	(1,253,922)	(1,094,275)	(1,098,891)	(2,055,753)	(1,989,930)
Administrative expenses		(129,773)	(232,692)	(179,107)	(200,951)	(351,074)	(284,409)
Other operating income		14,879	22,214	137,965	67,405	81,278	161,102
Other operating expenses		(720,168)	(1,139,078)	(1,503,584)	(792,770)	(1,243,112)	(2,087,317)
INCOME (LOSS) BEFORE INCOME TAX		**20,906,725**	**40,234,727**	**25,959,878**	**24,643,735**	**48,121,686**	**31,818,866**
Income tax	15.1	(376,333)	(2,190,566)	(2,425,234)	(1,838,192)	(6,786,020)	(7,425,858)
Social Contribution	15.1	(451,367)	(1,951,523)	(1,776,676)	(1,132,970)	(3,844,819)	(3,757,173)
Deferred income tax and social contribution on net income - net of realization	15.2	(971,338)	(1,868,871)	(938,984)	(2,465,994)	(3,168,188)	295,523
INCOME (LOSS) EMPLOYEE PROFIT SHARING		**19,107,687**	**34,223,767**	**20,818,984**	**19,206,579**	**34,322,659**	**20,931,358**
Employee profit sharing		(154,678)	(154,678)	(137,488)	(253,570)	(253,570)	(249,862)
NET INCOME FOR THE SEMESTER/YEAR		**18,953,009**	**34,069,089**	**20,681,496**	**18,953,009**	**34,069,089**	**20,681,496**
Number of shares		6,273,711,452	6,273,711,452	6,273,711,452			
NET INCOME FOR THE SEMESTER/YEAR PER SHARE (R$ / SHARE)		**3.021020**	**5.430452**	**3.296533**			

See the accompanying notes to the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

	BNDES and Consolidated		
	2nd semester of 2021	2021	2020
NET INCOME FOR THE SEMESTER/YEAR	**18,953,009**	**34,069,089**	**20,681,496**
Other comprehensive income			
Items that will later be reclassified to income (loss):	**(6,935,682)**	**(14,851,104)**	**(8,350,432)**
Equity valuation adjustment - own assets	(10,064,232)	(22,757,420)	(17,694,322)
Tax impact	3,751,784	8,547,893	7,096,194
Equity valuation adjustment - assets of associated companies	56,838	97,469	(17,725)
Adjustment – accumulated from conversion – assets of associated companies	(679,326)	(745,794)	2,130,892
Other comprehensive income - assets of associated companies	(746)	6,748	134,529
Items that later will not be reclassified to income (loss):	**1,360,738**	**3,463,598**	**772,717**
Other comprehensive income - Actuarial gains or losses of the post-employment benefit plan - own	1,485,015	3,400,924	751,918
Tax impact	(241,654)	(274,403)	(35,035)
Other comprehensive income - Actuarial gains or losses of the post-employment benefit plan - subsidiaries	117,377	337,077	55,834
Total other comprehensive income	**(5,574,944)**	**(11,387,506)**	**(7,577,715)**
COMPREHENSIVE INCOME FOR THE SEMESTER/YEAR	**13,378,065**	**22,681,583**	**13,103,781**

See the accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

		Capital		Profit reserves				Equity valuation adjustments			
	Note	Capital	Capital increase	Legal reserve	Tax incentive reserve	Reserve for future capital increase	Equity dividend reserves	Own	Of associated companies and subsidiaries	Retained earnings	Total
January 1, 2020		**47,249,176**	**-**	**4,700,159**	**201,355**	**6,734,004**	**6,551,560**	**38,947,272**	**427,065**	**-**	**104,810,591**
Capital increase		6,734,004		-	-	(6,734,004)	-	-	-	-	-
Equity valuation adjustments	18.2	-	-	-	-	-	-	(9,881,245)	2,303,530	-	(7,577,715)
Net income for the year		-	-	-	-	-	-	-	-	20,681,496	20,681,496
Appropriation of income	18.3										
. 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)
. Interest on shareholders' equity proposed		-	-	-	-	-	-	-	-	(3,186,745)	(3,186,745)
December 31, 2020		**53,983,180**	**-**	**5,734,234**	**201,355**	**7,858,968**	**13,428,158**	**29,066,027**	**2,730,595**	**-**	**113,002,517**
Changes in the year		6,734,004	-	1,034,075	-	1,124,964	6,876,598	(9,881,245)	2,303,530	-	8,191,926
January 01, 2021		**53,983,180**	**-**	**5,734,234**	**201,355**	**7,858,968**	**13,428,158**	**29,066,027**	**2,730,595**	**-**	**113,002,517**
Capital increase	18.1	7,858,968	-	-	-	(7,858,968)	-	-	-	-	-
Equity valuation adjustments	18.2	-	-	-	-	-	-	(11,083,006)	(304,500)	-	(11,387,506)
Net income for the year		-	-	-	-	-	-	-	-	34,069,089	34,069,089
Appropriation of income	18.3										
. 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)
December 31, 2021		**61,842,148**	**-**	**7,437,688**	**201,355**	**12,946,254**	**24,160,463**	**17,983,021**	**2,426,095**	**-**	**126,997,024**
Changes in the year		7,858,968	-	1,703,454	-	5,087,286	10,732,305	(11,083,006)	(304,500)	-	13,994,507
July 1, 2021		**53,983,180**	**7,858,968**	**5,734,234**	**201,355**	**-**	**13,428,158**	**23,052,108**	**2,931,952**	**15,116,080**	**122,306,035**
Capital increase	18.1	7,858,968	(7,858,968)	-	-	-	-	-	-	-	-
Equity valuation adjustments	18.2	-	-	-	-	-	-	(5,069,087)	(505,857)	-	(5,574,944)
Net income for the semester		-	-	-	-	-	-	-	-	18,953,009	18,953,009
Appropriation of income	18.3										
. 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)
As of December 31, 2021		**61,842,148**	**-**	**7,437,688**	**201,355**	**12,946,254**	**24,160,463**	**17,983,021**	**2,426,095**	**-**	**126,997,024**
Changes in the semester		7,858,968	(7,858,968)	1,703,454	-	12,946,254	10,732,305	(5,069,087)	(505,857)	(15,116,080)	4,690,989

See the accompanying notes to the financial statements.

STATEMENTS OF CASH FLOWS

	BNDES			CONSOLIDATED		
	2nd semester of 2021	2021	2020	2nd semester of 2021	2021	2020
Operating activities						
Net income before income tax and social contribution and employee profit sharing	20,906,725	40,234,727	25,959,878	24,643,735	48,121,686	31,818,866
Adjustments not affecting cash and cash equivalents of operating activities	(15,266,967)	(26,694,704)	(10,663,946)	(9,547,984)	(11,787,789)	1,467,783
Income (loss) from allowance for loan losses	(1,009,937)	(1,803,817)	361,505	(1,675,012)	(2,719,325)	945,705
Recognition (reversal) of labor and civil provisions	4,189	15,447	62,661	81,542	159,092	186,936
Equity in earnings (losses)	(13,229,873)	(23,792,927)	(11,469,140)	(2,858,450)	(4,276,712)	(419,951)
Goodwill amortization	-	-	-	12,867	25,748	304,357
Interest and monetary restatement of obligations by issuance of debentures and financial bills	70,334	125,497	161,785	70,334	125,497	161,785
Depreciation	8,380	18,900	20,503	8,380	18,900	20,503
Recognition (reversal) of allowance for losses on investments - variable income	(1,110,388)	(1,110,388)	198,801	(5,283,927)	(5,271,639)	632,330
Income (loss) from fixed income derivative financial instruments	328	(147,416)	(61)	96,282	150,650	(363,882)
Changes in assets and liabilities	**(18,145,593)**	**(44,910,335)**	**(4,697,487)**	**(29,832,141)**	**(59,825,903)**	**(10,955,431)**
. Net (increase) / decrease in loans by financing	(8,387,627)	7,642,301	(4,017,180)	(9,354,561)	10,129,633	(6,065,315)
. Net (increase)/decrease in securities	(6,687,948)	7,947,643	(26,246,999)	(6,729,153)	10,228,685	(19,527,052)
. Net (increase) / decrease in other asset accounts	1,751,576	3,003,318	2,615,175	2,001,578	2,874,299	4,021,832
. Net increase / (decrease) in borrowings and onlendings	(22,936,876)	(66,675,225)	(3,518,980)	(22,884,579)	(66,621,567)	(3,476,558)
. Net increase / (decrease) in repurchase agreements	20,690,422	13,347,655	41,360,431	10,433,061	(696,425)	35,753,700
. Net increase / (decrease) in other liability accounts	1,419,324	880,270	280,761	1,199,224	324,489	(342,358)
. Interest paid on loans and onlendings	(3,163,422)	(8,066,034)	(10,715,719)	(3,163,422)	(8,066,034)	(10,715,719)
. Income Tax and Social Contribution on Net Income paid	(831,042)	(2,990,263)	(4,454,976)	(1,334,289)	(7,998,983)	(10,603,961)
Net cash generated (consumed) by operating activities	**(12,505,835)**	**(31,370,312)**	**10,598,445**	**(14,736,390)**	**(23,492,006)**	**22,331,218**
Investment activities						
. Additions to property, plant and equipment	(3,935)	(6,855)	(16,072)	(3,935)	(6,855)	(16,072)
. Write-offs of property, plant and equipment	2	24	178	2	24	178
. Additions to intangible assets	(424)	(424)	(194)	(424)	(424)	(194)
. Addition by investments in associated companies	-	-	-	(274,867)	(339,813)	(9,783)
. Receipt for the sale of investments in associated companies	-	-	-	1,376,240	1,406,256	-
. Redemption of shares in other equity interests and other permanent investments	3,209	3,209	-	3,209	3,209	-
. Receiving of dividends and interest on shareholders' equity from associated companies and subsidiaries	-	10,685,907	12,152,408	1,184,744	1,789,322	330,837
Net cash generated by (consumed) by investment activities	**(1,148)**	**10,681,861**	**12,136,320**	**2,284,969**	**2,851,719**	**304,966**
Financing activities						
. Increase in liabilities for subordinated debts	20,255,407	32,906,636	25,277,178	20,255,407	32,906,636	25,277,178
. Dividends and interest on shareholders' equity paid	(8,616,165)	(13,565,364)	-	(8,616,165)	(13,565,364)	-
. Funding by issue of financial bills	-	-	1,000,000	-	-	1,000,000
. Amortization of liabilities for issuing debentures	(240,798)	(523,692)	(614,459)	(240,798)	(523,692)	(614,459)
. Amortization of liabilities for issuing financial bills	-	-	(2,544,226)	-	-	(2,544,226)
Net cash generated (consumed) by financing activities	**11,398,444**	**18,817,580**	**23,118,493**	**11,398,444**	**18,817,580**	**23,118,493**
Increase (decrease) in cash and cash equivalents	**(1,108,539)**	**(1,870,871)**	**45,853,258**	**(1,052,977)**	**(1,822,707)**	**45,754,677**
Changes in financial position						
Balance of cash and cash equivalents at the beginning of the semester/year	92,568,792	93,331,124	47,477,866	96,351,764	97,121,494	51,366,817
Balance of cash and cash equivalents at the end of the year	91,460,253	91,460,253	93,331,124	95,298,787	95,298,787	97,121,494
Increase (decrease) in cash and cash equivalents	**(1,108,539)**	**(1,870,871)**	**45,853,258**	**(1,052,977)**	**(1,822,707)**	**45,754,677**

See the accompanying notes to the financial statements.

STATEMENTS OF ADDED VALUE

	BNDES				Consolidated			
	2021		2020		2021		2020	
INCOME	**54,570,841**		**54,742,696**		**71,079,186**		**72,038,208**	
Financial intermediation	51,708,029		46,314,929		54,345,109		48,779,755	
Other income	1,058,995		8,789,272		14,014,752		24,204,158	
Reversal (recognition) of provision for impairment	1,803,817		(361,505)		2,719,325		(945,705)	
EXPENSES	**(37,685,619)**		**(38,385,898)**		**(35,902,422)**		**(38,239,695)**	
Financial intermediation	(36,493,421)		(36,819,584)		(34,462,545)		(35,965,373)	
Other expenses	(1,192,198)		(1,566,314)		(1,439,877)		(2,274,322)	
INPUTS ACQUIRED FROM THIRD PARTIES	**904,915**		**(347,945)**		**4,964,498**		**(869,185)**	
Materials, energy and others	(16,225)		(14,579)		(25,469)		(25,325)	
Outsourced services	(189,248)		(134,565)		(281,672)		(211,530)	
Loss (recovery) of asset values	1,110,388		(198,801)		5,271,639		(632,330)	
GROSS VALUE ADDED	**17,790,137**		**16,008,853**		**40,141,262**		**32,929,328**	
RETENTIONS	**(11,529)**		**(11,277)**		**(18,900)**		**(20,503)**	
Depreciation	(11,529)		(11,277)		(18,900)		(20,503)	
NET ADDED VALUE ADDED (RETAINED)/PRODUCED BY THE ENTITY	**17,778,608**		**15,997,576**		**40,122,362**		**32,908,825**	
ADDED VALUE RECEIVED AS TRANSFER	**24,781,952**		**11,682,552**		**12,063,885**		**2,587,097**	
Equity in earnings (losses) of subsidiaries and associates	23,792,927		11,469,140		4,276,712		419,951	
Dividends and interest on shareholders' equity	989,025		213,412		7,787,173		2,167,146	
ADDED VALUE PAYABLE	**42,560,560**		**27,680,128**		**52,186,247**		**35,495,922**	
DISTRIBUTION OF ADDED VALUE	**42,560,560**	**100.0%**	**27,680,128**	**100.0%**	**52,186,247**	**100.0%**	**35,495,922**	**100.0%**
Personnel and payroll charges	1,117,682	2.6%	975,490	3.5%	1,831,789	3.5%	1,767,088	5.0%
- Direct remuneration	691,234		611,751		1,132,987		1,106,041	
- Benefits	337,727		263,451		553,651		479,001	
- FGTS	54,082		56,947		88,365		103,244	
- Other	34,639		43,341		56,786		78,802	
Taxes, fees and contributions	7,215,088	17.0%	5,880,386	21.3%	16,025,203	30.8%	12,787,898	36.0%
- Federal	7,194,211		5,860,149		16,000,434		12,762,831	
- State	7		6		10		11	
- Municipal	20,870		20,231		24,759		25,056	
Rents	4,023	0.0%	5,268	0.0%	6,596	0.0%	9,578	0.0%
Employee profit sharing	154,678	0.4%	137,488	0.5%	253,570	0.5%	249,862	0.7%
Dividends and interest on shareholders' equity	8,687,076	20.4%	4,911,855	17.7%	8,687,076	16.6%	4,911,855	13.8%
Retained income	25,382,013	59.6%	15,769,641	57.0%	25,382,013	48.6%	15,769,641	44.5%

See the accompanying notes to the 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 24 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 5.6 and 5.8.

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 21.1.2, 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

The individual financial statements are presented together with the accompanying financial statements, which include the wholly owned subsidiaries and the financial investment funds controlled by BNDES.

2.1. Approval for issuance, functional and presentation currency

These individual and consolidated financial statements ("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

BNDES' financial statements have been prepared in accordance with the BACEN and CMN's regulations and based on the provisions of the Brazilian Corporation Law, Law 13,303/2016, Decree 8,945/2016 and the standards issued by the Brazilian Securities and Exchange Commission (CVM) for consolidation purposes, when not conflicting with the regulations issued by BACEN and CMN, and are presented in conformity with the Standard Chart of Accounts for Financial Institutions (COSIF).

Within the scope of international accounting convergence process, which started in Brazil in 2007 upon the enactment of Law 11,638/2007, the Accounting Pronouncement Committee - CPC has issued various pronouncements, although most of them have not been approved by CMN yet, and there is no forecast of when or how this will occur. Accordingly, in preparing its financial statements, the following procedures accepted by CMN have been adopted:

a) CPC 00 (R1) – Conceptual Framework for the Preparation and Disclosure of Accounting and Financial Reports;

b) CPC 01 (R1) – Impairment of Assets;

c) CPC 02 (R2) – Exchange Rate Effects and Financial Statements Conversion;

d) CPC 03 (R2) – Statement of Cash Flows;

e) CPC 04 (R1) – Intangible Assets;

f) CPC 05 (R1) – Related Party Disclosures;

g) CPC 10 (R1) – Share-based Payment;

h) CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors;

i) CPC 24 – Subsequent Events;

j) CPC 25 – Provisions, Contingent Liabilities and Contingent Assets;

k) CPC 27 - Property, Plant and Equipment

l) CPC 33 (R1) – Employee Benefits.

m) CPC 41 – Earnings per share; and

n) CPC 46 – Measurement of market value

Management understands that all the information provided in these Financial Statements is relevant and accurately represents the information used in the management of 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 year

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 decreased compared to the previous year, despite a slight increase in the quarter. 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.

The reduction in the equity investments' portfolio in the period is explained by the sale of shares, mainly of Vale, JBS and Klabin, mitigated by the higher equity in earnings (losses) of subsidiaries and associates in the year.

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 in the year. The effect of net income for the year was mitigated by the recording of the advance of interest on shareholders' equity and dividends, and by the reduction in the equity valuation adjustment of the equity investments' portfolio at market value, net of taxes.

Income changes

During the year, the net income increased compared to the previous year, influenced by: (i) higher earnings from equity investments due to the gain from the sale of shares in Vale, JBS and Klabin, to the receipt of dividends and the reversal of impairment from Petrobras; (ii) increase in the result of financial intermediation, influenced by the gain on the sale of Vale's debentures and higher treasury remuneration resulting from the increase in the SELIC rate; and (iii) reversal of the provision for credit risk, due to the improvement in the risk rating of some companies and debt recoveries.

In the recurring earnings of the period, which disregards (among others) the effects of the allowance for credit risk and the non-recurring earnings from equity investments, there was an increase in relation to the previous year, mainly due to higher earnings from dividends and interest on shareholders' equity and increase in the financial intermediation product.

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 these 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 CPC 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 applied can be found in the Note 26.

3. 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).

4. CASH AND CASH EQUIVALENTS

	BNDES		Consolidated	
	2021	2020	2021	2020
Cash and cash equivalents	433,135	465,093	434,479	465,524
Interbank investments (*)	91,027,118	92,866,031	94,864,308	96,655,970
Repurchase agreements	90,717,200	92,365,329	94,554,390	96,155,268
Foreign exchange portfolio	309,918	499,825	309,918	499,825
Investments in interbank deposits	-	877	-	877
Total	**91,460,253**	**93,331,124**	**95,298,787**	**97,121,494**

(*) Considered as cash and cash equivalents only for the purpose of statements of cash flows.

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

5. LOANS AND INTERBANK ONLENDINGS

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.

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. Interbank onlendings transactions 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.

The accounting treatment of loans and interbank onlendings operations and allowance for loan losses follows the criteria established by CMN Resolution 2682/1999. For details, see Note 26.5.

As provided in Article 6 of CMN Resolution 2,682/1999, Bank's Management, when pertinent, records an additional allowance to the minimum required by this Resolution in order to cover additional risks due to uncertainties from the current economic scenario, which is understood by the Management as being necessary.

