



Individual and consolidated financial statements

June 30, 2021

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STATEMENTS OF FINANCIAL POSITION

	Note	BNDES		CONSOLIDATED	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
CURRENT ASSETS		215,172,765	238,258,608	239,432,416	269,965,716
CASH AND CASH EQUIVALENTS	4	18,348	465,093	18,771	465,524
INTERBANK INVESTMENTS	4	92,550,444	92,866,031	96,332,993	96,655,970
Foreign exchange portfolio	4	461,087	499,825	461,087	499,825
Repurchase agreements	4	92,088,597	92,365,329	95,871,146	96,155,268
Investments in interbank deposits	4	760	877	760	877
SECURITIES	6	73,344,425	92,307,180	72,186,612	100,400,722
Investment fund shares	6.1 6.3	3,899,956	3,905,441	1,127,270	461,942
Government bonds	6.1	68,947,959	84,627,786	68,984,331	84,664,318
Foreign fixed income securities	6.1	9	9	65,760	67,803
Shares	6.1 7.1	-	-	670,868	10,045,547
Available for sale debentures	6.1 6.4.1	104,962	3,259,405	343,017	4,013,153
Held to maturity debentures	6.1 6.4.2	33,273	485,043	352,140	734,113
Allowance for loan losses	6.1 6.4.2	(165)	(2,425)	(2,907)	(4,768)
Derivative financial instruments - foreign exchange and interest rate	6.1 6.5.1	358,431	31,921	358,431	31,921
Derivative financial instruments - variable income	6.1 6.5.1	-	-	287,702	386,693
INTERBANK ACCOUNTS/RELATIONS	5	16,576,512	17,330,273	34,578,609	36,670,392
Interbank onlendings	5	16,688,179	17,448,541	34,762,893	36,873,294
Allowance for loan losses	5.6 5.7	(111,667)	(118,268)	(184,284)	(202,902)
LOANS	5	26,076,797	26,122,631	29,007,530	29,102,535
Loans	5	28,020,203	27,948,242	31,003,992	31,006,712
Allowance for loan losses	5.6 5.7	(1,943,406)	(1,825,611)	(1,996,462)	(1,904,177)
OTHER RECEIVABLES		5,418,000	7,872,172	6,118,662	5,374,345
Credit sale of securities	5.9	-	-	87,020	48,364
Allowance for loan losses - credit sale of securities	5.9.3	-	-	(76,029)	(41,922)
Rights receivables	5.9	1,791	1,795	139,619	126,212
Allowance for loan losses - Rights receivable	5.9.3	(1,064)	(821)	(138,659)	(125,018)
Recoverable and prepaid taxes	15.3	2,552	2,590	76,329	94,737
Dividends and interest on shareholders' equity receivable		90,439	2,919,653	687,590	227,301
Receivables from guarantee deposits		67,153	55,693	72,296	60,457
Reimbursable payments		158,414	250,259	103,640	69,845
Rights receivable - Eletrobras Group	8.1	4,417,900	4,295,530	4,417,900	4,295,530
Other		680,815	347,473	748,956	618,839
OTHER ASSETS	9	1,188,239	1,295,228	1,189,239	1,296,228
Prepaid expenses		1,187,043	1,293,241	1,187,044	1,293,242
Other assets		1,196	1,987	1,196	2,986
Non-financial assets held for sale		-	-	999	-
NON-CURRENT ASSETS		540,881,652	560,106,224	489,027,449	508,376,259
LONG-TERM RECEIVABLES		425,263,382	442,081,664	477,437,007	497,243,903
SECURITIES	6	36,314,438	35,887,201	86,953,082	88,104,969
Shares	6.1 7.1	8,058,257	7,307,037	53,873,347	54,739,405
Available for sale debentures	6.1 6.4.1	3,399,309	3,694,734	3,622,098	3,921,372
Held to maturity debentures	6.1 6.4.2	824,073	997,207	2,576,149	2,989,548
Allowance for loan losses	6.1 6.4.2	(5,049)	(6,050)	(15,338)	(17,558)
Government bonds	6.1	19,975,233	21,633,634	19,975,233	21,633,634
Foreign fixed income securities	6.1	3,914,455	2,260,222	3,914,455	2,260,222
Derivative financial instruments - variable income	6.1 6.5.1	148,160	417	753,783	748,467
Mutual investment and equity funds	6.3	-	-	2,253,355	1,829,879
INTERBANK ACCOUNTS/RELATIONS	5	151,850,145	158,210,115	122,557,672	130,253,088
Interbank onlendings	5	152,873,077	159,289,798	123,734,876	131,518,532
Allowance for loan losses	5.6 5.7	(1,022,932)	(1,079,683)	(1,177,204)	(1,265,444)
LOANS	5	222,450,941	230,525,023	242,370,672	250,919,630
Loans	5	239,029,379	246,635,542	259,309,723	267,567,859
Allowance for loan losses	5.6 5.7	(16,578,438)	(16,110,519)	(16,939,051)	(16,648,229)
OTHER RECEIVABLES		14,646,570	17,459,325	25,554,293	27,966,216
Tax credits	15.2	11,173,424	12,278,970	19,961,889	20,853,756
Credit sale of securities	5.9	-	-	1,032,985	1,060,812
Allowance for loan losses - credit sale of securities	5.9.3	-	-	(902,515)	(919,522)
Rights receivables	5.9	12,182	13,088	808,371	809,180
Allowance for loan losses - Rights receivable	5.9.3	(7,236)	(5,988)	(802,078)	(800,673)
Credits from the National Treasury	19.2.1	925,610	738,760	1,718,259	1,334,031
Rights receivable - Eletrobras Group	8.1	2,524,611	4,416,291	2,524,611	4,416,291
Tax incentives		1,350	3,350	20,987	21,927
Debtors for guarantee deposits		-	-	742,311	742,902
Assignment of capitalization rights		-	-	430,503	430,503
Other		16,629	14,854	18,970	17,009
OTHER ASSETS		1,288	-	1,288	-
Non-financial assets held for sale		1,288	-	1,288	-
INVESTMENTS	7	115,507,584	117,906,251	11,479,756	11,014,047
Interest in subsidiaries and associated companies	7.2	115,362,438	117,761,105	11,334,610	10,868,901
Interest in other companies	7.3	103,000	103,000	103,000	103,000
Other investments	7.4	42,146	42,146	42,146	42,146
PROPERTY, PLANT AND EQUIPMENT FOR USE		102,744	107,259	102,744	107,259
INTANGIBLE ASSETS		7,942	11,050	7,942	11,050
TOTAL ASSETS		756,054,417	798,364,832	728,459,865	778,341,975

See the accompanying notes to the financial statements.

	Note	BNDES		CONSOLIDATED	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
CURRENT LIABILITIES		122,769,389	122,565,127	81,104,690	84,506,440
DEPOSITS		991,400	1,050,935	991,400	1,050,935
FAT - Special deposits	11.2	897,476	1,027,032	897,476	1,027,032
Interbank deposits		93,407	23,392	93,407	23,392
Other		517	511	517	511
MARKET FUNDING		72,377,991	79,720,758	29,392,056	40,521,542
Repurchase agreements	12	72,377,991	79,720,758	29,392,056	40,521,542
LIABILITIES FOR ISSUING DEBENTURES	14.1	404,042	445,113	404,042	445,113
BORROWINGS AND ONLENDINGS	10	14,038,973	17,445,018	14,038,973	17,445,018
Domestic borrowings	10.1	437,033	441,325	437,033	441,325
Foreign borrowings - Bonus	10.1	116,858	118,319	116,858	118,319
Domestic Onlendings		10,878,835	14,117,421	10,878,835	14,117,421
National Treasury	10.1 19.2.2	8,772,033	11,967,434	8,772,033	11,967,434
Merchant Marine Fund (FMM)	10.1	2,106,802	2,149,987	2,106,802	2,149,987
Foreign onlendings - multilateral institutions	10.1	2,606,247	2,767,953	2,606,247	2,767,953
OTHER LIABILITIES		14,080,239	16,578,605	15,401,475	17,719,134
Financial and development funds	13.1	9,303,285	8,174,767	9,327,549	8,200,175
Income taxes and contributions	15.1	2,554,313	1,421,753	2,894,423	2,177,379
Other taxes and contributions		290,147	170,394	313,675	244,129
Dividends and interest on shareholders' equity payable		-	4,911,855	-	4,911,855
Labor and civil provisions	16	1,909	1,942	693,833	2,030
Actuarial liability - PBB	17.1.1	246,474	216,233	316,606	277,792
From the National Treasury		8,649	6,186	17,447	16,354
Actuarial liability - PAS	17.1.2	40,015	37,761	68,094	63,637
Derivative financial instruments - foreign exchange and interest rate	6.5.1	282,461	12,701	282,461	12,701
Other liabilities - deposits to be allocated	13.2	480,164	382,680	549,968	495,508
Other	13.3	872,822	1,242,333	937,419	1,317,574
SUBORDINATED DEBTS		6,585,916	6,068,900	6,585,916	6,068,900
Constitutional FAT	11.1	6,585,916	6,068,900	6,585,916	6,068,900
Other subordinated debts		6,585,916	6,068,900	6,585,916	6,068,900
DEBT INSTRUMENTS ELIGIBLE TO CORE CAPITAL	19.2.3	14,290,828	1,255,798	14,290,828	1,255,798
Secretary for the National Treasury		14,290,828	1,255,798	14,290,828	1,255,798
NON-CURRENT LIABILITIES		510,978,993	562,797,188	525,049,140	580,833,018
DEPOSITS		5,087,386	6,154,837	5,087,386	6,154,837
FAT - Special deposits	11.2	5,087,386	6,154,837	5,087,386	6,154,837
ISSUANCE OF DEBENTURES AND FINANCIAL BILLS	14	1,924,860	2,111,520	1,924,860	2,111,520
Debentures	14.1	905,433	1,107,070	905,433	1,107,070
Financial Bills	14.2	1,019,427	1,004,450	1,019,427	1,004,450
BORROWINGS AND ONLENDINGS	10	159,973,076	205,884,653	159,973,076	205,884,653
Domestic borrowings	10.1	2,504,769	2,751,055	2,504,769	2,751,055
Foreign borrowings - Bonus	10.1	7,957,835	8,267,259	7,957,835	8,267,259
Domestic Onlendings		127,474,173	170,622,004	127,474,173	170,622,004
National Treasury	10.1 19.2.2	106,143,734	146,496,407	106,143,734	146,496,407
Merchant Marine Fund (FMM)	10.1	20,879,071	23,674,444	20,879,071	23,674,444
Other		451,368	451,153	451,368	451,153
Foreign onlendings - multilateral institutions	10.1	22,036,299	24,244,335	22,036,299	24,244,335
OTHER LIABILITIES		8,081,627	11,368,805	22,151,774	29,404,635
Financial and development funds	13.1	359,434	346,321	557,192	541,574
Actuarial liability - PBB	17.1.1	1,731,068	2,734,635	2,046,605	3,201,877
Labor and civil provisions	16	139,198	129,595	1,143,657	1,759,617
Derivative financial instruments - foreign exchange and interest rate	6.5.1	-	3,570	-	3,570
Actuarial liability - PAS	17.1.2	3,533,368	4,020,273	4,199,341	4,745,570
Deferred taxes and contributions	15.2	2,316,622	4,132,590	14,203,042	19,150,606
Other	13.3	1,937	1,821	1,937	1,821
SUBORDINATED DEBTS		313,872,610	301,738,397	313,872,610	301,738,397
Constitutional FAT	11.1	313,872,610	301,738,397	313,872,610	301,738,397
Other subordinated debts		271,154,654	253,680,696	271,729,423	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)		458	-	458	-
SHAREHOLDERS' EQUITY	18	122,306,035	113,002,517	122,306,035	113,002,517
Capital		61,842,148	53,983,180	61,842,148	53,983,180
Capital		53,983,180	53,983,180	53,983,180	53,983,180
Capital increase		7,858,968	-	7,858,968	-
Profit reserves		19,363,747	27,222,715	19,363,747	27,222,715
Legal reserve		5,734,234	5,734,234	5,734,234	5,734,234
Tax incentive reserve		201,355	201,355	201,355	201,355
Reserve for future capital increase		-	7,858,968	-	7,858,968
Equity Dividend Reserves		13,428,158	13,428,158	13,428,158	13,428,158
Equity valuation adjustments		25,984,060	31,796,622	25,984,060	31,796,622
Of own assets		23,052,108	29,066,027	23,052,108	29,066,027
Of assets of associated companies and subsidiaries		2,931,952	2,730,595	2,931,952	2,730,595
Retained earnings		15,116,080	-	15,116,080	-
TOTAL LIABILITIES		756,054,417	798,364,832	728,459,865	778,341,975

See the accompanying notes to the financial statements.