5.1. Breakdown of operations

	BNDES		Consolidated	
	2021	2020	2021	2020
Loans	**269,361,823**	**274,583,784**	**296,775,994**	**298,574,571**
Current	27,241,828	27,948,242	30,775,492	31,006,712
Non-current	242,119,995	246,635,542	266,000,502	267,567,859
Interbank Onlendings	**176,057,597**	**176,738,339**	**162,498,233**	**168,391,826**
Current	18,308,175	17,448,541	37,257,412	36,873,294
Non-current	157,749,422	159,289,798	125,240,821	131,518,532
Total	**445,419,420**	**451,322,123**	**459,274,227**	**466,966,397**
Allowance for loan losses				
Loans	**(18,030,521)**	**(17,936,130)**	**(18,465,763)**	**(18,552,406)**
Current	(1,823,511)	(1,825,611)	(1,879,613)	(1,904,177)
Non-current	(16,207,010)	(16,110,519)	(16,586,150)	(16,648,229)
Interbank Onlendings	**(1,035,899)**	**(1,197,951)**	**(1,269,074)**	**(1,468,346)**
Current	(107,723)	(118,268)	(181,758)	(202,902)
Non-current	(928,176)	(1,079,683)	(1,087,316)	(1,265,444)
Total	**(19,066,420)**	**(19,134,081)**	**(19,734,837)**	**(20,020,752)**

5.2. Distribution of credit gross portfolio and currency interbank onlending

	BNDES					
	2021			2020		
	Local currency	Foreign currency	Total	Local currency	Foreign currency	Total
Subsidiaries	53,258,851	23,531,740	76,790,591	50,434,124	23,360,477	73,794,601
Other	333,863,240	34,765,589	368,628,829	340,335,392	37,192,130	377,527,522
Total	**387,122,091**	**58,297,329**	**445,419,420**	**390,769,516**	**60,552,607**	**451,322,123**

	Consolidated					
	2021			2020		
	Local currency	Foreign currency	Total	Local currency	Foreign currency	Total
Subsidiaries	-	-	-	-	-	-
Other	400,962,523	58,311,704	459,274,227	406,387,841	60,578,556	466,966,397
Total	**400,962,523**	**58,311,704**	**459,274,227**	**406,387,841**	**60,578,556**	**466,966,397**

5.3. Distribution of credit gross portfolio and interbank onlendings per activity sector

	BNDES		Consolidated	
	2021	2020	2021	2020
Public sector				
Public Administration	44,154,234	46,726,977	44,157,820	46,731,107
Business activities				
Industry	9,985,958	13,223,313	9,985,958	13,223,313
Financial intermediation	128,632,423	130,242,071	60,627,024	68,932,969
Other services	3,804,139	5,693,854	3,804,186	5,693,901
Subtotal	**186,576,754**	**195,886,215**	**118,574,988**	**134,581,290**
Private sector				
Rural	969,517	1,233,519	1,288,133	1,329,218
Industry	143,404,011	135,852,154	146,212,020	136,175,640
Trade	3,663,175	4,173,117	3,708,816	4,173,117
Financial intermediation	47,656,467	46,747,446	102,109,747	99,716,981
Other services	63,149,496	67,429,672	87,380,523	90,990,151
Subtotal	**258,842,666**	**255,435,908**	**340,699,239**	**332,385,107**
Total	**445,419,420**	**451,322,123**	**459,274,227**	**466,966,397**

5.4. Distribution of credit gross portfolio and interbank onlendings per maturity date

BNDES			Consolidated		
	2021	2020		2021	2020
Overdue:	956,155	170,158	Overdue:	1,004,004	200,876
Falling due (years):			Falling due (years):		
up to 1	44,593,848	45,226,625	up to 1	67,028,900	67,679,130
1–2	35,926,781	40,858,234	1–2	55,263,506	60,577,234
2–3	37,361,130	34,724,417	2–3	48,977,734	50,213,741
3–5	61,753,932	66,453,507	3–5	73,903,302	77,440,761
5–10	122,561,505	118,356,214	5–10	116,919,347	112,553,904
>10	142,266,069	145,532,968	>10	96,177,434	98,300,751
Total	**445,419,420**	**451,322,123**	**Total**	**459,274,227**	**466,966,397**

5.5. Concentration of credit gross portfolio and currency interbank onlendings

	BNDES							
	2021				2020			
	Loans	%	Interbank Onlendings	%	Loans	%	Interbank Onlendings	%
Largest client	15,985,193	5.9	76,790,591	43.7	16,366,183	6.0	73,794,601	41.7
Next 10 largest clients	51,043,082	18.9	86,144,729	48.9	53,421,598	19.5	90,068,284	51.0
Next 20 largest clients	47,223,469	17.5	12,229,358	6.9	48,707,684	17.7	11,833,357	6.7
Next 50 largest clients	61,189,633	22.7	892,919	0.5	57,899,423	21.1	1,042,097	0.6
Next 100 largest clients	44,852,872	16.7	-	-	45,718,724	16.7	-	-
Other clients	49,067,574	18.3	-	-	52,470,172	19.0	-	-
Total	**269,361,823**	**100.0**	**176,057,597**	**100.0**	**274,583,784**	**100.0**	**176,738,339**	**100.0**

	Consolidated							
	2021				2020			
	Loans	%	Interbank Onlendings	%	Loans	%	Interbank Onlendings	%
Largest client	15,985,193	5.4	22,709,367	14.0	16,366,183	5.5	25,159,637	14.9
Next 10 largest clients	61,833,279	20.8	104,486,884	64.2	63,334,920	21.2	109,168,514	64.8
Next 20 largest clients	50,369,909	17.0	31,307,221	19.3	53,283,659	17.8	30,438,248	18.1
Next 50 largest clients	65,895,196	22.2	3,994,761	2.5	62,278,477	20.9	3,625,427	2.2
Next 100 largest clients	49,272,482	16.6	-	-	48,718,024	16.3	-	-
Other clients	53,419,935	18.0	-	-	54,593,308	18.3	-	-
Total	**296,775,994**	**100.0**	**162,498,233**	**100.0**	**298,574,571**	**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.

5.6. Breakdown of the portfolio and allowance for loan losses by risk level

Below we present the provisions established for loan operations and interbank onlending:

a) Loans

			BNDES				Consolidated			
			2021		2020		2021		2020	
Risk level	Allowance (%)	Situation	Gross portfolio	Allowance	Gross portfolio	Allowance	Gross portfolio	Allowance	Gross portfolio	Allowance
AA	0.0	Performing	47,929,001	-	40,963,429	-	48,345,785	-	40,963,429	-
A	0.5	Performing	93,188,912	(465,945)	96,338,803	(481,696)	95,647,545	(478,238)	96,681,930	(483,410)
B	1.0	Performing	75,614,347	(756,143)	85,711,139	(857,111)	91,850,569	(918,505)	90,640,502	(906,405)
C	3.0	Performing	13,767,169	(413,013)	15,483,052	(464,490)	22,038,779	(661,160)	34,197,516	(1,025,925)
C	3.0	Non-Performing	-	-	18,065	(542)	-	-	18,065	(542)
D	10.0	Performing	19,560,618	(1,956,062)	14,657,540	(1,465,754)	19,560,618	(1,956,062)	14,657,540	(1,465,754)
D	10.0	Non-Performing	116,833	(11,683)	68,369	(6,837)	116,833	(11,683)	68,369	(6,837)
E	30.0	Performing	6,427,521	(1,928,256)	6,938,017	(2,081,406)	6,453,926	(1,936,179)	6,938,017	(2,081,406)
F	50.0	Performing	97,113	(48,559)	3,612,117	(1,806,058)	97,113	(48,559)	3,612,117	(1,806,058)
F	50.0	Non-Performing	418,899	(209,450)	42,034	(21,017)	418,899	(209,450)	42,034	(21,017)
H	100.0	Performing	11,375,743	(11,375,743)	10,721,835	(10,721,835)	11,380,260	(11,380,260)	10,725,668	(10,725,668)
H	100.0	Non-Performing	865,667	(865,667)	29,384	(29,384)	865,667	(865,667)	29,384	(29,384)
Total			**269,361,823**	**(18,030,521)**	**274,583,784**	**(17,936,130)**	**296,775,994**	**(18,465,763)**	**298,574,571**	**(18,552,406)**
Current			27,241,828	(1,823,511)	27,948,242	(1,825,611)	30,775,492	(1,879,613)	31,006,712	(1,904,177)
Non-current			242,119,995	(16,207,010)	246,635,542	(16,110,519)	266,000,502	(16,586,150)	267,567,859	(16,648,229)

As of December 31, 2021 and December 31, 2020, no supplementary provisions were formed in addition to the provisions required by BACEN Resolution 2,682/1999.

During 2020, as a result of the adverse conditions generated by the Coronavirus pandemic in the economy, there were risk downgrades, with emphasis on companies/entities that were strongly affected. In 2021, there was an improvement in the risk rating for some companies/entities.

b) Interbank onlendings

Risk level	Allowance (%)	Situation	BNDES				Consolidated			
			Gross portfolio		Allowance		Gross portfolio		Allowance	
			2021	2020	2021	2020	2021	2020	2021	2020
AA	0.0	Performing	112,797,572	113,413,444	-	-	55,057,751	61,351,933	-	-
A	0.5	Performing	51,268,152	35,775,136	(256,340)	(178,875)	93,460,763	73,503,949	(467,304)	(367,519)
B	1.0	Performing	10,733,749	25,000,919	(107,337)	(250,009)	12,713,549	30,088,098	(127,134)	(300,881)
C	3.0	Performing	-	995,318	-	(29,860)	-	1,879,848	-	(56,396)
E	30.0	Performing	6,762	397,090	(2,029)	(119,127)	14,808	411,566	(4,443)	(123,470)
F	50.0	Performing	1,162,341	1,072,703	(581,172)	(536,351)	1,162,341	1,072,703	(581,172)	(536,351)
H	100.0	Performing	89,021	83,729	(89,021)	(83,729)	89,021	83,729	(89,021)	(83,729)
Total			**176,057,597**	**176,738,339**	**(1,035,899)**	**(1,197,951)**	**162,498,233**	**168,391,826**	**(1,269,074)**	**(1,468,346)**
Current			18,308,175	17,448,541	(107,723)	(118,268)	37,257,412	36,873,294	(181,758)	(202,902)
Non-current			157,749,422	159,289,798	(928,176)	(1,079,683)	125,240,821	131,518,532	(1,087,316)	(1,265,444)

As of December 31, 2021 and December 31, 2020, no supplementary provisions were formed in addition to the provisions required by BACEN Resolution 2,682/1999.

5.7. Changes in allowance for loan losses and interbank onlendings losses

a) Loans

	BNDES		Consolidated	
	2021	2020	2021	2020
Balance at the beginning of the year	(17,936,130)	(12,972,934)	(18,552,406)	(13,139,055)
Net recognition (reversal)	(598,298)	(6,896,613)	(417,265)	(7,350,480)
Write-offs against allowance	503,907	1,933,417	503,908	1,937,129
Balance at the end of the year	**(18,030,521)**	**(17,936,130)**	**(18,465,763)**	**(18,552,406)**

b) Interbank onlendings

	BNDES		Consolidated	
	2021	2020	2021	2020
Balance at the beginning of the year	(1,197,951)	(977,761)	(1,468,346)	(1,228,865)
Net recognition (reversal)	162,052	(220,190)	199,272	(239,481)
Balance at the end of the year	**(1,035,899)**	**(1,197,951)**	**(1,269,074)**	**(1,468,346)**

The effect in the income (loss) is presented in the Note 5.10.

5.8. Changes and renegotiation in loans and interbank onlendings portfolio

	BNDES		
	2nd semester of 2021	2021	2020
Credits transferred to loss	474,380	503,907	1,933,417
Recovered credits	893,071	2,237,070	6,756,996
Renegotiated credits	51,537,725	68,126,547	206,846,795

	Consolidated		
	2nd semester of 2021	2021	2020
Credits transferred to loss	474,380	503,908	3,676,260
Recovered credits	1,174,912	2,553,066	8,503,355
Renegotiated credits	51,609,020	69,118,823	234,326,193

Changes in the table above follows the criteria established by CMN Resolution 2,682/1999.

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 13.29% in BNDES and 13.51% in Consolidated of the total portfolio of loans and interbank onlendings.

5.9. Other receivables - credit sale of securities and rights receivables

	BNDES		Consolidated	
	2021	2020	2021	2020
Credit sale of securities	-	-	645,181	1,109,176
Allowance	-	-	(497,948)	(961,444)
	-	**-**	**147,233**	**147,732**
Rights receivables	12,388	14,883	1,019,084	935,392
Allowance	(7,756)	(6,809)	(1,012,937)	(925,691)
	4,632	**8,074**	**6,147**	**9,701**
Total	**4,632**	**8,074**	**153,380**	**157,433**
Current	617	974	12,767	7,636
Non-current	4,015	7,100	140,613	149,797

5.9.1. Breakdown of the gross portfolio per sector

	BNDES		Consolidated	
	2021	2020	2021	2020
Public sector	9,011	11,074	9,011	11,074
Private sector				
Rural	-	-	-	-
Industry	3,377	3,809	184,902	1,114,662
Financial intermediation	-	-	7,501	-
Other services	-	-	1,462,851	918,832
Total Private sector	3,377	3,809	1,655,254	2,033,494
Total	**12,388**	**14,883**	**1,664,265**	**2,044,568**

5.9.2. Breakdown of the gross portfolio per maturity date

BNDES			Consolidated		
	2021	2020		2021	2020
Overdue:	-	-	Overdue:	-	-
Falling due (years):			Falling due (years):		
up to 1	1,648	1,795	up to 1	1,013,128	174,576
1–2	1,606	1,755	1–2	38,166	842,173
2–3	1,606	1,755	2–3	38,672	80,605
3–5	3,173	3,509	3–5	77,688	161,465
5–10	3,139	4,755	5–10	483,300	782,293
>10	1,216	1,314	>10	13,311	3,456
Total	**12,388**	**14,883**	**Total**	**1,664,265**	**2,044,568**

5.9.3. Breakdown of the portfolio and allowance for loan losses by risk level

a) Credit sale of securities

			Consolidated*			
			2021		2020	
Risk level	% Allowance	Situation	Gross portfolio	Allowance	Gross portfolio	Allowance
A	0.5	Performing	139,319	(697)	145,955	(730)
B	1.0	Performing	8,697	(86)	-	-
E	30.0	Performing	-	-	3,581	(1,074)
H	100.0	Performing	497,165	(497,165)	959,640	(959,640)
			-			
Total			**645,181**	**(497,948)**	**1,109,176**	**(961,444)**
Current			46,886	(36,187)	48,364	(41,922)
Non-current			598,295	(461,761)	1,060,812	(919,522)

* BNDES did not carry out credit sale of securities in the years presented.

b) Rights receivables

			BNDES			
			2021		2020	
Risk level	Allowance (%)	Situation	Gross portfolio	Allowance	Gross portfolio	Allowance
B	1.0	Performing	257	(3)	1,108	(11)
E	30.0	Performing	-	-	9,967	(2,990)
F	50.0	Performing	8,755	(4,377)	-	-
H	100.0	Performing	3,376	(3,376)	3,808	(3,808)
Total			**12,388**	**(7,756)**	**14,883**	**(6,809)**
Current			1,648	(1,031)	1,795	(821)
Non-current			10,740	(6,725)	13,088	(5,988)

Risk level	Allowance (%)	Situation	Consolidated			
			2021		2020	
			Gross portfolio	Allowance	Gross portfolio	Allowance
B	1.0	Performing	257	(3)	1,108	(12)
C	3.0	Performing	1,561	(47)	1,677	(50)
E	30.0	Performing	-	-	9,967	(2,989)
F	50.0	Performing	8,755	(4,376)	-	-
H	100.0	Performing	1,008,511	(1,008,511)	922,640	(922,640)
Total			**1,019,084**	**(1,012,937)**	**935,392**	**(925,691)**
Current			966,242	(964,174)	126,212	(125,018)
Non-current			52,842	(48,763)	809,180	(800,673)

5.9.4. Changes in provision on credit sale of securities and rights receivables

Credit sale of securities	Consolidated *	
	2021	2020
Balance at the beginning of the year	(961,444)	(899,156)
Net recognition (reversal)	463,496	(943,408)
Write-offs against allowance	-	881,120
Balance at the end of the year	**(497,948)**	**(961,444)**

* BNDES does not have credit sale of securities in the years presented.

Rights receivables	BNDES		Consolidated	
	2021	2020	2021	2020
Balance at the beginning of the year	(6,809)	(3,000)	(925,691)	(862,565)
Net recognition (reversal)	(947)	(3,809)	(87,246)	(921,137)
Write-offs against allowance	-	-	-	858,011
Balance at the end of the year	**(7,756)**	**(6,809)**	**(1,012,937)**	**(925,691)**

5.10. Breakdown of income (loss) from allowance for loan losses

	BNDES		
	2nd semester of 2021	2021	2020
Net reversal (recognition) on:			
Loans	16,943	(598,298)	(6,896,613)
Interbank onlendings	98,700	162,052	(220,190)
Debentures	679	3,940	2,111
Rights receivables	544	(947)	(3,809)
Recovery of written-off credits	893,071	2,237,070	6,756,996
Net income (expense) recorded	**1,009,937**	**1,803,817**	**(361,505)**

	Consolidated		
	2nd semester of 2021	2021	2020
Net reversal (recognition) on:			
Loans	(4,629)	(417,264)	(7,350,480)
Interbank onlendings	92,414	199,272	(239,481)
Debentures	3,920	8,001	5,446
Credit sale of securities	480,596	463,496	(943,408)
Rights receivables	(72,200)	(87,246)	(921,137)
Recovery of written-off credits	1,174,911	2,553,066	8,503,355
Net income (expense) recorded	**1,675,012**	**2,719,325**	**(945,705)**

5.11. 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.

	BNDES		
	2nd semester of 2021	2021	2020
Income from financial intermediation	**29,977,470**	**51,708,029**	**46,314,929**
Loans and interbank onlendings	24,139,439	39,410,471	37,428,149
Local currency	19,174,659	35,334,703	26,699,926
Interest/Commissions	15,021,062	28,390,528	24,192,803
Monetary restatement	2,641,052	4,319,080	1,158,999
Income from operations related to National Treasury	1,512,545	2,625,095	1,348,124
Foreign currency	4,964,780	4,075,768	10,728,223
Interest/Commissions	532,758	1,048,478	1,246,730
Exchange-rate variation	4,432,022	3,027,290	9,481,493
Income (loss) from investments in securities	5,235,328	11,228,712	8,123,780
Local currency	4,628,428	10,861,083	7,967,803
Interest/Commissions	3,396,724	5,958,284	3,998,541
Monetary restatement	2,622,239	3,822,758	2,180,484
Income (loss) from disposal	(646,623)	2,803,176	1,676,882
Adjustment to market value	(552,584)	(1,531,807)	111,896
Adjustment to realization probable value	(191,328)	(191,328)	-
Foreign currency	606,900	367,629	155,977
Interest/Commissions	127,738	151,804	18,414
Exchange-rate variation	386,273	122,936	36,734
Adjustment to market value	92,889	92,889	100,829
Income from management of funds and programs	602,703	1,068,846	763,000
Financial intermediation expenses	**(22,623,971)**	**(34,689,604)**	**(37,181,089)**
Market funding - Financing and onlendings	(27,803,158)	(40,856,690)	(41,971,832)
Local currency	(19,394,816)	(34,170,365)	(24,164,241)
Interest/Commissions	(20,182,268)	(34,158,226)	(24,153,837)
Monetary restatement	789,124	(1,919)	(268)
Expenses from operations related to National Treasury	(1,672)	(10,220)	(10,136)
Foreign currency	(8,408,342)	(6,686,325)	(17,807,591)
Interest/Commissions	(747,478)	(1,495,093)	(1,840,531)
Exchange-rate variation	(7,660,864)	(5,191,232)	(15,967,060)
Income (loss) from derivative financial instruments - foreign exchange and interest rate	4,089,640	4,301,648	4,434,013
Income	4,200,919	6,477,675	8,321,553
Expenses	(111,279)	(2,176,027)	(3,887,540)
Allowance for losses, net of recovery	1,009,937	1,803,817	(361,505)
Reversal (recognition) of allowance for losses	116,866	(433,253)	(7,118,501)
Recovery of written-off credits	893,071	2,237,070	6,756,996
Income (loss) from foreign exchange portfolio	79,610	61,621	718,235
Gross income from financial intermediation	**7,353,499**	**17,018,425**	**9,133,840**

	Consolidated		
	2nd semester of 2021	2021	2020
Income **from financial intermediation**	**31,064,098**	**54,345,109**	**48,779,755**
Loans and interbank onlendings	25,084,564	41,210,349	**39,698,175**
Local currency	19,856,035	36,625,531	28,389,606
Interest/Commissions	14,515,232	27,495,975	24,695,565
Monetary restatement	2,669,815	4,369,873	1,176,707
Income from operations related to National Treasury	2,670,988	4,759,683	2,517,334
Foreign currency	5,228,529	4,584,818	11,308,569
Interest/Commissions	779,325	1,552,276	1,790,324
Exchange-rate variation	4,449,204	3,032,542	9,518,245
Income (loss) from investments in securities	5,376,831	12,065,914	8,318,580
Local currency	4,767,942	11,694,689	8,156,339
Interest/Commissions	3,422,631	6,136,306	4,345,827
Monetary restatement	2,738,120	3,986,586	2,285,053
Income (loss) from disposal	(646,622)	3,296,374	1,675,927
Adjustment to market value	(554,859)	(1,533,249)	112,743
Adjustment to realization probable value	(191,328)	(191,328)	(263,211)
Foreign currency	608,889	371,225	162,241
Interest/Commissions	129,727	155,400	24,678
Exchange-rate variation	386,273	122,936	36,734
Adjustment to market value	92,889	92,889	100,829
Income from management of funds and programs	602,703	1,068,846	763,000
Financial intermediation expenses	**(20,542,983)**	**(31,743,220)**	**(36,911,078)**
Market funding - Financing and onlendings	(26,394,760)	(38,830,925)	(41,112,747)
Local currency	(17,986,418)	(32,144,600)	(23,305,156)
Interest/Commissions	(18,771,473)	(32,123,569)	(23,259,789)
Monetary restatement	789,124	(1,919)	(268)
Expenses from operations related to National Treasury	(4,069)	(19,112)	(45,099)
Foreign currency	(8,408,342)	(6,686,325)	(17,807,591)
Interest/Commissions	(747,478)	(1,495,093)	(1,840,531)
Exchange-rate variation	(7,660,864)	(5,191,232)	(15,967,060)
Income (loss) from derivative financial instruments - foreign exchange and interest rate	4,089,640	4,301,648	4,434,013
Income	4,200,919	6,477,675	8,321,553
Expenses	(111,279)	(2,176,027)	(3,887,540)
Allowance for losses, net of recovery	1,675,012	2,719,325	(945,705)
Reversal (recognition) of allowance for losses	500,100	166,259	(9,449,060)
Recovery of written-off credits	1,174,912	2,553,066	8,503,355
Income (loss) from foreign exchange portfolio	87,125	66,732	713,361
Gross income from financial intermediation	**10,521,115**	**22,601,889**	**11,868,677**

6. SECURITIES

Securities represent the second largest group of BNDES' assets. The information on its classification and accounting treatment can be found in the Note 26.6.

	BNDES		Consolidated	
	2021	2020	2021	2020
Trading securities:				
Investment fund quotas - Exclusive Funds	3,583,826	3,549,553	-	-
Government bonds	65,781,998	78,132,298	65,781,998	78,132,298
Foreign fixed income securities	9	9	71,189	67,803
Mutual investment and equity funds	103,909	47,351	1,485,068	461,942
	69,469,742	**81,729,211**	**67,338,255**	**78,662,043**
Available for sale securities:				
Investment fund quotas - Exclusive Funds	325,809	308,537	-	-
Debentures	4,560,293	6,954,139	4,799,610	7,934,525
Shares (Note 7.1)	7,126,933	7,307,037	51,511,863	64,784,952
Government bonds	21,806,752	28,111,755	21,806,752	28,111,755
Foreign fixed income securities	5,837,351	2,260,222	5,837,351	2,260,222
Mutual investment and equity funds	-	-	1,802,524	1,829,879
	39,657,138	**44,941,690**	**85,758,100**	**104,921,333**
Held to maturity securities:				
Government bonds	16,767	17,367	57,864	53,899
Foreign fixed income securities	3,840,889	-	3,840,889	-
Debentures	744,727	1,482,250	2,392,006	3,723,661
(-) Provision for credit risk - Debentures	(4,535)	(8,475)	(14,325)	(22,326)
	4,597,848	**1,491,142**	**6,276,434**	**3,755,234**
Derivative financial instruments (Note 6.5)	299,615	32,338	1,096,986	1,167,081
Total	**114,024,343**	**128,194,381**	**160,469,775**	**188,505,691**

6.1. Breakdown per nature and maturity

	BNDES									
	2021									2020
	Without maturity	Up to 3 months	3–12 months	1–2 years	2–3 years	3–5 years	5–10 years	>10 years	Total	Total
Trading securities:										
Own portfolio										
Public:										
Investment fund quotas - Exclusive Funds	3,583,826	-	-	-	-	-	-	-	3,583,826	3,549,553
Government bonds	-	22,348,380	-	-	-	-	-	-	22,348,380	48,005,233
Foreign fixed income securities	-	9	-	-	-	-	-	-	9	9
Private										
Investment fund shares	-	103,909	-	-	-	-	-	-	103,909	47,351
Subject to repurchase agreements										
Government bonds	-	41,137,236	-	-	-	-	-	-	41,137,236	26,006,055
Subject to guarantees provided										
Government bonds	-	2,296,382	-	-	-	-	-	-	2,296,382	4,121,010
	3,583,826	**65,885,916**	**-**	**-**	**-**	**-**	**-**	**-**	**69,469,742**	**81,729,211**
Available for sale securities:										
Own portfolio										
Public:										
Investment fund quotas - Exclusive Funds	325,809	-	-	-	-	-	-	-	325,809	308,537
Debentures	-	64,651	-	-	-	219,475	113,567	-	397,693	577,718
Shares	6,952,318	-	-	-	-	-	-	-	6,952,318	7,229,616
Government bonds	-	1,299,543	2,860,515	287,808	436,529	746,171	-	3,473,025	9,103,591	21,679,238
Private										
Foreign fixed income securities	-	-	-	-	122,184	634	1,110,914	4,603,619	5,837,351	2,260,222
Debentures	-	9,281	75,655	10,637	231,011	794,418	1,579,824	1,461,774	4,162,600	6,376,421
Shares	174,615	-	-	-	-	-	-	-	174,615	77,421
Subject to repurchase agreements										
Government bonds	-	-	941,047	3,382,780	1,971,709	1,530,266	-	619,179	8,444,981	4,143,540
Subject to guarantees provided										
Government bonds	-	-	-	1,485,676	-	1,836,075	-	936,429	4,258,180	2,288,977
	7,452,742	**1,373,475**	**3,877,217**	**5,166,901**	**2,761,433**	**5,127,039**	**2,804,305**	**11,094,026**	**39,657,138**	**44,941,690**
Own portfolio										
Public:										
Government bonds	-	14,429	2,338	-	-	-	-	-	16,767	17,367
Debentures	-	5,840	37,182	-	151,639	32,508	297,527	220,031	744,727	1,022,637
Provision for credit risk - Debentures	-	(29)	(185)	-	(758)	(975)	(1,488)	(1,100)	(4,535)	(6,177)
Private										
Foreign fixed income securities	-	-	-	3,274,824	566,065	-	-	-	3,840,889	-
Debentures	-	-	-	-	-	-	-	-	-	459,613
Provision for credit risk - Debentures	-	-	-	-	-	-	-	-	-	(2,298)
	-	**20,240**	**39,335**	**3,274,824**	**716,946**	**31,533**	**296,039**	**218,931**	**4,597,848**	**1,491,142**
Derivative financial instruments (Private)	**-**	**-**	**78**	**-**	**-**	**997**	**-**	**298,540**	**299,615**	**32,338**
Total	**11,036,568**	**67,279,631**	**3,916,630**	**8,441,725**	**3,478,379**	**5,159,569**	**3,100,344**	**11,611,497**	**114,024,343**	**128,194,381**
Current									75,105,896	92,307,180
Non-current									38,918,447	35,887,201

	Consolidated									
	2021									2020
	Without maturity	Up to 3 months	3–12 months	1–2 years	2–3 years	3–5 years	5–10 years	>10 years	Total	Total
Trading securities:										
Own portfolio										
Public:										
Government bonds	-	43,649,303	-	-	-	-	-	-	43,649,303	51,853,016
Foreign fixed income securities	-	71,189	-	-	-	-	-	-	71,189	67,803
Private										
Investment fund shares	-	1,485,068	-	-	-	-	-	-	1,485,068	461,942
Subject to repurchase agreements										
Government bonds	-	19,836,313	-	-	-	-	-	-	19,836,313	22,158,272
Subject to guarantees provided										
Government bonds	-	2,296,382	-	-	-	-	-	-	2,296,382	4,121,010
	-	**67,338,255**	**-**	**-**	**-**	**-**	**-**	**-**	**67,338,255**	**78,662,043**
Available for sale securities:										
Own portfolio										
Public:										
Debentures	-	64,651	-	-	-	219,475	113,567	-	397,693	577,718
Shares	44,413,252	-	-	-	-	-	-	-	44,413,252	45,420,970
Government bonds	-	1,299,543	2,860,515	1,854,782	612,743	867,208	-	3,737,310	11,232,101	22,042,705
Private										
Foreign fixed income securities	-	-	-	-	122,184	634	1,110,914	4,603,619	5,837,351	2,260,222
Debentures	-	9,281	314,972	10,637	231,011	794,418	1,579,824	1,461,774	4,401,917	7,356,807
Mutual investment and equity funds	1,802,524	-	-	-	-	-	-	-	1,802,524	1,829,879
Shares	7,098,611	-	-	-	-	-	-	-	7,098,611	19,363,982
Subject to repurchase agreements										
Government bonds	-	-	941,047	1,815,806	1,795,495	1,409,229	-	354,894	6,316,471	3,780,073
Subject to guarantees provided										
Government bonds	-	-	-	1,485,676	-	1,836,075	-	936,429	4,258,180	2,288,977
	53,314,387	**1,373,475**	**4,116,534**	**5,166,901**	**2,761,433**	**5,127,039**	**2,804,305**	**11,094,026**	**85,758,100**	**104,921,333**
Held to maturity securities:										
Own portfolio										
Public:										
Government bonds	-	55,526	2,338	-	-	-	-	-	57,864	53,899
Debentures	-	26,836	123,213	-	287,763	45,940	473,027	410,941	1,367,720	1,854,096
Provision for credit risk - Debentures	-	(134)	(615)	-	(1,439)	(1,378)	(2,366)	(2,056)	(7,988)	(10,784)
Private										
Foreign fixed income securities	-	-	-	3,274,824	566,065	-	-	-	3,840,889	-
Debentures	-	-	273,737	-	-	-	750,549	-	1,024,286	1,869,565
Provision for credit risk - Debentures	-	-	(2,586)	-	-	-	(3,751)	-	(6,337)	(11,542)
	-	**82,228**	**396,087**	**3,274,824**	**852,389**	**44,562**	**1,217,459**	**408,885**	**6,276,434**	**3,755,234**
Derivative financial instruments (Private)	**-**	**-**	**795,825**	**-**	**-**	**2,621**	**-**	**298,540**	**1,096,986**	**1,167,081**
Total	**53,314,387**	**68,793,958**	**5,308,446**	**8,441,725**	**3,613,822**	**5,174,222**	**4,021,764**	**11,801,451**	**160,469,775**	**188,505,691**
Current									74,674,100	100,400,722
Non-current									85,795,675	88,104,969

6.2. Cost and market values and breakdown per issuer

	BNDES				Consolidated			
	2021		2020		2021		2020	
	Cost	Market	Cost	Market	Cost	Market	Cost	Market
Trading securities:								
Own portfolio								
Public:								
Investment fund quotas - Exclusive Funds	3,583,826	3,583,826	3,549,553	3,549,553	-	-	-	-
Government bonds	22,545,777	22,348,380	47,763,963	48,005,233	44,317,009	43,649,303	51,583,075	51,853,016
Foreign fixed income securities	8	9	8	9	71,188	71,189	67,802	67,803
Private								
Investment fund shares	80,591	103,909	80,591	47,351	1,394,780	1,485,068	529,958	461,942
Subject to repurchase agreements								
Government bonds	42,044,580	41,137,236	25,812,151	26,006,055	20,273,348	19,836,313	21,993,039	22,158,272
Subject to guarantees provided								
Government bonds	2,297,548	2,296,382	4,129,879	4,121,010	2,297,548	2,296,382	4,129,879	4,121,010
	70,552,330	**69,469,742**	**81,336,145**	**81,729,211**	**68,353,873**	**67,338,255**	**78,303,753**	**78,662,043**
Available for sale securities:								
Own portfolio								
Public:								
Investment fund quotas - Exclusive Funds	325,797	325,809	308,246	308,537	-	-	-	-
Debentures	397,540	397,693	543,987	577,718	397,540	397,693	543,987	577,718
Shares	4,803,912	6,952,318	3,693,524	7,229,616	25,415,758	44,413,252	19,967,317	45,420,970
Government bonds	9,452,498	9,103,591	20,327,576	21,679,238	11,636,966	11,232,101	20,685,459	22,042,705
Private								
Foreign fixed income securities	5,935,856	5,837,351	2,169,660	2,260,222	5,935,856	5,837,351	2,169,660	2,260,222
Debentures	4,441,601	4,162,600	3,179,380	6,376,421	4,897,542	4,401,917	3,686,724	7,356,807
Mutual investment and equity funds	-	-	-	-	1,303,940	1,802,524	1,599,682	1,829,879
Shares	-	174,615	-	77,421	3,686,427	7,098,611	6,030,411	19,363,982
Subject to repurchase agreements								
Government bonds	8,785,873	8,444,981	3,825,302	4,143,540	6,601,405	6,316,471	3,467,419	3,780,073
Subject to guarantees provided								
Government bonds	4,299,807	4,258,180	2,008,170	2,288,977	4,299,807	4,258,180	2,008,170	2,288,977
	38,442,884	**39,657,138**	**36,055,845**	**44,941,690**	**64,175,241**	**85,758,100**	**60,158,829**	**104,921,333**
Held to maturity securities:								
Own portfolio								
Public:								
Government bonds	16,767	16,767	17,367	17,367	57,864	57,864	53,899	53,899
Debentures	744,727	698,219	1,022,637	1,002,406	1,367,720	1,360,348	1,854,096	1,857,734
Provision for credit risk - Debentures	(4,535)	(4,535)	(6,177)	(6,177)	(7,988)	(7,988)	(10,784)	(10,784)
Private								
Foreign fixed income securities	3,840,889	3,697,004	-	-	3,840,889	3,697,004	-	-
Debentures	-	-	459,613	436,230	1,024,286	933,666	1,869,565	1,806,507
Provision for credit risk - Debentures	-	-	(2,298)	(2,298)	(6,337)	(6,337)	(11,542)	(11,542)
	4,597,848	**4,407,455**	**1,491,142**	**1,447,528**	**6,276,434**	**6,034,557**	**3,755,234**	**3,695,814**
Derivative financial instruments (Private)	**17,001**	**299,615**	**17,970**	**32,338**	**17,001**	**1,096,986**	**17,970**	**1,167,081**
Total	**113,610,063**	**113,833,950**	**118,901,102**	**128,150,767**	**138,822,549**	**160,227,898**	**142,235,786**	**188,446,271**
Summary by portfolio type:								
Own portfolio	56,182,255	57,697,171	83,125,600	91,591,185	105,350,441	127,520,552	110,637,279	156,097,939
Restricted								
Repurchase agreements	50,830,453	49,582,217	29,637,453	30,149,595	26,874,753	26,152,784	25,460,458	25,938,345
Guarantees provided	6,597,355	6,554,562	6,138,049	6,409,987	6,597,355	6,554,562	6,138,049	6,409,987
Summary by issuer:								
Public	99,294,125	99,558,856	112,996,186	118,923,082	116,728,165	133,881,108	126,343,358	154,211,393
Private	14,315,938	14,275,094	5,904,916	9,227,685	22,094,384	26,346,790	15,892,428	34,234,878

6.3. Investment fund shares

	BNDES		Consolidated	
	2021	2020	2021	2020
Exclusive funds	3,909,635	3,858,090	-	-
Mutual investment and equity funds	103,909	47,351	3,287,592	2,291,821
Total	**4,013,544**	**3,905,441**	**3,287,592**	**2,291,821**
Current	4,013,544	3,905,441	1,485,068	461,942
Non-current	-	-	1,802,524	1,829,879

6.3.1. Exclusive funds

BNDES has investments in exclusive funds managed by Banco do Brasil, classified as trading and available for sale securities, in accordance with BACEN Circular Letter 3,068/2001. The exclusive investment funds are presented in a consolidated basis.

The portfolios of funds are basically composed by government bonds issued by the National Treasury with custody by the Special System for Settlement and Custody - SELIC.

6.3.2. Mutual investment and equity 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.

Consolidated *			
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		939,300	1,176,054
Total		**3,287,592**	**2,291,821**
Current		1,485,068	461,942
Non-current		1,802,524	1,829,879

* On 12/31/2021, BNDES had shareholdings in the amount of R$ 103,909 (R$ 47,351 as of December 31, 2020).

6.4. Debentures

6.4.1. Available for sale debentures

The characteristics and accounting treatment of the debentures available for sale are described in Note 26.6.

	BNDES		Consolidated	
	2021	2020	2021	2020
Balance of available for sale debentures	4,560,293	6,954,139	4,799,610	7,934,525
Current	149,587	3,259,405	388,904	4,013,153
Non-current	4,410,706	3,694,734	4,410,706	3,921,372

6.4.2. Held to maturity debentures

These debentures are a form of financial support and not financial investment, being contracted directly with the issuers and carried out on maturity. Due to the characteristics of these securities, they are valued in accordance with CMN Resolution 2,682/1999, according to the policy set forth in Note 26.5.

6.4.2.1 Breakdown of held to maturity debentures

	BNDES		Consolidated	
	2021	2020	2021	2020
Gross amount	744,727	1,482,250	2,392,006	3,723,661
Allowance for losses	(4,535)	(8,475)	(14,325)	(22,326)
Net value	**740,192**	**1,473,775**	**2,377,681**	**3,701,335**
Current	42,808	482,618	420,451	729,345
Non-current	697,384	991,157	1,957,230	2,971,990

6.4.2.2. Breakdown of the gross portfolio per sector

	BNDES		Consolidated	
	2021	2020	2021	2020
Public sector	744,727	1,022,637	1,367,721	1,854,095
Private sector				
Industry	-	459,613	781,153	1,430,754
Other services (*)	-	-	243,132	438,812
Total Private sector	-	459,613	1,024,285	1,869,566
Total	**744,727**	**1,482,250**	**2,392,006**	**3,723,661**

(*) Includes mining, electricity generation, transmission and distribution companies, basic sanitation, and highway concessionaires.

6.4.2.3. Breakdown of the gross portfolio per maturity date

BNDES			Consolidated		
	2021	2020		2021	2020
Years:			**Years:**		
up to 1	43,022	485,043	up to 1	423,786	734,113
1–2	-	170,471	1–2	-	736,425
2–3	151,638	-	2–3	287,763	-
3–5	32,508	247,715	3–5	45,940	428,750
5–10	297,527	223,075	5–10	1,223,575	1,222,648
>10	220,032	355,946	>10	410,942	601,725
Total	**744,727**	**1,482,250**	**Total**	**2,392,006**	**3,723,661**

6.4.2.4. Breakdown of the gross portfolio and allowance for loan losses by risk level

Risk level	Allowance (%)	Situation	BNDES				Consolidated			
			Gross portfolio		Allowance		Gross portfolio		Allowance	
			2021	2020	2021	2020	2021	2020	2021	2020
A	0.5	Performing	712,219	1,436,509	(3,560)	(7,182)	2,102,933	3,218,093	(10,514)	(16,091)
B	1.0	Performing	-	3,960	-	(40)	243,133	446,577	(2,432)	(4,466)
C	3.0	Performing	32,508	41,781	(975)	(1,253)	45,940	58,991	(1,379)	(1,769)
Total			**744,727**	**1,482,250**	**(4,535)**	**(8,475)**	**2,392,006**	**3,723,661**	**(14,325)**	**(22,326)**
Current			43,022	485,043	(214)	(2,425)	423,786	734,113	(3,335)	(4,768)
Non-current			701,705	997,207	(4,321)	(6,050)	1,968,220	2,989,548	(10,990)	(17,558)

6.4.2.5. Changes on provision for debentures

	BNDES		Consolidated	
	2021	2020	2021	2020
Balance at the beginning of the year	(8,475)	(10,586)	(22,326)	(27,772)
Net recognition (reversal)	3,940	2,111	8,001	5,446
Write-off against allowance	-	-	-	-
Balance at the end of the year	**(4,535)**	**(8,475)**	**(14,325)**	**(22,326)**

The effect in the income (loss) is presented in the Note 5.10.

6.5. Derivative financial instruments

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 26.11.

6.5.1. Breakdown

	Maturities	BNDES				
		2021			2020	
		Reference value	Market value		Market 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 (*)						
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 and Valuation/DCF Ratio		147,833	-	417	-
Subtotal			**147,833**	**-**	**417**	**-**
Total			**299,615**	**(49,481)**	**32,338**	**(16,271)**
Current			**78**	**(46,206)**	**31,921**	**(12,701)**
Non-current			**299,537**	**(3,275)**	**417**	**(3,570)**

(*) Daily adjustments to settle the operations with future contracts are recorded and presented in the line-item “other receivables - sundry”.

		Consolidated				
		2021			2020	
		Reference value	Market value		Market value	
	Maturities		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 (*)						
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**	**-**
Embedded derivatives						
Share subscription bonus			262,021	-	751,973	-
Subtotal			**262,021**	**-**	**751,973**	**-**
Total			**1,096,986**	**(49,481)**	**1,167,081**	**(16,271)**
Current			**795,825**	**(46,206)**	**418,614**	**(12,701)**
Non-current			**301,161**	**(3,275)**	**748,467**	**(3,570)**

(*) Daily adjustments to settle the operations with future contracts are recorded and presented in the line-item “other receivables - sundry”.

	BNDES				Consolidated			
	2021		2020		2021		2020	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Assets								
Swap agreements	78	151,704	31,921	-	78	151,704	31,921	-
Option contracts	-	-	-	-	533,726	149,457	10,916	372,271
Embedded derivatives	-	147,833	-	417	262,021	-	375,777	376,196
Total	**78**	**299,537**	**31,921**	**417**	**795,825**	**301,161**	**418,614**	**748,467**
Liabilities								
Swap agreements	(46,206)	(3,275)	(12,701)	(3,570)	(46,206)	(3,275)	(12,701)	(3,570)
Total	**(46,206)**	**(3,275)**	**(12,701)**	**(3,570)**	**(46,206)**	**(3,275)**	**(12,701)**	**(3,570)**

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.

6.5.2. 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.

6.5.3. Income (loss) from derivatives

	BNDES			Consolidated		
Net income (expense):	**2nd semester of 2021**	**2021**	**2020**	**2nd semester of 2021**	**2021**	**2020**
Swap agreements	61	44,736	(103,102)	61	44,736	(103,102)
Future contracts	4,089,507	4,256,912	4,537,124	4,089,507	4,256,912	4,537,124
Forward contracts	72	-	(9)	72	-	(9)
Subtotal- Foreign exchange and interest rate	**4,089,640**	**4,301,648**	**4,434,013**	**4,089,640**	**4,301,648**	**4,434,013**
Option contracts	(328)	147,416	61	(54,903)	50,107	25,370
Embedded derivatives	-	-	-	(41,379)	(200,757)	338,512
"Variable Income" subtotal	**(328)**	**147,416**	**61**	**(96,282)**	**(150,650)**	**363,882**
Total	**4,089,312**	**4,449,064**	**4,434,074**	**3,993,358**	**4,150,998**	**4,797,895**
Foreign exchange and interest rate	4,089,640	4,301,648	4,434,013	4,089,640	4,301,648	4,434,013
Variable Income	(328)	147,416	61	(96,282)	(150,650)	363,882

7. EQUITY INVESTMENTS

The portfolio of equity investment of BNDES Group is mainly composed by assets classified as financial instruments, represented by shares issued by companies over which BNDES and its subsidiaries, BNDESPAR and FINAME, do not exercise significant influence, evaluated by the market value. It also includes investments in associated companies, over which BNDESPAR exercises significant influence, evaluated by the equity method. Significant influence means the power to take part in financial and operation decisions, without individually or jointly controlling those policies.

For further information on the accounting practices of these categories of assets, see the Note 26.7.

In order to demonstrate these assets in the same way that they are managed, we present below the breakdown of these investments as a portfolio of equity investment, segregated into "Financial Instruments: “Available-for-sale shares” and “Permanent investments”. The investment held by BNDES in the Guarantee Investment Fund (Fundo Garantidor para Investimentos, “FGI”) is included in the latter category.

	BNDES		Consolidated	
	2021	2020	2021	2020
Securities – Shares				
Current	-	-	571,696	10,045,547
Non-current	7,126,933	7,307,037	50,940,167	54,739,405
Subtotal Securities – DPV shares	**7,126,933**	**7,307,037**	**51,511,863**	**64,784,952**
Investments				
Interest in subsidiaries	118,696,136	117,761,105	-	-
Interest in associated companies	-	-	11,793,115	10,868,901
Other equity investments	100,000	103,000	100,000	103,000
Other investments	42,146	42,146	42,146	42,146
Subtotal permanent investments	**118,838,282**	**117,906,251**	**11,935,261**	**11,014,047**
Total	**125,965,215**	**125,213,288**	**63,447,124**	**75,798,999**

	BNDES		Consolidated	
Dividends and interest on shareholders’ equity receivable	**2021**	**2020**	**2021**	**2020**
Available-for-sale 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
Subsidiaries				
Dividends	4,896,728	2,919,653	-	-
Total	**4,896,728**	**2,919,653**	**132,415**	**227,301**

The main impacts on the result are as follows:

	BNDES		
Reversal (recognition) of allowance for impairment loss - DRE	**2nd semester of 2021**	**2021**	**2020**
Available-for-sale (Note 7.1.1)	1,110,388	1,110,388	(198,801)
Total	**1,110,388**	**1,110,388**	**(198,801)**

	Consolidated		
Reversal (recognition) of allowance for impairment loss - DRE	**2nd semester of 2021**	**2021**	**2020**
Available-for-sale (Note 7.1.1)	5,462,874	5,450,586	(646,771)
Associated companies (Note 7.2.3)	(178,947)	(178,947)	14,441
Total	**5,283,927**	**5,271,639**	**(632,330)**

Sale of shares and bonuses and subscription rights	BNDES		
	2nd semester of 2021	2021	2020
Available-for-sale shares (Note 7.1)	35,636	35,636	7,516,511
Total	**35,636**	**35,636**	**7,516,511**

Sale of shares and bonuses and subscription rights	Consolidated		
	2nd semester of 2021	2021	2020
Available-for-sale shares (Note 7.1)	106,516	11,186,756	22,679,848
Associated companies' shares (Note 7.2.3)	1,569,740	1,570,900	3,239
Bonuses and share subscription right	82	233	-
Total	**1,676,338**	**12,757,889**	**22,683,087**

7.1. Financial instruments: Available-for-sale shares

This category of assets is accounted at market value, with the corresponding entry being recorded in shareholders' equity.