STATEMENTS OF INCOME

	Note	BNDES				Consolidated			
		Three-month period ended		Six-month period ended		Three-month period ended		Six-month period ended	
		06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020
INCOME FROM FINANCIAL INTERMEDIATION		7,638,761	10,242,084	21,730,559	29,752,128	8,639,984	10,992,786	23,281,011	31,140,206
Loans and interbank onlendings									
. Local currency		7,947,598	5,216,082	16,160,044	12,420,609	8,237,499	5,645,277	16,769,496	13,267,407
. Foreign currency		(5,203,717)	2,570,825	(889,012)	12,331,949	(5,104,954)	2,742,704	(643,711)	12,643,015
Income from securities		4,634,915	2,270,717	5,993,384	4,557,923	5,247,474	2,420,345	6,689,083	4,788,137
Income from management of funds and programs		259,965	184,460	466,143	441,647	259,965	184,460	466,143	441,647
FINANCIAL INTERMEDIATION EXPENSES		(1,874,697)	(8,835,377)	(12,065,633)	(26,457,524)	(1,402,360)	(8,596,751)	(11,200,237)	(26,355,583)
Market funding - financing and onlendings									
. Local currency		(7,770,823)	(4,475,423)	(14,775,549)	(11,130,821)	(7,384,451)	(4,251,064)	(14,158,182)	(10,603,464)
. Foreign currency		9,031,719	(4,203,752)	1,722,017	(20,667,643)	9,031,719	(4,203,752)	1,722,017	(20,667,643)
Income (loss) from derivative financial instruments - foreign exchange and interest rate	6.5.3	(3,595,436)	368,890	212,008	6,457,873	(3,595,436)	368,890	212,008	6,457,873
Income (loss) from allowance for loan losses	5.10	517,891	(582,671)	793,880	(1,824,959)	612,179	(569,570)	1,044,313	(2,270,550)
Reversal (recognition) of allowance for losses		(481,782)	(1,792,757)	(550,119)	(3,660,809)	(421,640)	(1,779,786)	(333,841)	(4,106,897)
Recovery of written-off credits		999,673	1,210,086	1,343,999	1,835,850	1,033,819	1,210,216	1,378,154	1,836,347
Income (loss) from foreign exchange portfolio		(58,048)	57,579	(17,989)	708,026	(66,371)	58,745	(20,393)	728,201
GROSS INCOME FROM FINANCIAL INTERMEDIATION	5.11	5,764,064	1,406,707	9,664,926	3,294,604	7,237,624	2,396,035	12,080,774	4,784,623
OTHER OPERATING INCOME (EXPENSES)		2,176,316	(1,582,650)	9,663,076	6,069,315	1,254,304	(2,393,195)	11,397,177	5,065,327
Equity in earnings (losses)	7.2.1 7.2.3	2,481,822	(966,551)	10,563,054	(447,527)	397,357	(1,220,161)	1,418,262	(1,288,923)
Net Monetary restatement on assets and liabilities		233,591	395,154	406,542	672,476	161,606	242,640	320,620	503,696
Goodwill amortization		-	-	-	-	(6,403)	(6,875)	(12,881)	(13,602)
Reversal (recognition) of allowance for losses in investments - variable income	7	-	(36,614)	-	(36,614)	(5,388)	(364,610)	(12,288)	(366,714)
Dividend income	7.1.4	195,814	39	331,626	39	1,301,389	27,437	2,006,098	33,324
Income from interest on shareholders' equity	7.1.4	-	-	-	67,871	1,913	1,524	38,910	912,239
Income (loss) from disposals of variable income securities	7.1.3 7.2.3	-	(68,826)	-	7,516,511	495,832	(68,826)	11,081,551	8,030,011
Income (loss) from derivative financial instruments - variable income	6.5.3	146,858	148	147,744	9	194,567	428,460	(54,368)	(150,954)
Income (loss) from private equity investment funds		10,523	5,262	3,946	(1,315)	89,153	96,514	(127,279)	211,567
Other income (expenses) from equity investment		-	-	-	-	(97,812)	926	(297,044)	926
Reversal (recognition) of labor and civil provisions	16	(6,043)	(53,196)	(11,258)	(54,507)	(55,666)	(76,412)	(77,550)	(144,395)
Tax expenses		(319,709)	(114,807)	(680,398)	(300,516)	(436,111)	(166,939)	(1,343,400)	(509,095)
Personnel expenses		(285,756)	(262,892)	(583,686)	(533,355)	(468,452)	(478,309)	(956,862)	(970,059)
Administrative expenses		(54,673)	(42,120)	(102,919)	(92,098)	(78,751)	(64,387)	(150,123)	(142,508)
Other operating income		3,577	1,492	7,335	17,395	7,846	8,567	13,873	26,633
Other operating expenses		(229,688)	(439,739)	(418,910)	(739,054)	(246,776)	(752,744)	(450,342)	(1,066,819)
INCOME (LOSS) BEFORE INCOME TAX		7,940,380	(175,943)	19,328,002	9,363,919	8,491,928	2,840	23,477,951	9,849,950
Income tax	15.1	(1,182,095)	(828,456)	(1,814,233)	(2,606,743)	(1,612,204)	(1,023,208)	(4,947,828)	(3,608,028)
Social Contribution	15.1	(963,235)	(670,532)	(1,500,156)	(1,868,997)	(1,154,592)	(792,690)	(2,711,849)	(2,316,479)
Deferred income tax and social contribution on net income - net of realization	15.2	(486,571)	1,092,201	(897,533)	73,545	(416,653)	1,230,328	(702,194)	1,036,281
NET INCOME FOR THE PERIOD		5,308,479	(582,730)	15,116,080	4,961,724	5,308,479	(582,730)	15,116,080	4,961,724
Number of shares		6,273,711,452	6,273,711,452	6,273,711,452	6,273,711,452				
NET INCOME FOR THE PERIOD PER SHARE (R\$ / SHARE)		0.846147	(0.092884)	2.409432	0.790875				

See the accompanying notes to the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

	BNDES and Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
NET INCOME FOR THE PERIOD	5,308,479	(582,730)	15,116,080	4,961,724
Other comprehensive income				
Items that will later be reclassified to income (loss):	2,411,560	12,267,535	(7,915,422)	(12,069,592)
Equity valuation adjustment - own assets	2,623,472	16,621,244	(12,693,188)	(23,000,697)
Tax impact	(690,952)	(5,884,961)	4,796,109	9,148,203
Equity valuation adjustment - assets of associated companies	27,192	28,376	40,631	31,846
Adjustment – accumulated from conversion – assets of associated companies	443,924	1,474,370	(66,468)	1,324,443
Other comprehensive income - assets of associated companies	7,924	28,506	7,494	426,613
Items that later will not be reclassified to income (loss):	699,820	1,409,323	2,102,860	792,607
Other comprehensive income - Actuarial gains or losses of the post-employment benefit plan - own	674,285	1,165,707	1,915,909	1,029,294
Tax impact	(12,369)	(10,242)	(32,749)	(41,235)
Other comprehensive income - Actuarial gains or losses of the post-employment benefit plan - subsidiaries	37,904	253,858	219,700	(195,452)
Total other comprehensive income	3,111,380	13,676,858	(5,812,562)	(11,276,985)
COMPREHENSIVE INCOME FOR THE PERIOD	8,419,859	13,094,128	9,303,518	(6,315,261)

See the accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Capital		Profit reserves				Equity valuation adjustments		Retained earnings	Total
		Capital	Capital increase	Legal reserve	Tax incentive reserve	Reserve for future capital increase	Equity Dividend Reserves	Own	Of associated companies and subsidiaries		
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	-	-	-	-	-	-	(12,864,435)	1,587,450	-	(11,276,985)
Net income for the semester		-	-	-	-	-	-	-	-	4,961,724	4,961,724
June 30, 2020		47,249,176	6,734,004	4,700,159	201,355	-	6,551,560	26,082,837	2,014,515	4,961,724	98,495,330
Changes in the semester		-	6,734,004	-	-	(6,734,004)	-	(12,864,435)	1,587,450	4,961,724	(6,315,261)
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	-	-	-	-	-	-	(6,013,919)	201,357	-	(5,812,562)
Net income for the semester		-	-	-	-	-	-	-	-	15,116,080	15,116,080
June 30, 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
Changes in the semester		-	7,858,968	-	-	(7,858,968)	-	(6,013,919)	201,357	15,116,080	9,303,518

See the accompanying notes to the financial statements.