For further details on its recognition, see the Note 26.7.2.

Investees	Consolidated - 2021			Book value			
	Shares held (thousand)		% of interest in total capital	BNDES		Consolidated	
	Common	Preferred		2021	2020	2021	2020
LEVEL 1							
PETROBRAS [1]	17,700	1,035,459	8.07	3,855,928	3,832,936	30,064,508	29,856,265
ELETROBRAS [2]	216,303	36,954	16.15	3,096,390	3,396,681	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				**6,952,318**	**7,229,617**	**46,378,297**	**59,466,163**
Other companies - Level 1				-	-	347,606	462,685
Total level 1				**6,952,318**	**7,229,617**	**46,725,903**	**59,928,848**
LEVEL 2				**-**	**-**	**79,028**	**-**
LEVEL 3				**174,615**	**77,420**	**4,706,932**	**4,856,104**
TOTAL				**7,126,933**	**7,307,037**	**51,511,863**	**64,784,952**
Current				**-**	**-**	**571,696**	**10,045,547**
Non-current				**7,126,933**	**7,307,037**	**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. See the Note 7.1.3.

During the year ended December 31, 2021, BNDESPAR reclassified an asset whose value was R$ 5,650 as of December 31, 2021 (R$ 9,754 as of December 31, 2020) from Level 1 to Level 2 of the market value hierarchy. There were no reclassifications of shares at FVTOCI for Levels 1 and 2 of the market value hierarchy as of December 31, 2020.

The changes in the balance of the investment in shares, valued at market value classified in Level 3 are presented below:

	BNDES		Consolidated	
	2021	2020	2021	2020
Balance at the beginning of the year	77,420	140,588	4,856,104	758,671
Acquisitions	-	30,308	6,896	1,724,741
Transfer from Level 3 to Level 1	-	-	(81,636)	(146,119)
Transfer from Level 1 to Level 3	-	-	98,264	154,068
Transfer from Level 2 to Level 3	-	-	-	1,896,576
Transfer from Level 3 to Level 2	-	-	(37,921)	-
Permanent loss	-	(165,396)	-	(340,441)
Adjustment to market value	97,195	71,920	(134,775)	808,608
Balance at the end of the year	**174,615**	**77,420**	**4,706,932**	**4,856,104**

7.1.1. Analysis of the recoverable value of equity investments classified as available for sale

During the years ended December 31, 2021 and December 31, 2020, Management carried out an individual analysis of the recoverable value of equity instruments classified as available for sale, aiming to identify the existence of instruments with a permanent loss and also a possible change in the scenarios that lead to losses in prior years. For such, based on quantitative and qualitative information available in the market, the characteristics of each instrument such as risk, sector and volatility, in addition to an examination of the significant or prolonged decline in the market value of these assets, among other permanent loss indications.

During the year ended December 31, 2021, no new assets were identified whose negative Adjustment to Market Value recognized in Other Comprehensive Income had characteristics of permanent loss. However, at September 30, 2021, Management understood that the conditions that led to the recognition as a permanent loss in the years 2014 to 2016 of the devaluation of equity instruments represented by common and preferred shares of Petrobras S.A. held by the BNDES Group no longer existed, thus recognizing a reversal of allowance for impairment in the amount of R$ 1,110,388 in BNDES and R$ 5,448,816 in Consolidated, included in the line “Reversal (recognition) of allowance for adjustment of investments” in Income. The main factors considered in this analysis were: improvement of the company’s governance, fulfilling its strategic plan, reducing indebtedness and cost of capital, increasing the EBITDA margin, recovering the price of oil and its derivatives, recovering the company’s market value, and resuming payment of proceeds.

During the year ended December 31, 2020, four new assets had its adjustment to negative market value considered as a permanent loss and recognized in the income for the year, in the amount of R$ 198,801 at BNDES and R$ 641,455 in the Consolidated.

	BNDES		
Reversal (recognition) of losses considered permanent:	**2nd semester of 2021**	**2021**	**2020**
In the current year	-	-	(198,801)
In previous years [1]	1,110,388	1,110,388	-
Total effect on income (loss)	**1,110,388**	**1,110,388**	**(198,801)**

	Consolidated		
Reversal (recognition) of losses considered permanent:	**2nd semester of 2021**	**2021**	**2020**
In the current year	-	-	(641,455)
In previous years [1]	5,462,874	5,450,586	(5,316)
Total effect on income (loss)	**5,462,874**	**5,450,586**	**(646,771)**

[1] Reversals (formation) of companies that already had a permanent loss in previous years.

7.1.2. Effect of CMN Resolution 4,175/2012

CMN Resolution 4,175/2012 establishes that the adjustment to market value of certain shares received by BNDES Group from the federal government for capital increase purposes and classified in the "available for sale" category must be presented in a separate account in shareholders' equity, called equity valuation adjustment, including losses that are considered permanent, and have their effect recognized in the income (loss) only upon the sale or transfer.

On December 31, 2021 and December 31, 2020, part of shares from Petrobras and Eletrobras (and also from Vale on December 31, 2020) held by BNDES Group companies were framed by CMN Resolution 4,175/2012. The effect of applying this Resolution is the following:

	Consolidated	
	2021	2020
Gross amounts – before taxes:		
Impact on income (loss) for the year [1]	(393,774)	(7,397,929)
Effect in the shareholders' equity - Accumulated equity valuation adjustment	(4,301,875)	(4,695,649)
- Eletrobras - BNDES portfolio	(1,722,227)	(1,722,227)
- Eletrobras - BNDESPAR portfolio	(2,565,533)	(2,565,533)
- Petrobras - BNDESPAR portfolio	(14,115)	(14,115)
- Vale - BNDESPAR portfolio	-	(393,774)
Amounts, net of taxes:		
Impact on income (loss) for the year [1]	(259,891)	(4,147,374)
Effect in the shareholders' equity – Accumulated equity valuation adjustment [3]	(2,649,793)	(2,909,684)

[1] The effect presented in the income (loss) for the year ended December 31, 2021 refers to the realization of the balance of the Equity Valuation Adjustments with the sale by BNDESPAR of all the ordinary shares of Vale S/A held by it (see Note 7.1.3). In the year ended December 31, 2020, it refers to the effect of the sale of common shares of Petrobras by BNDES and sale of common shares of Vale S/A by BNDESPAR. The loss on such shares (adjustment to negative market value) determined in previous years was not recognized in income (loss) for the period in which it was determined, due to Resolution 4,175. This loss is maintained in shareholders' equity as an Equity Valuation Adjustment and realized in income (loss) when shares are sold.

Losses that were considered permanent in the period 2014 to 2016 with Petrobras shares that did not fall under CMN Resolution 4,175/2012 (and therefore were recognized in Income for those years), were reversed on September 30, 2021 as mentioned in Note 7.1.1. If the permanent losses of Petrobras and Eletrobras recognized in shareholders' equity as a result of CMN Resolution 4,175/2012 had been recognized in income (loss) in previous periods, there are elements for them to have already been fully reversed in 2021.

7.1.3. Income (loss) from disposal of available-for-sale shares

The income (loss) from the disposal of variable income securities is evaluated by sales income minus costs and expenses incurred and includes the income (loss) in disposals of (i) available-for-sale shares; (ii) interest in associated companies and (iii) bonuses and share subscription rights.

In the year ended December 31, 2021, the gain of R$ 12,757,889 was determined in the consolidated income, out of which R$ 11,186,756 refers to the disposal of available-for-sale shares (and R$ 35,636 was recorded by BNDES). In the year ended December 31, 2020, the gain of R$ 22,683,087 was determined in the consolidated, out of which R$ 22,679,848 refers to the disposal of available-for-sale shares (and R$ 7,516,511 is recognized by BNDES).

Most of this gain refers to:

(i) Sale between August 2020 and February 2021 by BNDESPAR of Vale S.A. shares, thus eliminating its interest in this company in February 2021. The gain (without tax effects) determined in the consolidated income for the years ended December 31, 2021 and December 31, 2020 was R$ 9,535,749 and R$ 10,168,963, respectively.

(ii) Sale in the 1st semester of 2021 by BNDESPAR of all the shares of Klabin S.A., eliminating its interest in this company in May 2021. The gain (without tax effects) calculated in the consolidated income for the year ended December 31, 2021 was R$ 1,522,333.

(iii) In the first semester of 2020, sale by BNDES of all common shares issued by Petrobras and of its ownership (734,203 thousand shares, corresponding to 9.87% of the total common shares and 5.63% of Petrobras total

capital) through a Public Offering of Secondary Distribution of Shares, resulting in a gain (with no tax effects) of R$ 7,004,447.

Disposal in the second half of 2020 of all shares of Suzano S.A. held by BNDESPAR, through a Secondary Public Offering, with a gain of R$ 3,813,199 in the consolidated result.

7.1.4. Income from dividends and interest on shareholders' equity in available-for-sale shares

We present below the income from interest on shareholders' equity and dividends related to listed companies, evidenced in the Statements of Income:

Investees	BNDES								
	2nd semester of 2021			2021			2020		
	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total
Petrobras	396,000	142,736	538,736	621,125	142,736	763,861	61	67,871	67,932
Eletrobras	118,624	-	118,624	225,125	-	225,125	145,441	-	145,441
Subtotal	**514,624**	**142,736**	**657,360**	**846,250**	**142,736**	**988,986**	**145,502**	**67,871**	**213,373**
Other companies	39	-	39	39	-	39	39	-	39
Total	**514,663**	**142,736**	**657,399**	**846,289**	**142,736**	**989,025**	**145,541**	**67,871**	**213,412**

Investees	Consolidated								
	2nd semester of 2021			2021			2020		
	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total
Petrobras	4,007,309	1,111,463	5,118,772	4,836,615	1,111,463	5,948,078	3,199	448,262	451,461
Copel	291,863	127,476	419,339	670,485	159,469	829,954	-	192,517	192,517
Eletrobras	-	-	-	611,263	-	611,263	396,748	-	396,748
Naturgy Brasil (former CEG)	88,121	17,106	105,227	193,550	17,106	210,656	8,803	16,245	25,048
Cemig	-	50,926	50,926	51,308	50,926	102,234	20,121	29,372	49,493
Copasa	1,991	3,654	5,645	1,991	10,441	12,432	28,458	8,225	36,683
AES Tietê	787	-	787	1,574	-	1,574	72,666	3,530	76,196
Vale	-	-	-	-	-	-	265,811	645,537	911,348
Subtotal	**4,390,071**	**1,310,625**	**5,700,696**	**6,366,786**	**1,349,405**	**7,716,191**	**795,806**	**1,343,688**	**2,139,494**
Other companies	34,190	7,279	41,469	63,573	7,409	70,982	22,515	5,137	27,652
Total	**4,424,261**	**1,317,904**	**5,742,165**	**6,430,359**	**1,356,814**	**7,787,173**	**818,321**	**1,348,825**	**2,167,146**

7.2. Permanent investments

	BNDES		Consolidated	
	2021	2020	2021	2020
In subsidiaries				
Evaluated by the equity method	118,696,136	117,761,105	-	-
In associated companies				
Evaluated by the equity method	-	-	11,793,115	10,868,901
Other equity investments	100,000	103,000	100,000	103,000
Other investments	42,146	42,146	42,146	42,146
Total	**118,838,282**	**117,906,251**	**11,935,261**	**11,014,047**

7.2.1. Subsidiaries – BNDES

Subsidiaries	Base date	Shareholder s' equity	Net income for the year	Equity in earnings (losses) of subsidiaries and associates			Other comprehensive income - Effects of the adjustments in the shareholders' equity of subsidiaries[1]		Book value of the investment	
				2nd semester of 2021	2021	2020	2021	2020	2021	2020
Agência Especial de Financiamento Industrial – FINAME	12/31/2021	15,670,727	962,439	502,104	962,439	367,517	(12,842)	(139,376)	15,670,727	14,810,334
BNDES Participações S.A. - BNDESPAR [2]	12/31/2021	103,025,409	22,830,488	10,060,949	22,830,488	11,101,623	16,493,289	26,908,023	103,025,409	102,950,771
Total				**10,563,053**	**23,792,927**	**11,469,140**	**16,480,447**	**26,768,647**	**118,696,136**	**117,761,105**

[1] Balance of equity valuation adjustments reflected from subsidiaries

[2] Shareholders' equity, income (loss) for the year and other comprehensive income of BNDESPAR were adjusted to the accounting practices regulated by BACEN, as presented in the following table.

The interest in the capital of subsidiaries is 100% and dividends receivable from this interest are presented in Note 19.1.

(A) Conciliation between items of shareholders' equity disclosed by BNDESPAR and those used in the calculation of BNDES' investment

	2021				2020
	Income for the year	Other comprehensive income (OCI)	Retained earnings [1]	Shareholder s' equity	Shareholders ' equity
BNDESPAR Shareholders' equity BNDESPAR (CVM Standard)	12,181,131	24,727,960	10,649,357	103,424,075	103,602,486
Adjustments in accounting practices:					
Gain on bargain purchase [2]	28,670	-	(181,062)	(152,392)	(181,062)
Equity in earnings (losses) [3]	7,907	-	17,237	25,144	17,237
Impairment loss					
. Interest in associated companies [4]	6,679	-	28,669	35,348	28,669
. Shares FVTOCI - CMN Res. 4,175 [5]	(393,774)	(2,579,649)	2,973,423	-	-
. Shares FVTOCI - Bacen Circ. Letter No. 3,068 [6]	4,338,428	(10,213,687)	5,875,259	-	-
. Debentures measured at amortized cost, installment sales and receivables [7]	337,701	-	(859,447)	(521,746)	(859,447)
Adjustment to market value of debentures [8]	480,966	(3,080,031)	2,599,065	-	-
Adoption of CPC 48					
. Disposals of shares at FVTPL [9]	11,544,896	-	(11,544,896)	-	-
. Loss due to impairment of FVOCI shares and debentures [10]	1,770	3,559,484	(3,561,254)	-	-
. Other effects	309,394	(107,509)	(201,885)	-	-
Tax effect on adjustments of accounting practices	(6,013,280)	4,186,721	2,041,539	214,980	342,888
BNDESPAR Shareholders' equity BNDESPAR (Cosif Standard)	**22,830,488**	**16,493,289**	**7,836,005**	**103,025,409**	**102,950,771**

[1] Balance before allocation of income for the year.

[2] BNDESPAR, following CPC 15 - Business Combination, recognizes "Gain from bargain purchase" on the acquisition of associated companies in the income (loss) for the year 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 and being transferred to income (loss) when the investment is made.

[3] As a consequence of the difference in the practice described in item (2) above, the investment amount of BNDESPAR's equity investments that present negative goodwill is lower with the Cosif Standard than the one calculated in accordance with the CVM 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 CVM Standard, requiring a book entry of the practice adjustment to cancel part of the loss recognized in accordance with the CVM Standard. As of December 31, 2021, the accumulated adjustment of creditor practice in shareholders' equity totaled R$ 25,144 (R$ 17,237 as of December 31, 2020).

[4] As a result of the difference in practices described in item (2), for cases of the associated company with negative goodwill in which BNDESPAR recorded an allowance for impairment, the provision amount was adjusted to the Cosif Standard so that the total investment corresponds to the recoverable value. As of December 31, 2021, the accumulated adjustment of creditor practice in shareholders' equity totaled R$ 35,348 (R$ 28,669 as of December 31, 2020).

[5] Adjustment in accounting practice arising from the difference in accounting for the "Impairment loss" of available-for-sale shares under the CVM Standard (CPC 38 - 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 CVM Standard provided for the recognition of the Impairment Loss in the income or loss (amended by CPC 48 - Financial Instruments as of January 1, 2018), while CMN Resolution 4,175 provides for that the loss calculated with certain shares remains in OCI and transits through income or loss only when realized. As of December 31, 2021, the accumulated adjustment of the debtor practice in OCI totals R$ 2,579,649 (R$ 2,973,423 as of December 31, 2020). 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. For the effect of the application of such Resolution, see the Note 7.1.2.

[6] Adjustment in accounting practice arising from the different methodologies for calculating the "Impairment loss" of available-for-sale shares determined by the CVM Standard up to December 31, 2017 under the scope of CPC 38 – 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, with a credit effect on Income in the amount of R$ 4,338,428, stems from the reversal of the permanent loss recognized between 2014 and 2016 for Petrobras shares, reverted only in the Cosif Practice (see Note 7.1.1).

[7] Adjustment in accounting practice arising from the different methodologies for calculating "Impairment loss" provided for by the CVM Standard (CPC 48 – Financial Instruments) and by the Cosif Standard (CMN Resolution 2,682/99). As of December 31, 2021, the accumulated adjustment of the debtor practice in the Shareholders' Equity totals R$ 521,746 (R$ 859,447 as of December 31, 2020), equivalent to the amount of the overstated loss in accordance with the Cosif Standard.

[8] BNDESPAR, pursuant to CPC 48 - Financial Instruments, classifies certain debentures in the "Designated as at market value through Profit or Loss" category, and recognizes the market 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 market value Adjustment being recognized in OCI, considering that BACEN Circular 3,068/2001 does not provide for the category "Designated at market value through Profit or Loss". As of December 31, 2021, the accumulated adjustment of the debtor practice in OCI totals R$ 3,080,031 (R$ 2,599,065 as of December 31, 2020), equivalent to the negative Fair Value Adjustment of such debentures.

[9] As from January 1, 2018, BNDESPAR has adopted CPC 48 Pronouncement - Financial Instruments, which has not been approved by the Central Bank of Brazil. One of the primary effects of this pronouncement on the BNDESPAR' equity investment portfolio is that the gain/loss on disposal of shares valued at "market value through other comprehensive income" no longer circulates through the income (loss), and directly recognized in retained earnings.

[10] Adjustment in accounting practice resulting from the difference in the accounting for the loss on shares and debentures available for sale. 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 CVM Standard (CPC 48 - Financial Instruments) the concept of permanent loss is not applicable. As of December 31, 2021, the accumulated adjustment of the creditor practice in OCI totals R$ 3,559,484 (R$ 3,561,254 as of December 31, 2020), equivalent to the negative Fair Value Adjustment of such shares and debentures.

7.2.2. Interest in associated companies – consolidated

For details on classification and the accounting treatment of such assets, see the Note 26.7.1.

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 BNDESPAR acquired the investment, when necessary.

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

	10/31/2021 [1]					11/01/2020–10/31/2021 – twelve months [1]					2021
Associated companies	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Shareholders' equity**	**Income**	**Income (loss) from continued operations**	**Income (losses) from discontinued operations**	**Other comprehensive income**	**Total comprehensive income**	**Market value [2]**
JBS	11,835,695	85,993,272	16,841,524	39,321,557	41,665,886	65,492,869	17,985,483	-	(1,514,844)	16,470,639	19,427,772
Tupy	2,073,537	3,709,887	877,314	2,136,794	2,769,316	3,792,160	235,326	-	(24,820)	210,506	821,036
Subtotal	**13,909,232**	**89,703,159**	**17,718,838**	**41,458,351**	**44,435,202**	**69,285,029**	**18,220,809**	**-**	**(1,539,664)**	**16,681,145**	
Other associated companies	2,877,538	8,490,209	1,359,201	1,560,731	8,447,815	4,941,370	553,135	(57,529)	279,099	774,705	
Total	**16,786,770**	**98,193,368**	**19,078,039**	**43,019,082**	**52,883,017**	**74,226,399**	**18,773,944**	**(57,529)**	**(1,260,565)**	**17,455,850**	

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

[2] 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.

The table below presents information on the interests that individually represent around 90% of BNDESPAR's associated company equity portfolio on December 31, 2021:

	12/31/2021 [1]								12/31/2020 [1]	
Associated companies [2]	**Shares held (thousand)**	**% of interest on capital [3]**		**Equity value**	**Goodwill on expected future profitability**	**(Provision) / Reversal for losses**	**Negative goodwill**	**Total**	**Total**	**Nature of associated company's business activities**
	Common	**Total**	**Voting**							
JBS	511,661	22.31%	22.31%	9,294,085	422,078	-	-	9,716,163	9,009,691	Food industry
Tupy	40,645	28.19%	28.19%	780,705	-	-	-	780,705	737,226	Metallurgy and steel industries
Subtotal				**10,074,790**	**422,078**	**-**	**-**	**10,496,868**	**9,746,917**	
Other associated companies				1,558,958	719,396	(829,715)	(152,392)	1,296,247	1,121,984	
Total				**11,633,748**	**1,141,474**	**(829,715)**	**(152,392)**	**11,793,115**	**10,868,901**	

[1] Base date of 10/31/2021 of the shareholders' equity of the investees used to calculate the last equity method is 10/31/2021 (10/31/2020 to calculate the equity method on 12/31/2020).

[2] Companies headquartered in Brazil.

[3] % of interest on capital - adjusted by the treasury shares of the respective companies, when applicable.

7.2.3 Changes in investments in associated companies - Consolidated

Charts below show the main changes in BNDESPAR portfolio of associated companies in the years ended December 31, 2021 and December 31, 2020.

Associated companies	**Balance at 01/01/2021**	**Acquisitions**	**Dividends/interest on shareholders' equity**	**Equity in earnings (losses) of subsidiaries and associates**	**Other Equity in earnings (losses) of subsidiaries and associates [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	1,121,984	339,813	(16,293)	76,529	(24,716)	8,410	(178,947)	(30,533)	1,296,247
Total	**10,868,901**	**339,813**	**(1,789,321)**	**4,276,712**	**35,259**	**(353,043)**	**(178,947)**	**(1,406,259)**	**11,793,115**

Associated companies	Balance at 01/01/2020	Acquisition	Dividends/interest on shareholders' equity	Equity in earnings (losses) of subsidiaries and associates	Other Equity in earnings (losses) of subsidiaries and associates [1]	Equity valuation adjustments reflected from associated companies	Reversal (recognition) of allowance for impairment loss	Effects from transfer from/(to) securities	Disposal	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	1,111,680	9,783	(16,393)	287,531	(317,330)	79,441	14,441	(47,169)	-	1,121,984
Total	**8,948,067**	**9,783**	**(330,836)**	**419,951**	**(392,418)**	**2,247,082**	**14,441**	**(47,169)**	**-**	**10,868,901**

[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, for the year ended December 31, 2020, it includes the debt effect of the adoption by the associated company of ICPC22 - Uncertainty on Income Tax Treatments 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 relative 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 associated companies, bonuses and subscription rights."

7.2.4 Unrecognized losses on investments in associated companies - consolidated

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.

	2021	2020
Unsecured liabilities in associated companies - Corresponding to BNDESPAR's interest [1]	926,237	899,930
Losses not recognized in income (loss) for the year [1]	26,307	647,247

[1] Determined in the investment by associated companies whose BNDESPAR's interest is not material, presented in the group of "Others" in the previous tables.

7.2.5 Analysis of the recoverable value of investments in associated companies

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 CPC 01 (R1) – Impairment of Assets, and a need to recognize a provision in the amount of R$ 178,947 was identified. The same analysis performed on December 31, 2020 resulted in the reversal of the provision for impairment loss in the amount of R$ 14,441, net of recognition of R$ 55,933.

7.3. Other equity investments

Investees	Shares held (thousand)		% interest in capital stock	BNDES		Consolidated	
	Common	Preferred		2021	2020	2021	2020
FGI [1]	84,344	-	14.75	100,000	103,000	100,000	103,000
Total				**100,000**	**103,000**	**100,000**	**103,000**

(1) Investments in class A quotas, subscribed on 02/01/2010.

7.4. Other investments

	BNDES		Consolidated	
	2021	2020	2021	2020
Membership certificates	296	296	296	296
Works of art	244	244	244	244
Interest in joint ventures - VALE: Project 118 [1]	41,606	41,606	41,606	41,606
Total	**42,146**	**42,146**	**42,146**	**42,146**

[1] Net book value of provisions of R$ 3,502.

8. OTHER RECEIVABLES

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%.

	BNDES and Consolidated	
	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

9. OTHER ASSETS

	BNDES		Consolidated	
	2021	2020	2021	2020
Non-operating assets	**-**	**787**	**-**	**1,786**
Real estate properties	-	479	-	1,477
Other	-	787	-	787
Provision for devaluations	-	(479)	-	(478)
Stock material	**1,187**	**1,200**	**1,187**	**1,200**
Subtotal	**1,187**	**1,987**	**1,187**	**2,986**
Non-financial assets held for sale	**1,288**	**-**	**2,287**	**-**
Prepaid expenses	**1,280,073**	**1,293,241**	**1,280,074**	**1,293,242**
Insurance premium	263,124	282,782	263,125	282,783
Agent's commission	23,388	23,514	23,388	23,514
Financed insurance premium	993,561	986,945	993,561	986,945
Total	**1,282,548**	**1,295,228**	**1,283,548**	**1,296,228**

10. BORROWINGS AND ONLENDINGS

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

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

10.1. Breakdown

a) Domestic borrowings

	BNDES and Consolidated	
	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	BNDES and Consolidated	
				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 (in)	BNDES and Consolidated	
		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 19.2. 3.

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 (in)	BNDES and Consolidated	
			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:

	BNDES and Consolidated	
	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 Interamerican 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.

10.2. Breakdown per maturity

	BNDES and Consolidated					
	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**

11. 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 26.17.

11.1. Constitutional FAT

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

	BNDES and Consolidated	
	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 Constitutional FAT 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 21.2 – Measurement of Regulatory Capital.

11.2. FAT - Special Deposits

The debit balance of these resources is recorded under "FAT - Special Deposits", through the following programs:

FAT - Special Deposits	BNDES and Consolidated	
	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**

11.3. Changes in Constitutional FAT and FAT – Special Deposits

	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**

12. REPURCHASE AGREEMENTS

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

Securities	BNDES		Consolidated	
	2021	2020	2021	2020
National Treasury Bills – LTN	54,228,638	29,651,797	32,944,484	25,496,919
Financial Treasury Bills - LFT	32,317,192	47,156,892	2,513,694	12,120,276
National Treasury Notes – NTN-B	3,922,839	38,237	3,604,886	38,237
National Treasury Notes – NTN-F	2,599,744	2,873,832	762,053	2,866,110
Total	**93,068,413**	**79,720,758**	**39,825,117**	**40,521,542**
Current	93,068,413	79,720,758	39,825,117	40,521,542
Non-current	-	-	-	-

13. OTHER LIABILITIES

13.1. Financial and development funds

	BNDES		Consolidated	
	2021	2020	2021	2020
Amazon Fund (FA)	3,672,749	3,638,695	3,672,749	3,638,695
Fundo Setorial Audiovisual (FSA)	1,383,629	1,514,350	1,383,629	1,514,350
Land Fund (FT)	880,539	996,598	880,539	996,598
Fundo Nacional sobre a Mudança do Clima (FNMC)	1,648,266	1,544,988	1,648,266	1,764,789
Merchant Marine Fund (FMM)	760,775	578,514	760,775	578,514
Fund for Regional Development with Privatization Resources (FRD)	240,908	244,182	240,908	244,182
Benefit-Sharing National Fund (FNRB)	3,945	2,616	3,945	2,616
Other	2,358	1,145	276,677	2,005
Total	**8,593,169**	**8,521,088**	**8,867,488**	**8,741,749**

13.2. Deposits to be recognized

	BNDES		Consolidated	
	2021	2020	2021	2020
Deposits for settlement of loans	242,961	292,307	287,910	405,135
Deposits from AFRMM – special and blocked account	76,691	71,467	76,691	71,467
Other	57,838	18,906	57,838	18,906
Total	**377,490**	**382,680**	**422,439**	**495,508**
Current	377,490	382,680	422,439	495,508

13.3. Financial Guarantees and Provision for Financial Guarantees Provided

Type of financial guarantee	BNDES and Consolidated			
	Guarantees provided		Allowance	
	2021	2020	2021	2020
Other Guarantees	90,992	-	910	-
Total	**90,992**	**-**	**910**	**-**

The recording of a provision for operations of financial guarantees provided follows the criteria established in CMN Resolutions 4,512/2016 and 2,682/1999, as described in Note 26.20.

13.3.1. Change in the provision for Guarantees Provided

	BNDES and Consolidated	
	2021	2020
Balance at the beginning of the year	116	-
Recognition	2	-
Balance at the end of the year	**118**	**-**

13.4. Other

	BNDES		Consolidated	
	2021	2020	2021	2020
Current				
Provision for disbursement - Social Fund	154,485	222,132	154,485	222,132
Provision for disbursement - FUNTEC	294,019	151,388	294,019	151,388
Provision for disbursement - Cultural Fund	9,570	12,740	9,570	12,740
Financial operations to be settled	603,228	120,813	603,228	120,813
Employee profit sharing (Note 19.8)	247,178	240,864	251,427	247,735
Executive directors' profit sharing (Note 19.8)	2,282	2,389	2,282	2,389
Suppliers	102,675	102,944	113,081	113,441
Labor obligations (personnel)	362,903	318,647	370,934	325,796
Deposits to be recognized	4,607	9,176	11,188	17,044
Amounts payable - FGPC	50,216	36,976	47,622	35,678
Other	3,717	24,264	48,337	68,418
	1,834,880	**1,242,333**	**1,906,173**	**1,317,574**
Non-current				
Executive directors' profit sharing (Note 19.8)	2,051	1,821	2,051	1,821
financial guarantees provided (Note 13.3)	910	-	910	
	2,961	**1,821**	**2,961**	**1,821**
Total	**1,837,841**	**1,244,154**	**1,909,134**	**1,319,395**

14. ISSUANCE OF DEBENTURES AND FINANCIAL BILLS

	BNDES and Consolidated	
	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

14.1. Debentures - Private Issuance - (BNDES)

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

14.2. Financial Bills - (BNDES)

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, with demand exceeding R$ 7 billion 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:

	BNDES and Consolidated		
	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

15. 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 Contribution²	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 14,183, 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%.

Current and deferred taxes are recognized in the statement of income, except when related to items recognized directly in shareholders' equity, and are calculated using the rates determined by the tax legislation in effect, or substantially in effect, at the date of the end of the year.

Details on legislation and tax accounting, see the Note 26.18.

15.1. Statement of income and social contribution tax expense

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

	BNDES		
	2nd semester of 2021	2021	2020
Income (loss) before income tax	**20,906,725**	**40,234,727**	**25,959,878**
Total charge of income tax and social contribution on net income at the aggregated rate of 50%	(11,419,763)	(20,117,364)	(11,681,945)
Adjustments	**9,620,725**	**14,106,404**	**6,541,051**
· Changes on the recognition of deferred tax assets [1]	108,561	(646,333)	(572,979)
· Increase in the CSLL rate [2]	316,128	582,856	242,270
· Equity method and dividends received from associated companies	7,417,002	12,319,608	5,226,607
· Interest on shareholders' equity	1,685,022	1,685,022	1,434,035
. Nonrefundable operations and tax incentives	(76,778)	(46,464)	72,455
· Employee profit sharing	77,339	77,339	(61,870)
· Other permanent differences	93,451	134,376	200,533
Income tax and social contribution on net income expenses presented in the statement of income	**(1,799,038)**	**(6,010,960)**	**(5,140,894)**
· Current Taxes	(827,700)	(4,142,089)	(4,201,910)
· Deferred Taxes	(971,338)	(1,868,871)	(938,984)
Effective rate	**8.61%**	**14.94%**	**19.80%**

[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 14,183, of July 14, 2021.

	BNDES	
	2021	2020
Total current taxes recognized in income (loss)	**4,142,089**	**4,201,910**
Prior year adjustments	11,353	(27,148)
Current taxes due for the year	**4,153,442**	**4,174,762**
(-) Prepayments	(1,636,373)	(2,753,009)
Income taxes and contributions payable	**2,517,069**	**1,421,753**

	Consolidated		
	2nd semester of 2021	2021	2020
Income (loss) before income tax	**24,643,735**	**48,121,686**	**31,818,866**
Total charge of income tax and social contribution on net income at the aggregated rate of 50%	(13,495,765)	(24,060,843)	(14,318,490)
Adjustments	**8,058,609**	**10,261,816**	**3,430,982**
· Changes on the recognition of deferred tax assets [1]	(89,208)	(835,199)	(760,569)
· Increase in the CSLL rate [2]	356,588	628,093	259,807
· Equity method and dividends received from associated companies	2,712,175	3,810,257	409,371
· CSLL rate difference (non-financial)	3,251,786	4,768,934	1,822,535
· Interest on shareholders' equity	1,685,022	1,685,022	1,434,035
. Nonrefundable operations and tax incentives	(53,430)	(20,804)	100,122
· Employee profit sharing	116,237	116,237	103,937
· Other permanent differences	79,439	109,276	61,744
Income tax and social contribution on net income expenses presented in the statement of income	**(5,437,156)**	**(13,799,027)**	**(10,887,508)**
· Current Taxes	(2,971,162)	(10,630,839)	(11,183,031)
· Deferred Taxes	(2,465,994)	(3,168,188)	295,523
Effective rate	**22.06%**	**28.68%**	**34.22%**

[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 14,183, of July 14, 2021.

	Consolidated	
	2021	2020
Total current taxes recognized in income (loss)	**10,630,839**	**11,183,031**
Prior year 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**

15.2. Deferred taxes and contributions

(a) Balance of deferred tax assets and liabilities by nature and origin:

Assets	BNDES		Consolidated		Origin
	2021	2020	2021	2020	
Contra-entry recorded in the income:					
. Allowance for loan losses	9,357,074	11,403,108	11,245,397	13,150,069	Receipt or effectiveness of loss
. Allowance for losses on investments	-	499,675	4,562,474	3,228,017	Sale of securities
. Adjustment to market value of financial instruments	395,711	-	1,021,473	338,058	Sale of securities
. Provision for labor and civil lawsuits	65,098	59,191	668,949	614,127	Final judicial decision
. Employee profit sharing	111,230	108,389	112,966	111,207	Payment
. Goodwill amortization	-	-	69,591	93,686	Sale of securities
. Other	266,282	157,367	342,746	215,052	
Subtotal	**10,195,395**	**12,227,730**	**18,023,596**	**17,750,216**	
Recorded in the shareholders' equity:					
. Adjustment to market value of available for sale financial instruments	-	-	877,081	3,008,552	Sale of securities
. Actuarial loss - FAMS	-	51,240	23,202	94,988	Payment of medical expenses
Subtotal	**-**	**51,240**	**900,283**	**3,103,540**	
Total deferred tax assets	**10,195,395**	**12,278,970**	**18,923,879**	**20,853,756**	
. Current	-	-	-	-	
. Non-current	10,195,395	12,278,970	18,923,879	20,853,756	

Liabilities	BNDES		Consolidated		Origin
	2021	2020	2021	2020	
Contra-entry recorded in the income:					
. Adjustment to market value of financial instruments	(52,106)	(215,570)	(3,428,542)	13,026	Sale of securities
. Other	-	-	(5,977)	(5,977)	
Subtotal	**(52,106)**	**(215,570)**	**(3,434,519)**	**7,049**	
Recorded in the shareholders' equity:					
. Adjustment to market value of available for sale financial instruments	(662,856)	(3,917,020)	(8,478,291)	(19,157,655)	Sale of securities
. Actuarial gain – FAMS	(223,164)	-	(223,164)	-	
Subtotal	**(886,020)**	**(3,917,020)**	**(8,701,455)**	**(19,157,655)**	
Total deferred tax liabilities	**(938,126)**	**(4,132,590)**	**(12,135,974)**	**(19,150,606)**	
. Current	-	-	-	-	
. Non-current	(938,126)	(4,132,590)	(12,135,974)	(19,150,606)	

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

Assets	BNDES			
	2020	Recognition	Realization	2021
Contra-entry recorded in the income:				
. Allowance for loan losses	11,403,108	3,715,640	(5,761,674)	9,357,074
. Allowance for losses on investments	499,675	-	(499,675)	-
. Adjustment to market value of financial instruments	-	395,711	-	395,711
. Provision for labor and civil lawsuits	59,191	10,896	(4,989)	65,098
. Employee profit sharing	108,389	111,230	(108,389)	111,230
. Other	157,367	219,702	(110,787)	266,282
Subtotal	**12,227,730**	**4,453,179**	**(6,485,514)**	**10,195,395**
Recorded in the shareholders' equity:				
. Adjustment to market value of available for sale financial instruments	-	-	-	-
. Actuarial loss - FAMS	51,240	-	(51,240)	-
Subtotal	**51,240**	**-**	**(51,240)**	**-**
Total deferred tax assets	**12,278,970**	**4,453,179**	**(6,536,754)**	**10,195,395**

Liabilities	BNDES			
	2020	Recognition	Realization	2021
Contra-entry recorded in the income:				
. Adjustment to market value of financial instruments	(215,570)	(658,767)	822,231	(52,106)
Subtotal	**(215,570)**	**(658,767)**	**822,231**	**(52,106)**
Recorded in the shareholders' equity:				
. Adjustment to market value of available for sale financial instruments	(3,917,020)	-	3,254,164	(662,856)
. Actuarial gain – FAMS	-	(223,164)	-	(223,164)
Subtotal	**(3,917,020)**	**(223,164)**	**3,254,164**	**(886,020)**
Total deferred tax liabilities	**(4,132,590)**	**(881,931)**	**4,076,395**	**(938,126)**

Assets	Consolidated			
	2020	Recognition	Realization	2021
Contra-entry recorded in the income:				
. Allowance for losses	13,150,069	5,122,199	(7,026,871)	11,245,397
. Allowance for losses on investments	3,228,017	1,334,457	-	4,562,474
. Adjustment to market value of financial instruments	338,058	683,415	-	1,021,473
. 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	93,686	8,754	(32,849)	69,591
. Other	215,052	238,481	(110,787)	342,746
Subtotal	**17,750,216**	**7,561,226**	**(7,287,846)**	**18,023,596**
Recorded in the shareholders' equity:				
. Adjustment to market value of available for sale financial instruments	3,008,552	-	(2,131,471)	877,081
. Actuarial loss - FAMS	94,988	19,584	(91,370)	23,202
Subtotal	**3,103,540**	**19,584**	**(2,222,841)**	**900,283**
Total deferred tax assets	**20,853,756**	**7,580,810**	**(9,510,687)**	**18,923,879**

Liabilities	Consolidated			
	2020	Recognition	Realization	2021
Contra-entry recorded in the income:				
. Adjustment to market value of financial instruments	13,026	(4,263,799)	822,231	(3,428,542)
. Other	(5,977)	-	-	(5,977)
Subtotal	**7,049**	**(4,263,799)**	**822,231**	**(3,434,519)**
Recorded in the shareholders' equity:				
. Adjustment to market value of available for sale financial instruments	(19,157,655)	-	10,679,364	(8,478,291)
. Actuarial gain – FAMS	-	(223,164)	-	(223,164)
Subtotal	**(19,157,655)**	**(223,164)**	**10,679,364**	**(8,701,455)**
Total deferred tax liabilities	**(19,150,606)**	**(4,486,963)**	**11,501,595**	**(12,135,974)**

(c) Net deferred tax assets (liabilities):

	BNDES			
	2020	Effect on income (loss)	Effects on employee profit sharing	2021
Deferred tax credits	12,278,970	(2,032,335)	(51,240)	10,195,395
Deferred tax debits	(4,132,590)	163,464	3,031,000	(938,126)
Deferred tax credits (debits), net	**8,146,380**	**(1,868,871)**	**2,979,760**	**9,257,269**

	BNDES			
	2019	Effect on income (loss)	Effects on employee profit sharing	2020
Deferred tax credits	13,182,913	(868,909)	(35,034)	12,278,970
Deferred tax debits	(8,541,800)	(70,075)	4,479,285	(4,132,590)
Deferred tax credits (debits), net	**4,641,113**	**(938,984)**	**4,444,251**	**8,146,380**

	Consolidated			
	2020	Effect on income (loss)	Effects on employee profit sharing	2021
Deferred tax credits	20,853,756	273,380	(2,203,257)	18,923,879
Deferred tax debits	(19,150,606)	(3,441,568)	10,456,200	(12,135,974)
Deferred tax credits (debits), net	**1,703,150**	**(3,168,188)**	**8,252,943**	**6,787,905**

	Consolidated			
	2019	Effect on income (loss)	Effects on employee profit sharing	2020
Deferred tax credits	21,132,124	27,055	(305,423)	20,853,756
Deferred tax debits	(26,770,006)	268,468	7,350,932	(19,150,606)
Deferred tax credits (debits), net	**(5,637,882)**	**295,523**	**7,045,509**	**1,703,150**

d) Deferred tax credits not recognized:

As of December 31, 2021, tax credits in the amount of R$ 4,070,055 were not recognized, of which R$ 4,956,482 refer to tax credits with counter-entry in income (R$ 4,319,983 as of December 31, 2020, of which R$ 4,374,813 refer to tax credits with counter-entry in income) and in Consolidated, R$ 5,130,007, of which R$ 5,992,686 refer to tax credits with counter-entry in income (R$ 5,759,372 as of December 31, 2020, of which R$ 5,221,513 refer to tax credits with counter-entry in income), most of them for not having estimative for realization in the next 10 years. Such credits may be recorded in the period when they meet the normative criteria and/or have an expectation of realization for a maximum term of 10 years.

e) Expected realization of deferred tax assets and liabilities:

	BNDES					Consolidated				
	Tax credits	%	Tax debits	%	Net	Tax credits	%	Tax debits	%	Net
2022	2,232,719	21.89	(246,018)	26.22	1,986,701	7,389,028	39.04	(5,542,782)	45.66	1,846,246
2023	955,102	9.37	(248,119)	26.45	706,983	3,634,963	19.21	(5,439,001)	44.82	(1,804,038)
2024	952,119	9.34	(289,607)	30.87	662,512	1,033,669	5.46	(289,607)	2.39	744,062
2025	2,327,045	22.81	48,699	-5.19	2,375,744	2,760,943	14.59	48,699	-0.40	2,809,642
2026	867,920	8.51	5,906	-0.63	873,826	918,840	4.86	5,906	-0.05	924,746
2027–2031	3,196,356	31.34	28,467	-3.03	3,224,823	3,522,302	18.61	28,467	-0.23	3,550,769
>2031*	(335,866)	-3.26	(237,454)	25.31	(573,320)	(335,866)	-1.77	(947,656)	7.81	(1,283,522)
Total	**10,195,395**	**100.00**	**(938,126)**	**100.00**	**9,257,269**	**18,923,879**	**100.00**	**(12,135,974)**	**100.00**	**6,787,905**
Present Value	**7,206,977**		**(678,430)**		**6,528,547**	**14,787,876**		**(10,172,140)**		**4,615,736**

	2020									
	BNDES					Consolidated				
	Tax credits	%	Tax debits	%	Net	Tax credits	%	Tax debits	%	Net
2021	2,713,355	22.10	(1,940,698)	46.95	772,657	6,106,513	29.29	(7,041,370)	36.77	(934,857)
2022	1,229,396	10.01	(737,222)	17.84	492,174	3,323,728	15.94	(5,299,813)	27.67	(1,976,085)
2023	1,177,366	9.59	(1,057,108)	25.58	120,258	2,951,789	14.15	(5,595,704)	29.22	(2,643,915)
2024	1,576,973	12.84	(21,434)	0.52	1,555,539	1,701,216	8.16	(21,434)	0.11	1,679,782
2025	2,564,288	20.88	(179,155)	4.34	2,385,133	3,228,888	15.48	(179,155)	0.94	3,049,733
2026–2030	3,017,592	24.58	(171,775)	4.16	2,845,817	3,533,217	16.94	(171,775)	0.90	3,361,442
>2030*	-	-	(25,198)	0.61	(25,198)	8,405	0.04	(841,355)	4.39	(832,950)
Total	**12,278,970**	**100.00**	**(4,132,590)**	**100.00**	**8,146,380**	**20,853,756**	**100.00**	**(19,150,606)**	**100.00**	**1,703,150**
Present Value	**9,293,318**		**(3,559,999)**		**5,733,319**	**16,433,393**		**(16,224,820)**		**208,573**

(*) Refers to deferred tax assets recognized prior to Resolution 3,059/2002.