STATEMENTS OF CASH FLOWS

	BNDES		CONSOLIDATED	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Operating activities				
Net income before income tax and social contribution	19,328,002	9,363,919	23,477,951	9,849,950
Adjustments not affecting cash and cash equivalents of operating activities	(11,427,737)	2,467,850	(2,239,805)	4,339,390
Income (loss) from allowance for loan losses	(793,880)	1,824,959	(1,044,313)	2,270,550
Recognition (reversal) of labor and civil provisions	11,258	54,507	77,550	144,395
Equity in earnings (losses)	(10,563,054)	447,527	(1,418,262)	1,288,923
Goodwill amortization	-	-	12,881	13,602
Interest and monetary restatement of obligations by issuance of debentures and financial bills	55,163	94,006	55,163	94,006
Depreciation	10,520	10,246	10,520	10,246
Recognition (reversal) of allowance for losses on investments - variable income	-	36,614	12,288	366,714
Income (loss) from fixed income derivative financial instruments	(147,744)	(9)	54,368	150,954
Changes in assets and liabilities	(26,764,742)	30,522,342	(29,993,762)	39,902,716
. Net (increase) / decrease in loans by financing	16,029,928	(5,455,467)	19,484,194	(4,734,402)
. Net (increase)/decrease in securities	14,635,591	25,980,491	16,957,838	26,374,092
. Net (increase) / decrease in other asset accounts	1,251,742	(257,332)	872,721	129,648
. Net increase / (decrease) in borrowings and onlendings	(43,738,349)	10,185,471	(43,736,988)	10,227,933
. Net increase / (decrease) in repurchase agreements	(7,342,767)	7,904,745	(11,129,486)	16,943,449
. Net increase / (decrease) in other liability accounts	(539,054)	1,044,064	(874,735)	758,044
. Interest paid on loans and onlendings	(4,902,612)	(4,971,413)	(4,902,612)	(4,971,413)
. Income Tax and Social Contribution on Net Income paid	(2,159,221)	(3,908,217)	(6,664,694)	(4,824,635)
Net cash generated (consumed) by operating activities	(18,864,477)	42,354,111	(8,755,616)	54,092,056
Investment activities				
. Additions to property, plant and equipment	(2,920)	(9,157)	(2,920)	(9,157)
. Write-offs of property, plant and equipment	22	-	22	-
. Additions to intangible assets	-	(194)	-	(194)
. Addition by investments in associated companies	-	-	(64,946)	-
. Receipt for the sale of investments in associated companies	-	-	30,016	-
. Receiving of dividends and interest on shareholders' equity from associated companies and subsidiaries	10,685,907	12,152,408	604,578	322,916
Net cash generated by (consumed) by investment activities	10,683,009	12,143,057	566,750	313,565
Financing activities				
. Increase in liabilities for subordinated debts	12,651,229	14,346,456	12,651,229	14,346,456
. Dividends and interest on shareholders' equity paid	(4,949,199)	-	(4,949,199)	-
. Amortization of liabilities for issuing debentures	(282,894)	(310,739)	(282,894)	(310,739)
. Amortization of liabilities for issuing financial bills	-	(1,901,600)	-	(1,901,600)
Net cash generated (consumed) by financing activities	7,419,136	12,134,117	7,419,136	12,134,117
Increase (decrease) in cash and cash equivalents	(762,332)	66,631,285	(769,730)	66,539,738
Changes in financial position				
Balance of cash and cash equivalents at the beginning of the year	93,331,124	47,477,866	97,121,494	51,366,817
Balance of cash and cash equivalents at the end of the period	92,568,792	114,109,151	96,351,764	117,906,555
Increase (decrease) in cash and cash equivalents	(762,332)	66,631,285	(769,730)	66,539,738

See the accompanying notes to the financial statements.

STATEMENTS OF ADDED VALUE

	BNDES				CONSOLIDATED			
	06/30/2021		06/30/2020		06/30/2021		06/30/2020	
INCOME	23,127,350		36,293,420		35,287,139		37,639,108	
Financial intermediation	21,730,559		29,752,128		23,281,011		31,140,206	
Other income	602,911		8,366,251		10,961,815		8,769,452	
Reversal (recognition) of provision for impairment	793,880		(1,824,959)		1,044,313		(2,270,550)	
EXPENSES	(13,327,092)		(25,587,346)		(12,809,851)		(25,457,468)	
Financial intermediation	(12,859,513)		(24,793,741)		(12,244,550)		(24,246,208)	
Other expenses	(467,579)		(793,605)		(565,301)		(1,211,260)	
INPUTS ACQUIRED FROM THIRD PARTIES	(89,613)		(111,381)		(140,665)		(483,804)	
Materials, energy and others	(8,502)		(7,274)		(13,339)		(12,486)	
Outsourced services	(81,111)		(67,493)		(115,038)		(104,604)	
Loss of asset values			(36,614)		(12,288)		(366,714)	
GROSS VALUE ADDED	9,710,645		10,594,693		22,336,623		11,697,836	
RETENTIONS	(6,417)		(5,635)		(10,520)		(10,246)	
Depreciation	(6,417)		(5,635)		(10,520)		(10,246)	
NET ADDED VALUE ADDED (RETAINED)/PRODUCED BY THE ENTITY	9,704,228		10,589,058		22,326,103		11,687,590	
ADDED VALUE RECEIVED AS TRANSFER	10,894,680		(379,617)		3,463,270		(343,360)	
Equity in earnings (losses) of subsidiaries and associates	10,563,054		(447,527)		1,418,262		(1,288,923)	
Dividends and interest on shareholders' equity	331,626		67,910		2,045,008		945,563	
ADDED VALUE PAYABLE	20,598,908		10,209,441		25,789,373		11,344,230	
DISTRIBUTION OF ADDED VALUE	20,598,908	100.0%	10,209,441	100.0%	25,789,373	100.0%	11,344,230	100.0%
Personnel and payroll charges	522,846	2.5%	481,246	4.7%	857,100	3.3%	869,258	7.7%
- Direct remuneration	328,489		315,370		538,483		567,960	
- Benefits	152,831		126,235		250,542		229,519	
- FGTS	25,675		23,646		42,090		42,697	
- Other	15,851		15,995		25,985		29,082	
Taxes, fees and contributions	4,957,972	24.1%	4,762,905	46.7%	9,812,898	38.1%	5,506,763	48.5%
- Federal	4,945,523		4,751,395		9,796,828		5,490,909	
- State	4		5		5		8	
- Municipal	12,445		11,505		16,065		15,846	
Rents	2,010	0.0%	3,566	0.0%	3,295	0.0%	6,485	0.1%
Retained income	15,116,080	73.4%	4,961,724	48.6%	15,116,080	58.6%	4,961,724	43.7%

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”)

BNDES evaluates that the first semester of 2021 was characterized by the accelerated vaccination against the new coronavirus. In Brazil, the second quarter was characterized by a recovery process and the impacts of the pandemic on the national economy in 2021 were less intense than initially expected. The tax, monetary and credit stimulus implemented by the vast majority of economies continued mitigating the recessive effects of the pandemic, creating the basis for the resumption of economic growth, as observed after the second quarter of 2020. The resumption of demand and economic growth generate positive effects on the risk ratings of companies/entities, which can be seen in Note 5.6.

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 Executive Board on August 05, 2021. The Board of Directors of BNDES has the power to change them and then, manifested in favor of the issuance of financial statements on August 11, 2021.

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 period

Equity changes

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

The loan and onlending portfolio decreased in the semester. The return in an amount higher than the releases and the negative effect of exchange rate variation on operations in foreign currency were mitigated by the appropriation of contractual charges.

The decrease in the portfolio of equity investments available for sale in the quarter is mainly explained by the sale of shares, mainly from Vale and Klabin, mitigated by the valuation of Petrobras and Eletrobras shares in the second quarter.

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 ordinary amortizations and payment of ordinary interest. Furthermore, there was a decrease in other liabilities, such as the Merchant Marine Fund (FMM), due to the exchange rate variation in the semester.

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, exceeded the amount paid as semiannual interest and negative exchange variation of the period.

Finally, shareholders' equity grew in the YTD. The effect of net income for the period was reduced by the devaluation of the equity investments portfolio at market value, net of taxes.

Income changes

In the quarter and YTD, the net income increased compared to the same period of last year, influenced by: (i) higher result from equity investments, due to the significant gain from the sale of shares of Vale and Klabin, (ii) increase in the result from financial intermediation, influenced by the gain on the sale of Vale's debentures and higher result from interest rate derivatives, and (iii) reversal of provision for credit risk due to the improvement in the risk rating of some companies/entities and credit recovery.