15.3. Recoverable taxes

Recoverable and prepaid taxes are as follows:

	BNDES		Consolidated	
	2021	2020	2021	2020
IRPJ/CSLL recoverable/ Negative balance	2,173	-	24,904	-
IRRF (Withholding income tax)	23,572	1,798	325,704	92,408
Other	4,446	792	5,974	2,329
Total current assets	**30,191**	**2,590**	**356,582**	**94,737**

16. 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 26.19.

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:

	BNDES		Consolidated	
	2021	2020	2021	2020
Labor lawsuits	75,770	63,584	98,565	84,251
Civil lawsuits	69,455	67,953	1,820,395	1,677,396
Total	**145,225**	**131,537**	**1,918,960**	**1,761,647**
Current	2,038	1,942	754,486	2,030
Non-current	143,187	129,595	1,164,474	1,759,617

Expected schedule for the realization of these provisions:

	2021			
	Labor lawsuits		Civil lawsuits	
	BNDES	Consolidated	BNDES	Consolidated
Years:				
up to 1	114	114	1,924	754,372
1–2	42,760	63,177	753	757
2–3	11,274	12,635	130	6,499
3–5	20,239	21,256	66,086	1,057,279
5–10	1,383	1,383	562	1,488
>10	-	-	-	-
Total	**75,770**	**98,565**	**69,455**	**1,820,395**

a) Labor provisions

Labor provisions reflect the probable loss on 124 lawsuits in progress in BNDES and 136 in the Consolidated 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:

	BNDES		Consolidated	
	2021	2020	2021	2020
Balance at the beginning of the year	63,584	56,325	84,251	75,356
Payments	(1,737)	(63)	(1,737)	(63)
Recognitions	15,562	7,623	17,803	9,297
Reversals	(1,639)	(301)	(1,752)	(339)
Balance at the end of the year	**75,770**	**63,584**	**98,565**	**84,251**

As of December 31, 2021, there were 13 lawsuits in progress in BNDES and 20 in the Consolidated classified in the category of possible risk in a estimated amount of R$ 7,419 and R$ 9,420 in BNDES and Consolidated, respectively. As of December 31, 2020, there were 21 lawsuits in progress in BNDES and 32 in the Consolidated classified in the category of possible risk in a estimated amount of R$ 7,175 and R$ 9,396 in BNDES and Consolidated, respectively.

b) Civil provisions

Civil provisions reflect the classification of probable loss on 24 lawsuits (36 in the Consolidated). 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. In the Consolidated, the claims are similar, being the main one a lawsuit filed in 1995 related to a privatization auction that took place in 1989.

Changes in civil provisions in the year:

	BNDES		Consolidated	
	2021	2020	2021	2020
Balance at the beginning of the year	67,953	12,736	1,677,396	1,499,540
Payments	(22)	(122)	(42)	(122)
Recognitions	7,541	56,014	152,205	178,653
Reversals	(6,017)	(675)	(9,164)	(675)
Balance at the end of the year	**69,455**	**67,953**	**1,820,395**	**1,677,396**

As of December 31, 2021, there were 31 lawsuits in progress in BNDES and 49 in the Consolidated classified in the category of possible risk in a estimated amount of R$ 252,409 and R$ 1,516,670 in BNDES and Consolidated, respectively. As of December 31, 2020, there were 24 lawsuits in progress in BNDES and 41 in the Consolidated classified in the category of possible risk in a estimated amount of R$ 8,528 and R$ 1,262,132 in BNDES and Consolidated, respectively.

17. 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 26.15.

17.1. 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:

	BNDES		Consolidated	
	2021	2020	2021	2020
Actuarial liability - PBB	1,553,281	2,950,868	1,920,688	3,479,669
Actuarial liability - PAS	3,029,412	4,058,034	3,634,405	4,809,207
	4,582,693	**7,008,902**	**5,555,093**	**8,288,876**
Current				
Actuarial liability - PBB	283,335	216,233	363,885	277,792
Actuarial liability - PAS	43,867	37,761	72,407	63,637
	327,202	**253,994**	**436,292**	**341,429**
Non-current				
Actuarial liability - PBB	1,269,946	2,734,635	1,556,803	3,201,877
Actuarial liability - PAS	2,985,545	4,020,273	3,561,998	4,745,570
	4,255,491	**6,754,908**	**5,118,801**	**7,947,447**

17.1.1. 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.

	BNDES		Consolidated	
	2021	2020	2021	2020
Present value of the actuarial liabilities	15,482,712	18,310,573	18,623,309	21,771,479
Market value of the plan's assets	(12,376,149)	(12,408,837)	(14,781,934)	(14,812,141)
Present value of liabilities not covered by assets	**3,106,563**	**5,901,736**	**3,841,375**	**6,959,338**
Effect of risk sharing	(1,553,282)	(2,950,868)	(1,920,687)	(3,479,669)
Present value of Sponsor's net obligations	**1,553,281**	**2,950,868**	**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:

	BNDES		Consolidated	
	2021	2020	2021	2020
Market value at the beginning of the year	18,310,573	14,920,089	21,771,479	17,921,751
Current service cost	434,908	626,033	438,392	631,322
Interest cost	1,202,450	1,170,294	1,419,510	1,390,893
Plan participants' contribution	102,020	81,245	104,658	83,403
Benefits paid	(647,206)	(603,538)	(834,615)	(781,455)
Actuarial losses (gains)	(3,920,033)	615,554	(4,276,115)	711,747
Change of assumptions (Salary increase)	(372,105)	(160,851)	(372,967)	(162,698)
Change in forecasts (discount rate)	(4,475,250)	(334,386)	(5,049,816)	(374,835)
Change of assumptions (biometric tables)	-	730,948	-	877,662
Adjustment of experience	927,322	379,843	1,146,668	371,618
Effect of change of estimate by risk sharing [1]	-	1,500,896	-	1,813,818
Present value at the end of the year [2]	**15,482,712**	**18,310,573**	**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 17.2.

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

	BNDES		Consolidated	
	2021	2020	2021	2020
Market value at the beginning of the year	12,408,837	12,600,073	14,812,141	15,073,987
Interest income	947,253	952,962	1,123,941	1,133,614
Return on the plan's assets, excluding interest	(613,736)	(767,993)	(630,063)	(866,041)
Contributions received from employer [1]	178,981	146,088	205,872	168,633
Contributions received from participants [2]	102,020	81,245	104,658	83,403
Benefits paid	(647,206)	(603,538)	(834,615)	(781,455)
Gross benefits	(731,261)	(674,533)	(942,923)	(872,836)
Contributions discounted from beneficiaries [2]	84,055	70,995	108,308	91,381
Market value at the end of the year	**12,376,149**	**12,408,837**	**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 (assets) and discounted from beneficiaries totaled R$ 186,076 (R$ 212,966 for the consolidated).

The estimated contribution to the supplementary retirement and pension plan for the next twelve months is close to R$ 185,245 (R$ 213,077 for the Consolidated).

The average duration of the actuarial liability is 16.81 as of December 31, 2021 (20.64 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
BNDES	871,427	871,813	882,717	1,814,571	4,764,700	53,740,972	**62,946,200**
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
BNDES	774,512	774,983	776,276	1,598,727	4,255,515	55,011,091	**63,191,104**
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:

	BNDES		
	2nd semester of 2021	2021	2020
Current service cost	(221,202)	(434,908)	(626,033)
Interest cost	(657,271)	(1,202,450)	(1,170,294)
Interest income from assets	512,366	947,253	952,962
Subtotal	**(366,107)**	**(690,105)**	**(843,365)**
Contributions received from employer	96,949	178,981	146,088
Total	**(269,158)**	**(511,124)**	**(697,277)**

	Consolidated		
	2nd semester of 2021	2021	2020
Current service cost	(222,974)	(438,392)	(631,322)
Interest cost	(773,144)	(1,419,510)	(1,390,893)
Interest income from assets	606,405	1,123,941	1,133,614
Subtotal	**(389,713)**	**(733,961)**	**(888,601)**
Contributions received from employer	111,861	205,872	168,633
Total	**(277,852)**	**(528,089)**	**(719,968)**

Amounts recognized in equity valuation adjustments in the shareholders' equity are presented below:

	BNDES		Consolidated [1]	
Shareholders' Equity - Other comprehensive income	**2021**	**2020**	**2021**	**2020**
Balance at the beginning of the year	1,004,290	937,851	835,374	747,295
Actuarial gains (losses)	3,920,033	(615,554)	4,276,115	(711,747)
Return on plan's assets, excluding interests	(613,736)	(767,993)	(630,063)	(866,041)
Balance at the end of the year	**4,310,587**	**(445,696)**	**4,481,426**	**(830,493)**
Effect of risk sharing [2]	(1,397,603)	1,449,986	(1,558,998)	1,665,867
Balance at the end of the year (with risk sharing)	**2,912,984**	**1,004,290**	**2,922,428**	**835,374**

[1] Balance of equity valuation adjustments of BNDES, BNDESPAR and FINAME.

[2] Changes in the effect of risk sharing in the years ended.

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

	BNDES							
	2021				2020			
Assets per category	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment funds	49,104	10,838,390	450,702	11,338,196	52,706	11,086,147	357,263	11,496,116
Shares	-	338,447	-	338,447	6,779	420,320	-	427,099
Fixed rate	-	-	-	-	-	2	-	2
Multimarket	-	10,499,943	-	10,499,943	-	10,665,825	-	10,665,825
Equity investments	-	-	450,702	450,702	-	-	357,263	357,263
Real estate funds	49,104	-	-	49,104	45,927	-	-	45,927
Real estate properties [1]	-	-	752,139	752,139	-	-	808,704	808,704
Leased to third parties	-	-	694,036	694,036	-	-	743,541	743,541
Leased to sponsors	-	-	58,103	58,103	-	-	65,163	65,163
Loans and financing	-	-	392,355	392,355	-	-	364,793	364,793
Subtotal	**49,104**	**10,838,390**	**1,595,196**	**12,482,690**	**52,706**	**11,086,147**	**1,530,760**	**12,669,613**
Other assets not evaluated at market value[2]				78,332				71,231
Other deductions [3]				(239,738)				(319,118)
Total as of 11/30/2021 and 11/30/2020				**12,321,284**				**12,421,726**
Updating on base date[4]				54,865				(12,889)
Total				**12,376,149**				**12,408,837**

[1] The market value of the properties occupied and used by FAPES amounts to R$ 14,333 as of December 31, 2021 (R$ 14,439 as of December 31, 2020).

[2] Sum of cash and cash equivalents accounts + advances and escrow deposits + other realizable accounts.

[3] Sum of the operating payable accounts + contingent liability + fund accounts.

[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.

	Consolidated							
	2021				12/31/2020			
Assets per category	**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	965,770
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 cash and cash equivalents accounts + advances and escrow deposits + other realizable accounts.

[3] Sum of the operating payable accounts + contingent liability + fund accounts

[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.

	BNDES		Consolidated	
Significant actuarial assumption	**Impact on the actuarial obligation**	**Change on actuarial obligation (%)**	**Impact on the actuarial obligation**	**Change on actuarial obligation (%)**
Actuarial discount rate				
1% incr. p.y.	(1,844,923)	-11.92%	(2,107,743)	-11.32%
1% decr. p.y.	2,320,568	14.99%	2,628,425	14.11%
Mortality Table				
One-year increase in age	305,665	1.97%	374,430	2.01%
One-year decrease in age	(313,140)	-2.02%	(383,757)	-2.06%
Salary growth rate				
1% incr. p.y.	680,402	4.39%	682,849	3.67%
1% decr. p.y.	(593,490)	-3.83%	(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:

	BNDES		Consolidated	
	2021	2020	2021	2020
2002 agreements (a)	966,346	835,568	1,235,001	1,067,868
2004 agreements (b)	65,489	57,400	90,266	79,116
Total	**1,031,835**	**892,968**	**1,325,267**	**1,146,984**

[(a)] 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.

[(b)] 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 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.

17.1.2. Health Care Plan – PAS

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

	BNDES		Consolidated	
	2021	2020	2021	2020
Present value of liabilities not funded	3,029,412	4,058,034	3,634,405	4,809,207
Net liabilities	**3,029,412**	**4,058,034**	**3,634,405**	**4,809,207**

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

	BNDES		Consolidated	
	2021	2020	2021	2020
Balance at the beginning of the year	4,058,034	4,218,286	4,809,207	4,981,630
Current service cost	213,771	248,561	217,993	252,994
Interest cost of obligation	331,899	342,839	389,500	400,668
Actuarial losses (gains)	(1,492,228)	(685,481)	(1,671,492)	(735,326)
Change in forecasts (discount rate)	(1,364,936)	(108,951)	(1,524,839)	(121,472)
Adjustment of experience	(127,292)	(890,672)	(146,653)	(980,207)
Change of assumptions (biometric tables)	-	314,142	-	366,353
Benefits paid	(82,064)	(66,171)	(110,803)	(90,759)
Balance at the end of the year	**3,029,412**	**4,058,034**	**3,634,405**	**4,809,207**

The actuarial and economic assumptions are presented in Note 17.2.

Impact on income (loss) and shareholders' equity

Amounts recognized in the statement of income are stated below:

	BNDES		
	2nd semester of 2021	2021	2020
Current service cost	(108,728)	(213,771)	(248,561)
Interest cost	(184,582)	(331,899)	(342,839)
Subtotal	**(293,310)**	**(545,670)**	**(591,400)**
Benefits paid	45,683	82,064	66,171
Total	**(247,627)**	**(463,606)**	**(525,229)**

	Consolidated		
	2nd semester of 2021	2021	2020
Current service cost	(110,875)	(217,993)	(252,994)
Interest cost	(215,798)	(389,500)	(400,668)
Subtotal	**(326,673)**	**(607,493)**	**(653,662)**
Benefits paid	62,608	110,803	90,759
Total	**(264,065)**	**(496,690)**	**(562,903)**

Amounts recognized in equity valuation adjustments are presented below:

	BNDES		Consolidated [1]	
	2021	2020	2021	2020
Balance at the beginning of the year	(996,307)	(1,681,788)	(1,319,039)	(2,054,365)
Actuarial gains (losses)	1,492,228	685,481	1,671,492	735,326
Balance at the end of the year	**495,921**	**(996,307)**	**352,453**	**(1,319,039)**

[1] Balance of equity valuation adjustments of BNDES, BNDESPAR and FINAME.

The expected contributions from BNDES with the post-employment healthcare benefit for the next 12 months will be approximately R$ 74,779 (R$ 104,184 in the consolidated).

The average duration of the actuarial liability is 24.72 as of December 31, 2021 (29.08 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
BNDES	74,779	78,488	82,852	181,057	562,004	21,070,486	**22,049,666**
Consolidated	104,184	109,370	114,629	248,357	749,428	22,178,492	**23,504,460**

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	BNDES		Consolidated	
	Impact on the actuarial obligation	Change on actuarial obligation (%)	Impact on the actuarial obligation	Change on actuarial obligation (%)
Actuarial discount rate				
1% incr. p.y.	(513,378)	-16.95%	(581,075)	-15.99%
1% decr. p.y.	688,413	22.72%	772,037	21.24%
Mortality Table				
One-year increase in age	116,268	3.84%	139,430	3.84%
One-year decrease in age	(115,278)	-3.81%	(138,167)	-3.80%
Medical cost change rate				
1% incr. p.y.	682,690	22.54%	765,647	21.07%
1% decr. p.y.	(518,672)	-17.12%	(587,096)	-16.15%

17.2. 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.

17.3. 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 CMN Resolution 3,823/2009, 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.

17.4. Other benefits granted to the employees

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

	BNDES		
	2nd semester of 2021	2021	2020
Meal voucher	19,620	37,168	33,468
Educational assistance	9,026	17,008	14,631
Total	**28,646**	**54,176**	**48,099**

	Consolidated		
	2nd semester of 2021	2021	2020
Meal voucher	32,163	60,931	60,851
Educational assistance	14,797	27,882	26,602
Total	**46,960**	**88,813**	**87,453**

18. SHAREHOLDERS' EQUITY

The accounting treatment of the items included in shareholders' equity is described in the Note 26.21.

18.1 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.

18.2. Equity valuation adjustments

	2021	2020
Adjustment – accumulated from conversion – effect of associated company	2,453,665	3,199,459
Adjustment – other comprehensive income – own	3,185,740	59,220
Adjustment – other comprehensive income – effect of subsidiaries	(110,820)	(447,899)
Adjustment – other comprehensive income – effect of associated company	15,978	9,232
Measurement at market value of available for sale securities [1]	14,864,553	28,976,610
Of own assets	14,797,281	29,006,807
Of a subsidiary's assets (BNDESPAR)	67,272	(30,197)
Total	**20,409,116**	**31,796,622**

[1] For information on the effects from CMN Resolution 4,175/2002, see the Note 7.1.2.

18.3. Allocation of income and profit sharing

Appropriation of income

	2021	2020
Income for the year	34,069,089	20,681,496
Amounts allocated	34,069,089	20,681,496
Appropriation of income		
Legal reserve - 5%[1]	1,703,454	1,034,075
Remuneration to shareholder	8,687,076	4,911,855
. Payment of mandatory minimum interest - 25% [2]	8,091,409	4,911,855
. Remuneration to supplementary shareholder [2]	595,667	-
Reserve for future capital increase	12,946,254	7,858,968
Dividend equalization reserve	10,732,305	6,876,598

[1]Limited to 20% of the capital, or, at BNDES's discretion, or not recognize when the balance of this reserve, plus capital reserves, reaches 30% of the capital.

[2] Remuneration for the year 2021 was paid during the year itself.

Dividend payment

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

2021			
Event	**Base year**	**Stated value**	**Paid amount (*)**
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**

(*) 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.

19. RELATED PARTIES

BNDES and its subsidiaries have relationships and carry out transactions with entities considered as related parties, according to the definitions in Technical Pronouncement CPC 05 of the Accounting Pronouncement Committee - CPC, approved by CMN Resolution nº 3,750/2009.

19.1. Transactions with subsidiaries

The following intercompany transactions included in the consolidation were eliminated in the consolidated financial statements:

	2021			2020		
	FINAME	BNDESPAR	Total	FINAME	BNDESPAR	Total
Assets						
Onlending transactions	76,790,591	-	76,790,591	73,794,601	-	73,794,601
. Local currency	53,258,851	-	53,258,851	50,434,123	-	50,434,123
. Foreign currency	23,531,740	-	23,531,740	23,360,478	-	23,360,478
Dividends receivable	228,580	4,668,148	4,896,729	87,285	2,832,368	2,919,653
Reimbursable payments	59,935	124,713	184,648	54,618	126,621	181,239
Other receivables	-	-	-	-	-	-
Liabilities						
Repurchase agreements	2,613,383	50,629,913	53,243,296	275,920	38,923,297	39,199,217
Other liabilities	-	1	1	1	-	1

	2nd semester of 2021			2021			2020		
	FINAME	BNDESPAR	Total	FINAME	BNDESPAR	Total	FINAME	BNDESPAR	Total
Income									
Onlending transactions	5,372,192	-	5,372,192	7,008,275	-	7,008,275	8,205,633	-	8,205,633
. Local currency	2,708,120	-	2,708,120	4,977,741	-	4,977,741	3,091,960	-	3,091,960
. Foreign currency	2,664,072	-	2,664,072	2,030,534	-	2,030,534	5,113,673	-	5,113,673
Other income	-	-	-	769	92,517	93,286	14,915	172,553	187,468
Expenses									
Repurchase agreements	(92,446)	(1,318,349)	(1,410,795)	(141,669)	(1,892,988)	(2,034,657)	(68,557)	(873,787)	(942,344)

19.2. 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:

	BNDES		Consolidated	
	2021	2020	2021	2020
Assets				
Federal government bonds (Note 6)	87,605,517	106,261,420	87,646,614	106,297,952
Other receivables from the National Treasury (Note 19.2.1)	1,132,610	738,760	2,033,029	1,334,031
Liabilities				
Obligations for onlending in the country (Note 10.1.c)	101,318,093	158,463,841	101,318,093	158,463,841
Other liabilities with the National Treasury	1,707	6,186	3,880	16,354
Instruments eligible to core capital (Note 19.2.3)	23,096,847	36,794,774	23,096,847	36,794,774
Dividends and interest on shareholders' equity payable	-	4,911,855	-	4,911,855

	BNDES			Consolidated		
	2nd semester of 2021	2021	2020	2nd semester of 2021	2021	2020
Result						
Income (loss) from government bonds	2,378,819	3,400,905	4,896,943	2,376,544	3,399,464	4,897,790
Income from other receivables - equalization (Note 5.11)	1,512,545	2,625,095	1,348,124	2,670,988	4,759,683	2,517,334
Expenses - onlendings and instruments eligible to core capital	(3,538,931)	(6,699,973)	(9,582,088)	(3,538,931)	(6,699,973)	(9,582,088)
Expenses with other liabilities - equalization (Note 5.11)	(1,672)	(10,220)	(10,136)	(4,069)	(19,112)	(45,099)

19.2.1. Specific Credits - Credits from the National Treasury

	BNDES		Consolidated	
	2021	2020	2021	2020
Credits from interest rate equalization	1,070,556	681,774	1,970,975	1,277,045
Other receivables	62,054	56,986	62,054	56,986
Total	**1,132,610**	**738,760**	**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:

	BNDES		Consolidated	
	2021	2020	2021	2020
Amounts assessed in:				
2021	1,068,523	-	1,967,399	-
2020	345	679,931	521	1,273,442
< 2020	1,688	1,843	3,055	3,603
Total	**1,070,556**	**681,774**	**1,970,975**	**1,277,045**

The changes in this caption were as follows:

	BNDES					
	2021			2020		
	PSI	Other programs	Total	PSI	Other programs	Total
Balance at the beginning of the year	137,645	544,129	681,774	280,142	567,889	848,031
.Amounts assessed in the years	201,263	2,412,545	2,613,808	318,173	1,020,340	1,338,513
. Monetary restatement	-	1,150	1,150	-	155	155
. Receipts	(235,491)	(1,990,521)	(2,226,012)	(460,670)	(909,093)	(1,369,763)
. Formation of provisions (*)	-	-	-	-	(137,079)	(137,079)
. Other	-	(164)	(164)	-	1,917	1,917
Balance at the end of the year	**103,417**	**967,139**	**1,070,556**	**137,645**	**544,129**	**681,774**

* Impairment, in accordance with accounting practices described in Note 26.3.1.

	Consolidated					
	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 years	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 (*)	-	-	-	-	(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**

* Impairment, in accordance with accounting practices described in Note 26.3.1.

19.2.2 Domestic Onlendings - National Treasury

See Note 10.1.c.

19.2.3. 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) Contracts 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.

(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)	2020	Interest and monetary restatement	Interest payment	Amortization	2021
Variable, limited to TJLP	867/PGFN/CAF	15,530,038	76,597	(534,635)	(13,500,000)	1,572,000
Variable, limited to TJLP	963/PGFN/CAF	9,040,302	421,801	(311,219)	-	9,150,884
Variable, limited to TJLP	964/PGFN/CAF	7,047,755	328,832	(242,624)	-	7,133,963
Variable, limited to TJLP	1018/PGFN/CAF	5,176,679	241,532	(178,211)	-	5,240,000
Total		**36,794,774**	**1,068,762**	**(1,266,689)**	**(13,500,000)**	**23,096,847**
Current		1,255,798				1,057,871
Non-current		35,538,976				22,038,976

19.2.4. 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.

19.3. 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:

	BNDES		Consolidated	
	2021	2020	2021	2020
Assets	**56,566,045**	**67,026,183**	**58,749,026**	**72,482,745**
Loans and interbank onlendings	48,206,967	55,090,644	54,199,593	64,369,338
Allowance for loan losses	(700,359)	(681,723)	(700,998)	(682,690)
Shares of Banco do Brasil and CEF investment funds	3,909,635	3,858,090	-	-
Rights receivable - Eletrobras	5,045,893	8,711,821	5,045,893	8,711,821
Other	103,909	47,351	204,538	84,276
Liabilities	**384,657,902**	**354,693,694**	**384,932,221**	**354,914,354**
Domestic loans and onlendings	27,496,508	29,466,539	27,496,508	29,466,539
Financial and development funds	8,593,169	8,521,088	8,867,488	8,741,749
Constitutional FAT - subordinated debts	340,713,933	307,807,297	340,713,933	307,807,297
FAT - Special Deposit	6,641,264	7,181,869	6,641,264	7,181,869
Issuance of debentures	1,104,756	1,552,183	1,104,756	1,552,183
Other	108,272	164,718	108,272	164,717

19.4. 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.

19.5. 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 17:

	BNDES		Consolidated	
	2021	2020	2021	2020
Liabilities				
Actuarial liabilities - Supplementary retirement plan (PBB)	1,553,281	2,950,868	1,920,688	3,479,669
Actuarial liability - Health Care Plan (PAS)	3,029,412	4,058,034	3,634,405	4,809,207
Shareholders' equity				
Equity valuation adjustments - PBB	2,912,984	1,004,290	2,912,984	1,004,290
Equity valuation adjustments - PAS	495,921	(996,307)	495,921	(996,307)

	BNDES			Consolidated		
	2nd semester of 2021	2021	2020	2nd semester of 2021	2021	2020
Expenses						
PBB	(269,158)	(511,124)	(697,277)	(277,852)	(528,089)	(719,968)
PAS	(247,627)	(463,606)	(525,229)	(264,065)	(496,690)	(562,903)

19.6. Transactions with associated companies

BNDES by means its subsidiary BNDESPAR holds investments in associated companies, as detailed in the Note 7.2.2. 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:

	BNDES		Consolidated	
	2021	2020	2021	2020
Assets				
Rights and receivables	10,414	108,433	10,414	108,433
Allowance for loan losses	(104)	(1,897)	(104)	(1,897)

19.7. 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:

	BNDES		Consolidated	
	2021	2020	2021	2020
Short-term benefits:				
Fees, benefits and charges	17,348	16,344	17,348	16,745
RVA (Cash installment)	952	652	952	652
Post-employment benefits				
Compensatory remuneration - quarantine	445	535	445	535
Long-term benefits				
RVA (Deferred portions)	1,148	999	1,148	999
Benefits on termination of employment contract				
Proportionate and compensated vacation time	23	-	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:

	BNDES				Consolidated			
	2021		2020		2021		2020	
	Management	Employees	Management	Employees	Management	Employees	Management	Employees
Highest salary	80.84	85.21	80.84	76.79	80.84	85.21	80.84	76.79
Lowest salary	8.10	4.20	8.10	3.94	8.10	4.20	8.10	3.94
Average Salary	34.97	33.22	35.57	30.99	34.97	33.25	31.64	31.07

19.8. Employee profit sharing

Breakdown of the balance of expenses with profit sharing:

	BNDES		Consolidated	
	2021	2020	2021	2020
Key management personnel (Annual Variable Compensation - RVA)	1,307	1,234	2,143	2,127
Provision before apportionment among companies of BNDES Group	2,143	2,127	2,143	2,127
Apportionment among companies of BNDES Group [1]	(836)	(893)	-	-
Employees	153,371	136,254	251,427	247,735
Provision before apportionment among companies of BNDES Group	247,178	240,864	251,427	247,735
Apportionment among companies of BNDES Group [1]	(93,807)	(104,610)	-	-
Total	**154,678**	**137,488**	**253,570**	**249,862**

[1] There is an agreement between the companies of the BNDES Group aimed at centralizing corporate activities and other ancillary activities necessary to achieve the institutional objectives of the subsidiaries at BNDES, cutting costs. To avoid distorting the results of each company on an individual basis, due to the centralization of activities and consequently of costs, a criterion has been established for the monthly apportionment of these personnel and administrative expenses, which includes, among others, expenses with the profit and gain-sharing of senior executives. Pursuant to BNDESPAR and FINAME bylaws, its Boards of Executive Officers are composed of the same members as the board of executive officers of BNDES.

Changes in the provisioned balances for profit sharing:

	BNDES				Consolidated			
	2021		2020		2021		2020	
	Management	Employees	Management	Employees	Management	Employees	Management	Employees
Balance at the beginning of the year	4,210	240,864	3,820	174,363	4,210	247,735	3,820	180,026
Adjustments (prov. amount / prior years)	(157)	(21,152)	(108)	(4,962)	(157)	(21,624)	(108)	(5,059)
Payments made	(2,100)	(219,712)	(1,651)	(169,401)	(2,100)	(226,111)	(1,651)	(174,967)
Adjustment RVA provision - deferred (*)	237	-	22	-	237	-	22	-
Provision of the year	2,143	247,178	2,127	240,864	2,143	251,427	2,127	247,735
Balance at the end of the year	**4,333**	**247,178**	**4,210**	**240,864**	**4,333**	**251,427**	**4,210**	**247,735**

(*) 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	BNDES and Consolidated	
	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:

	BNDES				Consolidated			
	2021		2020		2021		2020	
	Management	Employees	Management	Employees	Management	Employees	Management	Employees
Greater profit sharing	133.10	229.75	161.93	167.50	133.10	229.75	161.93	167.50
Lower profit sharing	0.23	3.48	0.65	1.60	0.23	3.48	0.65	1.60
Average profit sharing	65.64	87.43	39.30	66.07	65.64	87.47	39.30	66.23

20. SEGMENT REPORTING AND RECURRING RESULT

20.1. Segment reporting

According to the methodology described in Note 26.16, we present below the business segment reporting of the BNDES Group for the year ended December 31, 2021, compared to the year ended December 31, 2020:

	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

20.2. Recurring income (loss)

In compliance with BCB Resolution 2/2020, we presented the reconciliation of the recurring and non-recurring results of the BNDES Group for the year ended December 31, 2021, compared to the year ended December 31, 2020. Definitions of recurring and non-recurring income (loss) can be found in Note 26.23.

	Consolidated					
	12/31/2021			12/31/2020		
	Accounting profit	Non-recurring effects	Recurring profit	Accounting profit	Non-recurring effects	Recurring profit
Income from Loans and interbank onlendings	39,246,653	-	39,246,653	30,942,929	-	30,942,929
Income from securities	14,834,584	3,811,190	11,023,394	7,002,898	-	7,002,898
Funding expenses	(33,639,625)	-	(33,639,625)	(25,140,197)	-	(25,140,197)
Net Foreign Exchange Effect	(559,048)	-	(559,048)	8,752	-	8,752
PRODUCT FROM FINANCIAL INTERMEDIATION	**19,882,564**	**3,811,190**	**16,071,374**	**12,814,382**	**-**	**12,814,382**
Provision for credit risk	2,719,325	-	2,719,325	(945,705)	-	(945,705)
GROSS INCOME FROM FINANCIAL INTERMEDIATION	**22,601,889**	**3,811,190**	**18,790,699**	**11,868,677**	**-**	**11,868,677**
Income (loss) from equity investments	30,555,990	22,264,812	8,291,178	25,040,912	22,759,623	2,281,289
Administrative and personnel expenses	(2,406,827)	-	(2,406,827)	(2,274,339)	-	(2,274,339)
Other expenses, net	(2,629,366)	(1,037,394)	(1,591,972)	(2,816,384)	(1,750,487)	(1,065,897)
INCOME (LOSS) BEFORE INCOME TAX	**48,121,686**	**25,038,608**	**23,083,078**	**31,818,866**	**21,009,136**	**10,809,730**
Income taxes	(13,799,027)	(8,312,230)	(5,486,797)	(10,887,508)	(7,816,680)	(3,070,828)
Employee profit sharing	(253,570)	-	(253,570)	(249,862)	-	(249,862)
NET INCOME FOR THE YEAR	**34,069,089**	**16,726,378**	**17,342,711**	**20,681,496**	**13,192,456**	**7,489,040**
Provision for credit risk	-	2,719,325	(2,719,325)	-	(945,705)	945,705
Taxes on PRC	-	(1,173,781)	1,173,781	-	412,869	(412,869)
RECURRING NET INCOME, ADJUSTED ACCORDING TO PRC	**34,069,089**	**18,271,922**	**15,797,167**	**20,681,496**	**12,659,620**	**8,021,876**

In Management's judgment, the non-recurring items, although related to the Company's business, do not necessarily occur in all periods, nor in comparable amounts, being highlighted as complementary information for a better understanding and evaluation of the result.

The result with non-recurring equity investments refers to recent operations of disposal of investments and results obtained with investments in associated companies, which are sporadic and not permanent.

The provision for credit risk, although classified as a recurring event, historically and adversely impacts the BNDES income, either due to the formation of a provision in specific contexts or due to the reversal owing to the credit recovery. Aiming to allow to analyze this impact on the institution's recurring income, we also present the recurring net income adjusted by PRC.

The following table presents, in a complementary manner, non-recurring items, net of tax effects.

	Consolidated	
	12/31/2021	12/31/2020
Net income for the year	**34,069,089**	**20,681,496**
(-) Non-recurring events, net of assets	**16,726,378**	**13,192,456**
Disposals of debentures	2,150,995	-
Disposal of equity investments	8,416,287	14,144,021
Equity in earnings (losses)	4,276,712	419,951
Asset impairment	3,357,139	(389,614)
Income (loss) from derivatives	(115,645)	240,156
Other income (loss) from equity investments	72,087	(49,479)
Provision for contingencies	(103,219)	(116,430)
Other expenses	(546,505)	(958,523)
Tax credit adjustment [1]	(781,473)	(97,626)
Recurring net income for the year	**17,342,711**	**7,489,040**
Provision for credit risk	(1,545,544)	532,836
Recurring net income, adjusted according to PRC	**15,797,167**	**8,021,876**

[1] Effect of change in the expected realization of temporary differences and eventual change of rate.

The accounting policies adopted in determining the recurring statement of income are consistent with the accounting policies adopted in preparing the financial statements.

21. RISK MANAGEMENT

21.1. 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 BNDES' 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/.

21.1.1. 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.

21.1.2. 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	BNDES		Consolidated	
		2021	2020	2021	2020
Fixed income operations					
Interest	Selic / DI	4,838,134	6,742,015	60,821,617	45,103,828
Interest	TJLP	(18,759,344)	(10,135,592)	(13,808,548)	(5,549,705)
Interest	Fixed rate	4,248,861	3,754,099	4,465,340	4,333,194
Interest	IGPM	709,163	4,285,991	768,979	4,884,239
Interest	IPCA	4,726,059	3,739,218	5,106,961	4,930,172
Interest	Ref. rate	(4,583,965)	(5,271,377)	(6,357,700)	(6,901,487)
Exchange	Foreign currency	(553,864)	466,649	(758,336)	68,800
Variable income operations					
Prices	Shares	7,126,933	7,307,037	51,511,862	64,784,952
Prices	Debentures convertible into shares	-	-	490,577	1,150,810
Prices	Stock options	147,911	493	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.

BNDES					
Risk group	Financial instrument / Risk factor	Risk	2021		
			Probable scenario	Scenario II	Scenario III
Fixed income operations					
Interest	Selic / DI	SELIC/DI increase	(18,361)	(75,327)	(125,545)
Interest	TJLP	TJLP increase	(68,096)	(188,194)	(376,387)
Interest	Fixed rate	PRE decrease	(32,401)	(6,480)	(10,800)
Interest	IGPM	IGPM decrease	(4,617)	(6,063)	(10,104)
Interest	IPCA	IPCA decrease	(12,238)	(34,762)	(57,937)
Interest	Ref. rate	Reference rate increase	(15,253)	(10,255)	(20,510)
Exchange	Foreign currency	USD decrease	(1,297)	(91,388)	(182,775)
Variable income operations					
Prices	Shares	Decrease in quotations	819,938	(1,175,944)	(2,351,888)
Prices	Debentures convertible into shares	Decrease in quotations	-	-	-
Prices	Stock options	Decrease in quotations	-	(36,976)	(73,949)

BNDES					
Risk group	Financial instrument / Risk factor	Risk	2020		
			Probable scenario	Scenario II	Scenario III
Fixed income operations					
Interest	Selic / DI	SELIC/DI increase	(27,588)	(25,363)	(42,272)
Interest	TJLP	TJLP increase	(18,062)	(73,417)	(146,834)
Interest	Fixed rate	PRE decrease	30,776	(4,895)	(8,159)
Interest	IGPM	IGPM decrease	145,115	3,112	5,186
Interest	IPCA	IPCA decrease	4,936	(19,151)	(31,918)
Interest	Ref. rate	Reference rate increase	(5,219)	-	-
Exchange	Foreign currency	USD decrease	(11,048)	(61,598)	(102,663)
Variable income operations					
Prices	Shares	Decrease in quotations	409,841	(1,205,661)	(2,411,322)
Prices	Debentures convertible into shares	Decrease in quotations	-	-	-
Prices	Stock options	Decrease in quotations	-	(122)	(239)

Consolidated					
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)

Consolidated					
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.

21.1.3. 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

21.1.4. 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**

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:

Description of Mitigator	Mitigated Position	
	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		
Held to maturity		
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
Trading		
Securities	67,721,578	79,642,429
Available for sale		
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**

21.2. 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}.

22. OTHER INFORMATION

22.1. 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

	2nd semester of 2021	2021	2020
PIS/PASEP	-	-	55,593
Merchant Marine Fund (FMM)	473,983	807,314	601,909
FSA - Audiovisual Sectorial Fund	5,600	7,904	4,348
FNMC - Fundo Nacional sobre a Mudança do Clima	4,889	10,167	11,774
FNRB - Benefit-Sharing National Fund	32	60	34
FGI-PEAC - Investment Guarantee Fund - Emergency Credit Access Program	104,874	207,461	72,647
FGI - Investment Guarantee Fund	7,436	14,687	14,224
FND – National Privatization Fund	8	15,035	2,344
Total	**596,822**	**1,062,628**	**762,873**

22.2. 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 CPC 25. The amounts actually received by BNDES are being recorded as income in the period in which they occur, as fines.

Pursuant to CPC 25, approved by CMN Resolution 3,823/2009, "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.

22.3. Transactions not involving cash

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

22.4. Tax expenses

Tax expenses, excluding income taxes (corporate income tax and social contribution, disclosed in Note 15), are mostly related to PIS and COFINS.

22.5. 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.

23. 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.

24. 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.

25. 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:

(i) interest in the capital, reserves and retained earnings held by institutions;

(ii) transactions among BNDES and its subsidiaries and other balances, comprising asset and/or liabilities, held by institutions;

(iii) income and expenses, as well as unearned profits resulting from transactions among institutions; and

(iv) taxes on the portion of unearned profit and presented as deferred taxes in the consolidated statements of financial position.

26. DESCRIPTION OF SIGNIFICANT ACCOUNTING PRACTICES

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.

Significant general estimates and accounting practices considered by the Bank's Management are the following:

26.1. Accrual basis

Income (loss) is determined on the accrual basis, which establishes that income and expenses should be included in the determination of income for the periods in which they occur, always simultaneously when they are correlated, regardless of receipt or payment.

Fixed-rate transactions are carried at redemption value and income and expenses corresponding to future periods are recorded in an account that reduces respective assets and liabilities. The financial income and expenses are recorded on a daily pro rata basis based on the compounding method, except for those related to operations abroad that are calculated based on a straight line basis. Transactions with floating rates or indexed to foreign currencies are updated through the reporting date.

26.2. Monetary restatement of rights and liabilities

Rights and liabilities, legally or contractually subject to exchange-rate variation or ratio variations, are adjusted until the reporting date. The counter-entries of such adjustments are reflected in the income (loss) for the period.

26.3. Impairment of Assets

Non-financial assets, except other assets and deferred tax assets, are reviewed, at least, annually, in order to determine if there is any indication of impairment loss.

When the book value of the asset exceeds its recoverable value, calculated at the higher amount between: (i) potential sales value, or realization value less the respective expenses or; (ii) value in use calculated by the cash generating unit, it must be recognized by a loss in the income (loss) for the year.

26.3.1 Impairment of assets related to legal or administrative proceedings

Moreover, 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 result in full recognition of the estimated financial loss (possible and probable risks, respectively).

26.4. General accounting estimates

The preparation of financial information requires the use of estimates and assumptions about future conditions. The use of available information and application of the judgment are inherent in the formation of expectations. 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 for the year presented have been made.

Assets and liabilities subject to these estimates include notably:

	Note
Securities and equity investments	No.6 and 7
Allowance for loan losses	No.5 and 6
Allowance for loss in investments	No. 7
Provision for taxes and contributions and realization of deferred tax assets	No. 15
Labor and civil provisions	No. 16
Employee benefits	No. 17

26.5. Loans, interbank onlendings, debentures, credit sale of securities losses, rights receivables and allowance for loan losses

Loans, interbank onlendings, debentures, credit sale of securities and rights receivable are classified according to the Management's judgment regarding to their risk level, considering the economic scenario, the past experience and the specific risks related to the operation, debtors and guarantors, in compliance with the parameters established by CMN Resolution 2,682/1999, which requires a periodical analysis of the portfolio and its classification in 9 levels, where "AA" is the minimum risk and "H", the maximum risk.

Income from loans and interbank onlendings overdue for more than 60 days, regardless their risk level, are only recognized as income when effectively received. Operations classified as "H" level, when in default, remain in this classification for up to six months, when they are written off against the existing provision, and they are controlled at least for five years in clearing accounts, but they are no longer presented in the statement of financial position.

Renegotiated operations are held at least at the same risk level in which they were classified. Renegotiations of loans which had been written-off against the provision and that were in clearing accounts are classified as level "H", and any eventual gains resulting from renegotiation are only recognized as income when effectively received.

The allowance for loan losses, considered sufficient by the Management, comply with the criteria established by CMN Resolution 2,682/1999, which establishes a system for the formation of allowance for losses, with definition of risk classes for performing and non-performing credits and their respective percentages. Historically, the allowance for loan losses formed by BNDES, in compliance with the risk rating of its operations has been sufficient to cover the expected losses on the loan portfolio.

26.6. Securities

Securities are classified and calculated according to the provisions in BACEN Circular Letter 3,068/2001. The classifications are in three categories: trading securities, available for sale and held to maturity securities. The recognition criteria of permanent loss, as per article 6 of BACEN Circular Letter 3,068/2001, is not applied for some shares received by BNDES in transference from the federal government for capital increase and classified as "Available for sale securities", as determined by CMN Resolution 4,175/2012.

When analyzing permanent losses in shares classified in category "available for sale securities", BNDES evaluates significant or prolonged decline in market value of instruments through quantitative and qualitative parameters. The quantitative parameters consider the performance characteristics of BNDES Group and mainly the profile of its equity investments' portfolio, compatible with its institutional role. In addition, the evaluation of decrease in the market value below cost is performed individually, enabling a careful analysis of the percentage and period of decline, the characteristics of each equity instrument, such as asset's risk, volatility of the share, estimate of the control premium when applicable, operational segment, status of the macroeconomic environment, qualitative analysis and other relevant factors.

In this regard, notwithstanding the compliance of quantitative parameters, the Bank's Management checks at the final step of the analysis, the existence of other factors that may affect the judgment on the definition of a significant or prolonged decline for purposes of recognition of permanent loss according to article 6 of BACEN Circular Letter 3,068/2001.

Evaluation and classification of derivative financial instruments follow the criteria set out in BACEN Circular Letter 3,082/2002.

Available for sale debentures

The underwriting of debentures on public placements is limited to low credit risk operations and should have the following characteristics:

- Interest limited to 15% of the offering;
- Sectors supported by BNDES;
- Funds raised should exclusively financing:
  - fixed investments;
  - working capital;
  - expenditures on R&D or in other intangible assets;
  - mergers and acquisitions (in cases in which the gains on scale are important to promote the expansion of the company's activities);
  - financial restructuring, if it is considered a necessary step to enable investments or subsequent partnership.
- Adoption of distribution and trading practices that favor the spreading of securities in the market, the liquidity, including the market maker interest, the standardization of clauses and the good practices of corporative governance.