The accumulated recurring result, disregarding the effects of the provision for credit risk, increased in relation to the same period of the previous year, mainly due to the increase in the result from equity investments, especially income from dividends.

Further information is disclosed in the Management Report of the Bank.

2.4. Management's relevance criteria

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

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

- The amount is relevant due to its dimension and nature in relation to the financial statements as a whole;
- It is important to understand BNDES' income (loss); or
- It contributes to explain the impact of the relevant changes in BNDES' business.

2.5. Criteria for the presentation of Notes

The Notes to these financial statements, following the international recommendations of the Integrated Reporting Framework, as well as guidelines of the 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. – BNDES;
- 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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cash and cash equivalents	18,348	465,093	18,771	465,524
Interbank investments (*)	92,550,444	92,866,031	96,332,993	96,655,970
Repurchase agreements	92,088,597	92,365,329	95,871,146	96,155,268
Foreign exchange portfolio	461,087	499,825	461,087	499,825
Investments in interbank deposits	760	877	760	877
Total	92,568,792	93,331,124	96,351,764	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 2,682/1999. 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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Loans	267,049,582	274,583,784	290,313,715	298,574,571
Current	28,020,203	27,948,242	31,003,992	31,006,712
Non-current	239,029,379	246,635,542	259,309,723	267,567,859
Interbank Onlendings	169,561,256	176,738,339	158,497,769	168,391,826
Current	16,688,179	17,448,541	34,762,893	36,873,294
Non-current	152,873,077	159,289,798	123,734,876	131,518,532
Total	436,610,838	451,322,123	448,811,484	466,966,397
Allowance for loan losses				
Loans	(18,521,844)	(17,936,130)	(18,935,513)	(18,552,406)
Current	(1,943,406)	(1,825,611)	(1,996,462)	(1,904,177)
Non-current	(16,578,438)	(16,110,519)	(16,939,051)	(16,648,229)
Interbank Onlendings	(1,134,599)	(1,197,951)	(1,361,488)	(1,468,346)
Current	(111,667)	(118,268)	(184,284)	(202,902)
Non-current	(1,022,932)	(1,079,683)	(1,177,204)	(1,265,444)
Total	(19,656,443)	(19,134,081)	(20,297,001)	(20,020,752)

5.2. Distribution of credit gross portfolio and currency interbank onlending

	BNDES					
	06/30/2021			12/31/2020		
	Local currency	Foreign currency	Total	Local currency	Foreign currency	Total
Subsidiaries	49,276,659	21,739,495	71,016,154	50,434,124	23,360,477	73,794,601
Other	331,808,227	33,786,457	365,594,684	340,335,392	37,192,130	377,527,522
Total	381,084,886	55,525,952	436,610,838	390,769,516	60,552,607	451,322,123

	Consolidated					
	06/30/2021			12/31/2020		
	Local currency	Foreign currency	Total	Local currency	Foreign currency	Total
Subsidiaries	-	-	-	-	-	-
Other	393,254,869	55,556,615	448,811,484	406,387,841	60,578,556	466,966,397
Total	393,254,869	55,556,615	448,811,484	406,387,841	60,578,556	466,966,397

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

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Public sector				
Public Administration	45,511,712	46,726,977	45,515,825	46,731,107
Business activities				
Industry	11,338,369	13,223,313	11,338,369	13,223,313
Financial intermediation	124,834,253	130,242,071	64,377,222	68,932,969
Other services	3,921,602	5,693,854	3,921,649	5,693,901
Subtotal	185,605,936	195,886,215	125,153,065	134,581,290
Private sector				
Rural	1,104,451	1,233,519	1,237,599	1,329,218
Industry	137,169,938	135,852,154	138,317,214	136,175,640
Trade	4,084,376	4,173,117	4,084,376	4,173,117
Financial intermediation	44,936,858	46,747,446	94,337,429	99,716,981
Other services	63,709,279	67,429,672	85,681,801	90,990,151
Subtotal	251,004,902	255,435,908	323,658,419	332,385,107
Total	436,610,838	451,322,123	448,811,484	466,966,397

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

	BNDES			Consolidated	
	06/30/2021	12/31/2020		06/30/2021	12/31/2020
Overdue:	1,016,501	170,158	Overdue:	1,016,502	200,876
Falling due (years):			Falling due (years):		
up to 1	43,691,881	45,226,625	up to 1	64,750,383	67,679,130
1-2	37,774,179	40,858,234	1-2	56,401,920	60,577,234
2-3	33,922,013	34,724,417	2-3	46,469,208	50,213,741
3-5	62,927,239	66,453,507	3-5	73,080,376	77,440,761
5-10	115,415,225	118,356,214	5-10	109,513,350	112,553,904
>10	141,863,800	145,532,968	>10	97,579,745	98,300,751
Total	436,610,838	451,322,123	Total	448,811,484	466,966,397

5.5. Concentration of credit gross portfolio and currency interbank onlendings

	BNDES							
	06/30/2021				12/31/2020			
	Loans	%	Interbank Onlendings	%	Loans	%	Interbank Onlendings	%
Largest client	16,172,440	6.1%	71,016,154	41.8%	16,366,183	6.0%	73,794,601	41.7%
Next 10 largest clients	51,042,647	19.1%	86,279,244	50.9%	53,421,598	19.5%	90,068,284	51.0%
Next 20 largest clients	45,421,785	17.0%	11,325,528	6.7%	48,707,684	17.7%	11,833,357	6.7%
Next 50 largest clients	59,144,427	22.1%	940,330	0.6%	57,899,423	21.1%	1,042,097	0.6%
Next 100 largest clients	45,298,436	17.0%	-	-	45,718,724	16.7%	-	-
Other clients	49,969,847	18.7%	-	-	52,470,172	19.0%	-	-
Total	267,049,582	100.0%	169,561,256	100.0%	274,583,784	100.0%	176,738,339	100.0%

	Consolidated							
	06/30/2021				12/31/2020			
	Loans	%	Interbank Onlendings	%	Loans	%	Interbank Onlendings	%
Largest client	16,172,440	5.6%	23,364,644	14.7%	16,366,183	5.5%	25,159,637	14.9%
Next 10 largest clients	59,684,134	20.5%	102,982,390	65.0%	63,334,920	21.2%	109,168,514	64.8%
Next 20 largest clients	49,608,351	17.1%	28,482,062	18.0%	53,283,659	17.8%	30,438,248	18.1%
Next 50 largest clients	63,259,161	21.8%	3,668,673	2.3%	62,278,477	20.9%	3,625,427	2.2%
Next 100 largest clients	48,748,118	16.8%	-	-	48,718,024	16.3%	-	-
Other clients	52,841,511	18.2%	-	-	54,593,308	18.3%	-	-
Total	290,313,715	100.0%	158,497,769	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 June 30, 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