Operations in the secondary market should follow the principles of competitiveness and transparency in the composition of the price, with preference so that the operations are carried out through electronic platforms or, if the transactions are carried out off the electronic platform, they should be approved by quotations available on electronic platforms.

Debentures with embedded derivatives recorded in BNDESPAR were recorded in BNDES Group based on BACEN Circular Letter 3,082/2002, which requires the separation of derivatives from the principal instrument. The principal instrument is designated as available for sale and the derivative is evaluated at market value with effect recorded in the income (loss).

26.7. Investments

Assets from equity investment portfolio result, mainly, from operations of financial support from BNDES Group, whose focus generally corresponds to long-term perspective. Most of these investments are recorded on the financial statements of BNDESPAR.

The financial statements of BNDESPAR for the year ended December 31, 2021 and year ended December 31, 2020 are prepared in accordance with the CPC interpretations and guidelines approved by CVM. In order to apply the equity method and to prepare BNDES' accompanying financial statements, BNDESPAR's financial statements were adjusted considering the accounting practices applicable to the institutions authorized to operate by BACEN.

The breakdown of subsidiaries, as well as the adjustments made in the equity of BNDESPAR for appropriateness of accounting practices accepted by CMN, and other investments, are described in the Note 7.2.1.

26.7.1. Investments in associated companies and subsidiaries

Associated companies are all the entities over which has significant influence, understood as the power to participate in decisions on financial and operating decisions of an investee, although without controlling these policies individually or jointly. The significant influence is presumed when BNDESPAR holds 20% or more of the voting capital of the investee.

The Management understands that certain equity investments held by BNDESPAR that represent more than 20% of the voting capital of the investee 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.

According to Law 11,941/2009, the investments on subsidiaries are evaluated by the equity method, being initially recognized by its acquisition value and its book value will be increased or decreased through the recognition of the investor’s interest in the equity changes of the investees generated after the acquisition. The interest of BNDES and BNDES Group in the earnings and losses of its subsidiaries/associated companies is recognized in the statement of income and its participation in other comprehensive income is recognized, in consequence, directly in the shareholders’ equity.

In order to apply the equity method, BNDES uses the subsidiaries’ financial statements assessed in the same base date. Its subsidiary BNDESPAR, conversely, uses the associated companies' financial statements with gap of up to 60 days, as permitted by corporate law and accounting pronouncements, due to unfeasibility of the financial statements use in the same base date. That is because associated companies are independents from BNDES Group, 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.

After the equity method application, the need to recognize some additional impairment loss on the net investment of each associated company is evaluated, 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.

Gains and losses through dilution or increase in the interest (not arising from capital contributions made by BNDESPAR) are recognized in the income (loss) in the year they occur.

Dividends and interest on shareholders' equity declared by subsidiaries and/or associated companies are recorded reducing the amount of the said equity investment. Dividends and interest on shareholders' equity of investments evaluated at market value or through acquisition cost are credited directly in the income (loss).

Investments in associated companies include goodwill on acquisition. Goodwill is evaluated by the difference between the amount paid (or commitments payable) and its participation in the market value of the net assets acquired. Goodwill whose economic basis is not identified is fully amortized. Goodwill arising from expectation of future results is submitted to recoverability test, according to CMN Resolution 3,566/2008.

Negative goodwill arising from investment acquisition whose economic basis is not identified (other economic reasons) are written-off when investment disposal occurs.

26.7.1.1. Analysis of the recoverable value of investments in associated companies

After the equity method application, BNDESPAR 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: a) at the quotation price of B3, net of any sales costs, for investments in companies with listed shares; or b) at pricing models based on multiples or discounted cash flow for investments in companies whose shares are not listed on the stock exchange. 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.

26.7.2. Equity investments classified as available for sale

When initially recognized, the companies of BNDES Group measure its shares classifies as "Available for Sale" through market value on the trading date, plus the transaction costs that are directly attributable to instrument acquisition or issuance. After the initial recognition, these investments are measure by its market values without deduction of transaction costs that may incur in the disposal. Changes in market value of these shares are recognized directly in the shareholders' equity of BNDES Group's companies, in the Equity Valuation Adjustments account. Such changes in the market value correspond to economic gains or losses not realized yet, registered under the comprehensive income conception.

On determining and disclosing the value of equity investment classified as "Available for Sale", BNDES Group's companies use the following hierarchy:

Level 1: Prices quoted (not adjusted) in active markets for these identical assets which may have access on the measurement date. Applied to listed companies for which the market value is based on average closing price of the last day when the share was traded in the reference month;

Level 2: Valuation techniques for which significant inputs are observable for the asset or liability, either directly or indirectly, except for quoted prices included in level 1. Applied for: a) companies with listed shares, but whose average closing price of the last trading session on which the stock was traded underwent some kind of adjustment for the calculation of market value, due to factors such as, for example, low liquidity of shares; and b) unlisted holding companies which the main asset is shares of listed companies, for which the market value is based on average closing price of the last day when the share was traded, adjusted by others assets, liabilities, and by low liquidity, if any; and

Level 3: Valuation techniques for which any significant input is not based on observable market data. Applied to unlisted companies for which the market value is determined, in the reference date, using pricing models based on multiples or on a discounted cash flow.

Estimates regarding the Market Value of Financial Instruments follow a governance framework established by internal rules pursuant to CMN Resolution 4,277/2013 and subsequent amendments, and result from the application of

calculation methods approved by specific Committees and documented in a manual format with an ongoing review process.

26.7.2.1. Analysis of the recoverable value of equity investments classified as available for sale - consolidated

At the end of each semester, Management performs an individual analysis of the recoverable value of equity instruments classified as available for sale, seeking to identify the existence of instruments with a permanent loss. For such, the Management based on quantitative and qualitative information available in the market, the characteristics of each instrument such as risk, sector and volatility, in addition to an examination of the significant or prolonged decline in the market value of these assets, and evaluation of the permanent loss.

Interest in companies evaluated through the market value is represented in the subgroup “Securities”, item “Shares”, in the category “Available for Sale”, and the equity investment in associated companies of BNDESPAR portfolio is represented in the subgroup of Investments, item “Interest in Associated companies”.

For the breakdown of this portfolio, see the Note 7.1.1.

26.8. 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 subject to a insignificant risk of value change.

Cash and cash equivalents (short-term operations) are the ones with maturity equal to or inferior than three months from the acquisition date.

26.9. Interbank investments

Interbank investments are registered at acquisition cost, plus income earned until the reporting date and deducted of allowance for impairment, if applicable.

26.10 Repurchase agreements

26.10.1 Sale with a repurchase clause

The own fixed income securities used to back the repurchase agreements are highlighted in specific asset accounts (linked securities) on the date of the transaction, at the updated average book value, by type and maturity. The difference between repurchase and sale values represents the operation’s expense. The Bank also uses third party guarantees to raise funds in sale operations with repurchase commitments. Such funding is recorded as a financed position.

26.10.2 Purchase with repurchase agreement

Financing granted through guarantees with fixed income securities (from third parties) is recorded in the own position at the settlement value. The difference between resale and purchase values represents the income from the transaction. Securities acquired with a resale commitment are transferred to the financed position when used to support sales operations with a repurchase commitment.

26.10.3 Repurchase agreements made with free trading agreement

For operations with a clause of unrestricted transactions, upon the definitive sale of the securities acquired with a resale commitment, the liability related to the obligation to return the security must be valued at the security's market value.

26.11. Derivative financial instruments

26.11.1. Exchange rate and interest rate derivatives

Exchange rate and interest rate derivatives in over-the-counter markets are used to adjust the composition of financial assets and liabilities and to manage the exposure of its treasury portfolio to market risks, within the limits set by its internal risk management governance framework.

26.11.1.1. Stock exchange transactions

Within the limits approved by its internal risk management governance, BNDES carries out operations mainly with the following futures contracts negotiated at B3: i) Exchange Rate Futures (Real x US$); ii) One-day Interbank Deposit Exchange Coupon Futures; iii) Average One-Day Interbank Deposit Rate Futures; and iv) IPCA Coupon Futures.

26.11.1.2. Over-the-counter transactions

As in stock exchange transactions, over-the-counter transactions are contracted by BNDES with the purpose of managing foreign exchange and interest rates exposures of assets and liabilities.

All financial hedge transactions carried out in the domestic over-the-counter market are recorded in B3. In order to mitigate involved credit risk, acceptability of counterparties is determined based on credit analysis conducted by BNDES, and formal guarantees may be required for its acceptance.

26.11.2. Options and embedded derivatives

For BNDESPAR to perform its activities, investment transactions with variable income characteristics are structured, generating isolated derivatives or embedded derivatives in debentures' contracts. Usually, these derivatives are options for the purchase, sale, conversion of debentures (into shares of the issuer), or exchange of debentures (into shares of another company); hedge of equity not being its purpose. These derivatives are measured and recorded at market value.

26.12. Other assets

Composed basically by assets not addressed to use, represented, mainly, by real estate properties, which are adjusted by the record of a provision, according to the applicable standards, and by prepaid expenses, consisting of investments whose benefits will occur in the following periods, being registered in the income in accordance with the accrual principle.

26.13. PP&E

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.

26.14. 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.

26.15. Employee benefits

26.15.1. 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 market 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.

26.15.2. 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 suplementary 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.

26.15.3. 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.

26.15.4. Employee profit sharing

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

26.16. 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.

26.17. 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.

26.17.1. 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, 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; ii) Euro, being remunerated at the offer interest rate for loans in euros or at the rate representing 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.

26.17.2. 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.

26.18. Income tax and social contribution

The provision for the income tax was accrued based in the accounting profit, adjusted by additions and exclusions provided by the tax legislation at the tax rate of 15%, plus an additional of 10%, on taxable basis that exceed R$ 20 per month (R$ 240 in the fiscal year) according to the current legislation. The social contribution on net income for BNDES and FINAME was accrued at a tax rate of 25% and at a tax rate of 9% for BNDESPAR.

The breakdown of values of income tax and social contribution on net income, the statement of its calculations, the origin and estimation of the realization of the deferred tax assets, as well as the non-registered deferred tax assets amounts are described in the Note 15.

Current and deferred taxes are recognized in the statement of income, except when related to items recognized directly in shareholders' equity, and are calculated using the rates determined by the tax legislation in effect, or substantially in effect, at the date of the end of the period.

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 assets arising from deductible temporary differences are recorded since it have expectation of realizing within 10 years and limited to the future tax income amount against which the deductible temporary differences may be used

Such criteria are based in a technical study, prepared semi-annually, which is based on future assumptions related to income generation within 10 years, considering estimates and evaluations as future trends, according to the constitution, maintenance and write-off criteria determined by CMN Resolution 4,842/2020.

Deferred tax liabilities are recognized for all temporary taxable differences.

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 14,183, of July 14, 2021. Therefore, the deferred tax credit to be realized was constituted already considering the new rate in effect, in compliance with CMN Resolution 4,842/2020.

26.19. Provisions, contingent assets and liabilities

Recognition, measurement and disclosure of liabilities and assets contingencies are performed in accordance with the defined criteria in CMN Resolution 3,823/2009, which approved the Technical Pronouncement CPC 25, issued by the Accounting Pronouncement Committee - CPC.

Contingent assets arise from unplanned or unexpected events that give rise to the possibility of receiving economic benefits and that are not recognized in the financial statements of the BNDES Group.

However, they are disclosed in explanatory notes when the entry of economic benefits is probable. In other words, if the chance of receiving the benefits is greater than that of not receiving.

Furthermore, when the entry of economic benefits is practically certain; that is, if there is a final and unappealable favorable decision that results in the very high probability of inclusion of the companies of the BNDES Group and there are no elements that can reverse the decision, the asset must be recognized as a right receivable.

Regarding contingent liabilities, the risk of financial loss is considered, corresponding to the probability of outflow of funds from companies in the BNDES Group, classified as follows:

I - probable, if the chance of an unfavorable outcome is greater than that of a favorable outcome; or

II - possible, if the chance of an unfavorable outcome is equal to the chance of a favorable outcome; or

II - remote, if the chance of a favorable outcome is higher than the chance of an unfavorable outcome.

The risk related to the likelihood of the entry of economic benefits or the outflow of funds for companies in the BNDES Group within the scope of legal and administrative proceedings, and their respective value, are determined based on the methodology adopted by the Legal Department.

A table summarizing the procedure adopted by the BNDES Group based on the methodology adopted by the Legal Department and its alignment with the applicable standards is presented below:

Possibility of entry of economic benefits	Accounting reflection
Practically correct	Recording of rights receivable
Probable	Disclosure of contingent assets in the explanatory notes

Risks of outflow of funds	Accounting reflection
Probable	Provision for the full amount of the financial risk as a contingent liability
Possible	Disclosure of contingent liabilities in the explanatory notes
Remote	Without accounting effects

26.20. Provision for Financial Guarantees Provided

The recording of a provision for operations of financial guarantees provided is based on the same risk rating methodology used by BNDES for loan operations, pursuant to CMN Resolution 2,682/1999. In this sense, the scale of nine risk levels, from “AA” to “H”, is used, as well as the minimum proportions of provision associated with each one of them.

For purposes of recording the provision for operations, including for guarantees provided, the specific risks of the clients and the economic situation are considered, according to Management’s judgment. In accordance with CMN Resolution 4,512/2016, a monthly revaluation of the formed provisions is carried out.

26.21. Shareholders' equity

Dividends

The distribution of dividends for the sole shareholder is recognized as a liability in the financial statements at the end of the fiscal year based on the mandatory minimum dividends provided BNDES’ in by-laws, which corresponds to 25% of the adjusted net income after the formation of legal and tax incentive reserves. In case of BNDESPAR and FINAME, it corresponds to 25% of the adjusted net income after the formation of legal reserve and tax incentive reserve. Any amount above the mandatory minimum dividend only can be provisioned on the date in which is approved by the Annual Shareholders’ Meeting.

Profit reserves

BNDES’ by-laws comprehends the formation of profit reserves as the Reserve for Future Capital Increase, the Reserve for Equalization of Complementary Dividends and the Tax Incentive Reserve.

The Reserve for Equalization of Complementary Dividends corresponds to the application of the percentage of 35% over the adjusted net income.

The Reserve for Future Capital Increase has the purpose of strengthening the capital structure of BNDES and it is constituted in the percentage of 40% of the adjusted net income.

The tax incentives, due to the amendment to the Law 11,638/2007, shall pass through the income statement and being held as profit reserve - tax incentives reserve.

Equity valuation adjustments

The contra-entries arising from increases or decreases on values of assets and liabilities are recorded, net of tax effects, due to their evaluation at market value.

26.22. Apportionment of administrative and personnel expenses

As established in an agreement signed between BNDES and its wholly-owned subsidiaries BNDESPAR and FINAME with the purpose of rationalizing costs, administrative and personnel expenses common to the BNDES Group, as well as the supply of any material resources and/or services necessary for the performance of activities, they are apportioned between the companies according to the contribution of each one to the Gross Income from Financial Intermediation (before the provision for credit risk) for the immediately preceding year.

Expenses that may have their beneficiaries clearly identified, such as tax expenses, are not considered for apportionment purposes.

Regarding BNDESPAR, the Gross Income from Financial Intermediation corresponds to the difference between Operating Income and Operating Expenses, excluding the effects of the reversal (recognition) of a allowance for losses on investments and the income or loss with disposals of variable income securities.

Thus, the percentages attributed to each company in the 2021 and 2020 financial years were:

	2021		2020	
	Gross income from financial intermediation for the previous year	Sharing (%)	Gross income from financial intermediation for the previous year	Sharing (%)
BNDES	9,495,345	61	8,636,107	55
BNDESPAR	4,030,493	26	4,916,411	31
FINAME	2,047,319	13	2,226,268	14
Total for the System	**15,573,157**		**15,778,786**	

26.23. Recurring/Non-Recurring income (loss)

Bacen Resolution 2, dated November 27, 2020, in its paragraph 4 of article 34, determines the segregated disclosure of recurring and non-recurring results.

A non-current income for the year is then defined as: I - is not related or is incidentally related to the typical activities of the institution; and II - it is not expected to occur frequently in future years.

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

Marcos Paulo Pereira da Silva –
CRC RJ 097.092/O-9

KPMG Auditores Independentes Ltda.
Rua do Passeio, 38 - Setor 2 - 17º andar - Centro
20021-290 - Rio de Janeiro/RJ - Brazil
Caixa Postal 2888 - CEP 20001-970 - Rio de Janeiro/RJ - Brazil
Telephone +55 (21) 2207-9400
kpmg.com.br

Independent auditor's report on 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"), which comprise the statement of financial position as of December 31, 2021 and the respective statements of income, comprehensive income, changes in shareholders' equity and cash flows for the semester and year then ended and notes the 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 as of December 31, 2021, the Individual and consolidated performance of its operations and its cash flows, for the semester and year then ended, in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil.

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

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

1 – Allowance for loan losses

Refer to Notes 5.6 and 26.5 of consolidated financial statements.

Key audit matter	How our audit approached this matter
The Bank classifies its credit operations and interbank onlendings for measuring the allowance for loan losses into nine risk levels, taking into consideration factors and assumptions such as late payments, financial and economic situation, level of indebtedness, economic activity segment, collateral characteristics and other factors and assumptions provided by CMN (National Monetary Council) Resolution 2682/99 of Central Bank of Brazil, being "AA" minimum risk and "H" maximum risk. The Bank, initially, applies loss percentages established by such Resolution to each risk level in order to calculate the allowance for loan losses and further increases the allowance, when necessary based on internal evaluations of supplementary provision. The loans and interbank onlendings classifications into risk levels as well as the loss percentages related to each risk level requires Bank's assumptions and judgments, based on its internal rating methodologies, and the allowance for loan loss represents the Bank's best estimate of the portfolios losses. Due to the relevance of loans and interbank onlendings, of judgment, involved in the determination, and the current social and economic scenario resulting from the Covid-19, inherent in determining the estimate of the allowance for loan losses, the complexity of the methods and assumptions used, we consider this as significant matter in our audit.	Our audit procedures included, among others: — evaluation of the design and operational effectiveness, by sampling basis, of the key internal controls related to the approval, process, registration and accrual of loans operations, including the internal methodologies and for assessing the risk levels (ratings) of the clients that support the classification of operations and the arithmetic accuracy of the allowance for loans losses for loans and interbank onlendings; — evaluation, based on a sample, of information that supports the definition and review of client ratings by the Bank, such as the credit proposal, financial and registration information, operational and/or financial restructuring, guarantees, including the Bank's assessment of the impacts' result from the Covid-19 pandemic; — evaluation, on sampling basis, whether the Bank met the requirements established by the CMN Resolution Nº 2682/99, related to the determination of the allowance for loan losses for loan operations and interbank onlendings; — evaluation of the disclosures in the consolidated financial statements. Based on the evidence obtained from the procedures summarized above, we considered adequate the assessment of the measurement of the allowance for loans and interbank onlendings, as well as the Bank's respective disclosures, in the context of the consolidated financial statements taken as a whole for the semester and year ended December 31, 2021.

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.

2 – Securities	
Refer to Notes 6 and 26.6 to the consolidated financial statements.	
Key audit matter	**How our audit approached this matter**
The Bank has significant balances of derivative financial instruments and securities classified as "available for sale" and trading securities measured at market value, in accordance with the Brazilian Central Bank Circular Nº 3068/2001 and Nº 3082/2002, as well as information on these balances of derivative financial instruments and securities disclosed in the notes to the consolidated financial statements. For the derivative financial instruments and securities measured at fair value, which market prices or parameters are not observable, the determination of the fair value is subject to a high level of uncertainty level, according as the Bank performs significant judgments, in determining the methods and assumptions used in its measurement. Financial assets classified as "Available for Sale" and "Held to Maturity" are also evaluated as indications of evidence of impairment, which also involves a high level of judgment in their determination considering the methodologies and assumptions used. Therefore, we considered the measurement of derivative financial instruments and securities, as well as the evaluation of indicative evidence of impairment losses of financial assets classified as "Available for Sale" and "Held to Maturity" as significant matter in our audit.	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 the market 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 in financial instruments, the models developed by the Bank for determining market 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 impairment losses of financial assets classified as "Available for Sale" and "Held to Maturity"; 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 of fair values of derivative financial instruments and securities, the evaluation of the indications of impairment of losses financial assets classified in "Available for Sale" and "Held to Maturity", as well as the respective disclosures in the context of the consolidated financial statements taken as a whole for the semester and year ended December 31, 2021.

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.

3 – Interest in associated companies	
Refer to Notes 7 and 26.7 to the 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 exerts 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 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 significant matter in our audit.	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; — 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 semester and year ended December 31, 2021.

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.

4 – Employee benefits obligations	
Refer to Notes 17 and 26.15 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 the 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 semester and year ended December 31, 2021.

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.

Other matters

Statements of added value

Consolidated statements of added value for the semester and year ended December 31, 2021, prepared under responsibility of the Bank's executive board of directors, and presented as supplementary information in relation to accounting practices adopted in Brazil applicable to institutions authorized by the Central Bank of Brazil, were submitted to audit procedures carried out together with the audit of the Bank's consolidated financial statements. To form our opinion, we evaluated whether these statements are reconciled with the consolidated financial statements and accounting records, as applicable, and whether their forms and contents are in accordance with the criteria determined in Technical Pronouncement 09 (CPC09) - Statement of Added Value, issued by the Committee for Accounting Pronouncements (CPC). In our opinion, these statements of added value were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the consolidated financial statements taken as a whole.

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

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

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

In connection with our audit of the individual and 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 performed, we conclude that there is a material misstatement in the Management Report, we are required to report this fact. We have no thing to report on this regard.

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 the consolidated financial statements in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil and for such internal controls as the executive board of directors determines necessary to enable the preparation of these consolidated financial statements that are free from 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 to continue as a going concern, disclosing, as applicable, matters relating its going concern and 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 operations, or has no realistic alternative to avoid.

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

Auditor's responsibilities for the audit of individual and 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 according to 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

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.