Risk level	% Allowance	Situation	BNDES				Consolidated			
			06/30/2021		12/31/2020		06/30/2021		12/31/2020	
			Gross portfolio	Allowance	Gross portfolio	Allowance	Gross portfolio	Allowance	Gross portfolio	Allowance
AA	0.0	Performing	40,052,667	-	40,963,429	-	40,062,440	-	40,963,429	-
A	0.5	Performing	100,674,085	(503,370)	96,338,803	(481,696)	101,843,632	(509,218)	96,681,930	(483,410)
B	1.0	Performing	71,957,361	(719,574)	85,711,139	(857,111)	85,461,034	(854,611)	90,640,502	(906,405)
C	3.0	Performing	20,386,500	(611,593)	15,483,052	(464,490)	28,934,571	(868,035)	34,197,516	(1,025,925)
C	3.0	Non-Performing	2,148	(64)	18,065	(542)	2,148	(64)	18,065	(542)
D	10.0	Performing	12,316,911	(1,231,691)	14,657,540	(1,465,754)	12,316,911	(1,231,691)	14,657,540	(1,465,754)
D	10.0	Non-Performing	8,799	(880)	68,369	(6,837)	8,799	(880)	68,369	(6,837)
E	30.0	Performing	5,446,163	(1,633,845)	6,938,017	(2,081,406)	5,470,058	(1,641,017)	6,938,017	(2,081,406)
E	30.0	Non-Performing	427,445	(128,234)	-	-	427,445	(128,234)	-	-
F	50.0	Performing	3,353,032	(1,676,521)	3,612,117	(1,806,058)	3,353,032	(1,676,517)	3,612,117	(1,806,058)
F	50.0	Non-Performing	813,522	(406,761)	42,034	(21,017)	813,522	(406,761)	42,034	(21,017)
G	70.0	Non-Performing	5,460	(3,822)	-	-	5,460	(3,822)	-	-
H	100.0	Performing	11,127,531	(11,127,531)	10,721,835	(10,721,835)	11,136,705	(11,136,705)	10,725,668	(10,725,668)
H	100.0	Non-Performing	477,958	(477,958)	29,384	(29,384)	477,958	(477,958)	29,384	(29,384)
Total			267,049,582	(18,521,844)	274,583,784	(17,936,130)	290,313,715	(18,935,513)	298,574,571	(18,552,406)
Current			28,020,203	(1,943,406)	27,948,242	(1,825,611)	31,003,992	(1,996,462)	31,006,712	(1,904,177)
Non-current			239,029,379	(16,578,438)	246,635,542	(16,110,519)	259,309,723	(16,939,051)	267,567,859	(16,648,229)

As of June 30, 2021 and December 31, 2020, no supplementary provisions were formed in addition to the provisions required by BACEN Resolution No. 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	
			06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
AA	0.0	Performing	108,820,321	113,413,444	-	-	56,624,499	61,351,933	-	-
A	0.5	Performing	40,338,155	35,775,136	(201,691)	(178,875)	77,885,316	73,503,949	(389,427)	(367,519)
B	1.0	Performing	18,866,367	25,000,919	(188,664)	(250,009)	22,438,363	30,088,098	(224,384)	(300,881)
C	3.0	Performing	5,918	995,318	(178)	(29,860)	7,844	1,879,848	(236)	(56,396)
E	30.0	Performing	327,191	397,090	(98,157)	(119,127)	338,443	411,566	(101,533)	(123,470)
F	50.0	Performing	1,114,790	1,072,703	(557,395)	(536,351)	1,114,790	1,072,703	(557,394)	(536,351)
H	100.0	Performing	88,514	83,729	(88,514)	(83,729)	88,514	83,729	(88,514)	(83,729)
Total			169,561,256	176,738,339	(1,134,599)	(1,197,951)	158,497,769	168,391,826	(1,361,488)	(1,468,346)
Current			16,688,179	17,448,541	(111,667)	(118,268)	34,762,893	36,873,294	(184,284)	(202,902)
Non-current			152,873,077	159,289,798	(1,022,932)	(1,079,683)	123,734,876	131,518,532	(1,177,204)	(1,265,444)

As of June 30, 2021 and December 31, 2020, no supplementary provisions were formed in addition to the provisions required by BACEN Resolution No. 2,682/1999.

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

a) Loans

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance at the beginning of the year	(17,936,130)	(12,972,934)	(18,552,406)	(13,139,055)
Net reversal (recognition)	(615,241)	(6,896,613)	(412,635)	(7,350,480)
Write-offs against allowance	29,527	1,933,417	29,528	1,937,129
Balance at the end of the period	(18,521,844)	(17,936,130)	(18,935,513)	(18,552,406)

b) Interbank onlendings

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance at the beginning of the year	(1,197,951)	(977,761)	(1,468,346)	(1,228,865)
Net reversal (recognition)	63,352	(220,190)	106,858	(239,481)
Write-offs against allowance	-	-	-	-
Balance at the end of the period	(1,134,599)	(1,197,951)	(1,361,488)	(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			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Credits transferred to loss	6,982	67,680	29,527	144,467
Recovered credits	999,673	1,210,086	1,343,999	1,835,850
Renegotiated credits	9,094,343	163,226,278	16,588,822	168,385,663

	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Credits transferred to loss	6,982	67,680	29,528	1,887,302
Recovered credits	1,033,820	1,210,216	1,378,155	1,836,347
Renegotiated credits	10,013,562	163,226,278	17,509,803	168,385,663

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

As of June 30, 2021, the balance of operations with temporary amortization suspension under the emergency measure accounts for 3.01% in BNDES and 3.13% in Consolidated of the total portfolio of loans and interbank onlendings. In the 12-month period, these percentages correspond to 15.68% at BNDES and 15.50% at Consolidated.

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

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Credit sale of securities	-	-	1,120,005	1,109,176
Allowance	-	-	(978,544)	(961,444)
	-	-	141,461	147,732
Rights receivables	13,973	14,883	947,990	935,392
Allowance	(8,300)	(6,809)	(940,737)	(925,691)
	5,673	8,074	7,253	9,701
Total	5,673	8,074	148,714	157,433
Current	727	974	11,951	7,636
Non-current	4,946	7,100	136,763	149,797

5.9.1. Breakdown of the gross portfolio per sector

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Public sector	10,361	11,074	10,361	11,074
Private sector				
Industry	3,612	3,809	148,119	1,114,662
Other services	-	-	1,909,515	918,832
Total Private sector	3,612	3,809	2,057,634	2,033,494
Total	13,973	14,883	2,067,995	2,044,568

5.9.2. Breakdown of the gross portfolio per maturity date

BNDES			Consolidated		
	06/30/2021	12/31/2020		06/30/2021	12/31/2020
Overdue:	-	-	Overdue:	-	-
Falling due (years):			Falling due (years):		
up to 1	1,791	1,795	up to 1	198,108	174,576
1-2	1,755	1,755	1-2	872,173	842,173
2-3	1,755	1,755	2-3	80,282	80,605
3-5	3,475	3,509	3-5	173,670	161,465
5-10	3,912	4,755	5-10	711,666	782,293
>10	1,285	1,314	>10	32,096	3,456
Total	13,973	14,883	Total	2,067,995	2,044,568

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

a) Credit sale of securities

Risk level	% Allowance	Situation	Consolidated*			
			06/30/2021		12/31/2020	
			Gross portfolio	Allowance	Gross portfolio	Allowance
A	0.5	Performing	140,493	(702)	145,955	(730)
E	30.0	Performing	2,387	(717)	3,581	(1,074)
H	100.0	Performing	-	-	959,640	(959,640)
H	100.0	Non-Performing	977,125	(977,125)	-	-
Total			1,120,005	(978,544)	1,109,176	(961,444)
Current			87,020	(76,029)	48,364	(41,922)
Non-current			1,032,985	(902,515)	1,060,812	(919,522)

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

b) Rights receivables

Risk level	% Allowance	Situation	BNDES			
			06/30/2021		12/31/2020	
			Gross portfolio	Allowance	Gross portfolio	Allowance
B	1.0	Performing	1,004	(10)	1,108	(11)
E	30.0	Performing	-	-	9,967	(2,990)
F	50.0	Performing	9,357	(4,678)	-	-
H	100.0	Performing	3,612	(3,612)	3,808	(3,808)
Total			13,973	(8,300)	14,883	(6,809)
Current			1,791	(1,064)	1,795	(821)
Non-current			12,182	(7,236)	13,088	(5,988)

Risk level	% Allowance	Situation	Consolidated			
			06/30/2021		12/31/2020	
			Gross portfolio	Allowance	Gross portfolio	Allowance
B	1.0	Performing	1,004	(12)	1,108	(12)
C	3.0	Performing	1,630	(49)	1,677	(50)
E	30.0	Performing	-	-	9,967	(2,989)
F	50.0	Performing	9,356	(4,676)	-	-
H	100.0	Performing	6,529	(6,529)	922,640	(922,640)
H	100.0	Non-Performing	929,471	(929,471)	-	-
Total			947,990	(940,737)	935,392	(925,691)
Current			139,619	(138,659)	126,212	(125,018)
Non-current			808,371	(802,078)	809,180	(800,673)

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

Credit sale of securities	Consolidated *	
	06/30/2021	12/31/2020
Balance at the beginning of the year	(961,444)	(899,156)
Net reversal (recognition)	(17,100)	(943,408)
Write-offs against allowance	-	881,120
Balance at the end of the period	(978,544)	(961,444)

* BNDES does not have any balance of credit sale of securities in the periods presented.

Rights receivables	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance at the beginning of the year	(6,809)	(3,000)	(925,691)	(862,565)
Net reversal (recognition)	(1,491)	(3,809)	(15,046)	(921,137)
Write-offs against allowance	-	-	-	858,011
Balance at the end of the period	(8,300)	(6,809)	(940,737)	(925,691)

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

	BNDES			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Net reversal (recognition) on:				
Loans	(536,883)	(1,643,927)	(615,241)	(3,464,490)
Interbank onlendings	56,238	(148,937)	63,352	(198,654)
Debentures	544	26	3,261	2,172
Rights receivables	(1,681)	81	(1,491)	163
Recovery of written-off credits	999,673	1,210,086	1,343,999	1,835,850
Net income (expense) recorded	517,891	(582,671)	793,880	(1,824,959)

	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Net reversal (recognition) on:				
Loans	(495,416)	(1,673,248)	(412,635)	(3,880,913)
Interbank onlendings	89,179	(107,063)	106,858	(226,543)
Debentures	1,275	(857,355)	4,081	(855,063)
Credit sale of securities	(6,629)	880,926	(17,100)	878,617
Rights receivables	(10,050)	(23,046)	(15,046)	(22,995)
Recovery of written-off credits	1,033,820	1,210,216	1,378,155	1,836,347
Net income (expense) recorded	612,179	(569,570)	1,044,313	(2,270,550)

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			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Income from financial intermediation	7,638,761	10,242,084	21,730,559	29,752,128
Loans and interbank onlendings	2,743,881	7,786,907	15,271,032	24,752,558
Local currency	7,947,598	5,216,082	16,160,044	12,420,609
Interest/Commissions	6,605,883	5,096,849	13,369,466	11,521,937
Monetary restatement	826,433	(49,640)	1,678,028	292,104
Income from operations related to National Treasury	515,282	168,873	1,112,550	606,568
Foreign currency	(5,203,717)	2,570,825	(889,012)	12,331,949
Interest/Commissions	237,002	335,684	515,720	677,019
Exchange-rate variation	(5,440,719)	2,235,141	(1,404,732)	11,654,930
Income (loss) from investments in securities	4,634,915	2,270,717	5,993,384	4,557,923
Local currency	5,115,129	2,220,292	6,232,655	4,368,654
Interest/Commissions	1,284,672	616,119	2,561,560	2,159,323
Monetary restatement	749,550	867,654	1,200,519	1,131,852
Income (loss) from disposal	3,280,752	516,720	3,449,799	995,315
Adjustment to market value	(199,845)	219,799	(979,223)	82,164
Foreign currency	(480,214)	50,425	(239,271)	189,269
Interest/Commissions	(38,809)	4,214	24,066	8,180
Exchange-rate variation	(441,405)	20,594	(263,337)	101,392
Adjustment to market value	-	25,617	-	79,697
Income from management of funds and programs	259,965	184,460	466,143	441,647
Financial intermediation expenses	(1,874,697)	(8,835,377)	(12,065,633)	(26,457,524)
Market funding - Financing and onlendings	1,260,896	(8,679,175)	(13,053,532)	(31,798,464)
Local currency	(7,770,823)	(4,475,423)	(14,775,549)	(11,130,821)
Interest/Commissions	(6,976,512)	(4,473,003)	(13,975,958)	(11,126,827)
Monetary restatement	(790,926)	(31)	(791,043)	(51)
Expenses from operations related to National Treasury	(3,385)	(2,389)	(8,548)	(3,943)
Foreign currency	9,031,719	(4,203,752)	1,722,017	(20,667,643)
Interest/Commissions	(340,219)	(516,321)	(747,615)	(1,108,622)
Exchange-rate variation	9,371,938	(3,687,431)	2,469,632	(19,559,021)
Income (loss) from derivative financial instruments - foreign exchange and interest rate	(3,595,436)	368,890	212,008	6,457,873
Income	(1,588,415)	1,238,759	2,276,756	7,989,511
Expenses	(2,007,021)	(869,869)	(2,064,748)	(1,531,638)
Allowance for losses, net of recovery	517,891	(582,671)	793,880	(1,824,959)
Reversal (recognition) of allowance for losses	(481,782)	(1,792,757)	(550,119)	(3,660,809)
Recovery of written-off credits	999,673	1,210,086	1,343,999	1,835,850
Income (loss) from foreign exchange portfolio	(58,048)	57,579	(17,989)	708,026
Gross income from financial intermediation	5,764,064	1,406,707	9,664,926	3,294,604

	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Income from financial intermediation	8,639,984	10,992,786	23,281,011	31,140,206
Loans and interbank onlendings	3,132,545	8,387,981	16,125,785	25,910,422
Local currency	8,237,499	5,645,277	16,769,496	13,267,407
Interest/Commissions	6,454,997	5,413,371	12,980,743	11,815,022
Monetary restatement	839,867	(47,529)	1,700,058	298,660
Income from operations related to National Treasury	942,635	279,435	2,088,695	1,153,725
Foreign currency	(5,104,954)	2,742,704	(643,711)	12,643,015
Interest/Commissions	354,833	500,814	772,951	947,360
Exchange-rate variation	(5,459,787)	2,241,890	(1,416,662)	11,695,655
Income (loss) from investments in securities	5,247,474	2,420,345	6,689,083	4,788,137
Local currency	5,726,985	2,368,166	6,926,747	4,595,552
Interest/Commissions	1,373,708	749,393	2,713,675	2,318,906
Monetary restatement	779,212	873,580	1,248,466	1,199,253
Income (loss) from disposal	3,773,949	516,720	3,942,996	995,315
Adjustment to market value	(199,884)	228,473	(978,390)	82,078
Adjustment to realization probable value	-	-	-	-
Foreign currency	(479,511)	52,179	(237,664)	192,585
Interest/Commissions	(38,106)	5,968	25,673	11,496
Exchange-rate variation	(441,405)	20,594	(263,337)	101,392
Adjustment to market value	-	25,617	-	79,697
Income from management of funds and programs	259,965	184,460	466,143	441,647
Financial intermediation expenses	(1,402,360)	(8,596,751)	(11,200,237)	(26,355,583)
Market funding - Financing and onlendings	1,647,268	(8,454,816)	(12,436,165)	(31,271,107)
Local currency	(7,384,451)	(4,251,064)	(14,158,182)	(10,603,464)
Interest/Commissions	(6,587,391)	(4,228,836)	(13,352,096)	(10,574,707)
Monetary restatement	(790,926)	(31)	(791,043)	(51)
Expenses from operations related to National Treasury	(6,134)	(22,197)	(15,043)	(28,706)
Foreign currency	9,031,719	(4,203,752)	1,722,017	(20,667,643)
Interest/Commissions	(340,219)	(516,321)	(747,615)	(1,108,622)
Exchange-rate variation	9,371,938	(3,687,431)	2,469,632	(19,559,021)
Income (loss) from derivative financial instruments - foreign exchange and interest rate	(3,595,436)	368,890	212,008	6,457,873
Income	(1,588,415)	1,238,759	2,276,756	7,989,511
Expenses	(2,007,021)	(869,869)	(2,064,748)	(1,531,638)
Allowance for losses, net of recovery	612,179	(569,570)	1,044,313	(2,270,550)
Reversal (recognition) of allowance for losses	(421,640)	(1,779,786)	(333,841)	(4,106,897)
Recovery of written-off credits	1,033,819	1,210,216	1,378,154	1,836,347
Income (loss) from foreign exchange portfolio	(66,371)	58,745	(20,393)	728,201
Gross income from financial intermediation	7,237,624	2,396,035	12,080,774	4,784,623

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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Trading securities:				
Investment fund quotas - Exclusive Funds	3,537,482	3,549,553	-	-
Government bonds	65,676,432	78,132,298	65,676,432	78,132,298
Foreign fixed income securities	9	9	65,760	67,803
Mutual investment and equity funds	51,297	47,351	1,127,270	461,942
	69,265,220	81,729,211	66,869,462	78,662,043
Available for sale securities:				
Investment fund quotas - Exclusive Funds	311,177	308,537	-	-
Debentures	3,504,271	6,954,139	3,965,115	7,934,525
Shares (Note 7.1)	8,058,257	7,307,037	54,544,215	64,784,952
Government bonds	23,230,974	28,111,755	23,230,974	28,111,755
Foreign fixed income securities	3,914,455	2,260,222	3,914,455	2,260,222
Mutual investment and equity funds	-	-	2,253,355	1,829,879
	39,019,134	44,941,690	87,908,114	104,921,333
Held to maturity securities:				
Government bonds	15,786	17,367	52,158	53,899
Debentures	857,346	1,482,250	2,928,289	3,723,661
(-) Provision for credit risk - Debentures	(5,214)	(8,475)	(18,245)	(22,326)
	867,918	1,491,142	2,962,202	3,755,234
Derivative financial instruments (Note 6.5)	506,591	32,338	1,399,916	1,167,081
Total	109,658,863	128,194,381	159,139,694	188,505,691

6.1. Breakdown per nature and maturity

	BNDES									
	06/30/2021									12/31/2020
	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	3,537,482	-	-	-	-	-	-	-	3,537,482	3,549,553
Government bonds	-	30,404,663	-	-	-	-	-	-	30,404,663	48,005,233
Foreign fixed income securities	-	9	-	-	-	-	-	-	9	9
Private										
Investment fund shares	-	51,297	-	-	-	-	-	-	51,297	47,351
Subject to repurchase agreements										
Government bonds	-	30,722,557	-	-	-	-	-	-	30,722,557	26,006,055
Subject to guarantees provided										
Government bonds	-	4,549,212	-	-	-	-	-	-	4,549,212	4,121,010
	3,537,482	65,727,738	-	-	-	-	-	-	69,265,220	81,729,211
Available for sale securities:										
Own portfolio										
Public:										
Investment fund quotas - Exclusive Funds	311,177	-	-	-	-	-	-	-	311,177	308,537
Debentures	-	-	60,673	-	-	228,770	119,481	-	408,924	577,718
Shares	7,983,050	-	-	-	-	-	-	-	7,983,050	7,229,616
Government bonds	-	-	2,931,203	6,297,923	689,649	2,601,639	-	5,548,851	18,069,265	21,679,238
Private										
Foreign fixed income securities	-	-	-	-	-	113,072	569,691	3,231,692	3,914,455	2,260,222
Debentures	-	-	44,289	76,797	89,861	962,494	1,560,918	360,988	3,095,347	6,376,421
Shares	75,207	-	-	-	-	-	-	-	75,207	77,421
Subject to repurchase agreements										
Government bonds	-	-	294,906	1,714,775	715,168	-	-	407,648	3,132,497	4,143,540
Subject to guarantees provided										
Government bonds	-	-	29,632	-	-	1,961,918	-	37,662	2,029,212	2,288,977
	8,369,434	-	3,360,703	8,089,495	1,494,678	5,867,893	2,250,090	9,586,841	39,019,134	44,941,690
Held to maturity securities:										
Own portfolio										
Public:										
Government bonds	-	13,533	2,253	-	-	-	-	-	15,786	17,367
Debentures	-	-	33,273	66,853	-	215,867	319,511	221,842	857,346	1,022,637
Provision for credit risk - Debentures	-	-	(165)	(334)	-	(2,008)	(1,598)	(1,109)	(5,214)	(6,177)
Private										
Debentures	-	-	-	-	-	-	-	-	-	459,613
Provision for credit risk - Debentures	-	-	-	-	-	-	-	-	-	(2,298)
	-	13,533	35,361	66,519	-	213,859	317,913	220,733	867,918	1,491,142
Derivative financial instruments (Private)	-	234,340	124,091	-	146,835	-	1,325	-	506,591	32,338
Total	11,906,916	65,975,611	3,520,155	8,156,014	1,641,513	6,081,752	2,569,328	9,807,574	109,658,863	128,194,381
Current									73,344,425	92,307,180
Non-current									36,314,438	35,887,201

	Consolidated									
	06/30/2021									12/31/2020
	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	-	33,308,202	-	-	-	-	-	-	33,308,202	51,853,016
Foreign fixed income securities	-	65,760	-	-	-	-	-	-	65,760	67,803
Private										
Investment fund shares	-	1,127,270	-	-	-	-	-	-	1,127,270	461,942
Subject to repurchase agreements										
Government bonds	-	27,819,018	-	-	-	-	-	-	27,819,018	22,158,272
Subject to guarantees provided										
Government bonds	-	4,549,212	-	-	-	-	-	-	4,549,212	4,121,010
	-	66,869,462	-	-	-	-	-	-	66,869,462	78,662,043
Available for sale securities:										
Own portfolio										
Public:										
Debentures	-	-	60,673	-	-	228,770	119,481	-	408,924	577,718
Shares	47,337,517	-	-	-	-	-	-	-	47,337,517	45,420,970
Government bonds	-	-	2,931,203	6,794,131	1,404,816	2,601,639	-	5,956,500	19,688,289	22,042,705
Private										
Foreign fixed income securities	-	-	-	-	-	113,072	569,691	3,231,692	3,914,455	2,260,222
Debentures	-	229,426	44,289	308,215	89,861	962,494	1,560,918	360,988	3,556,191	7,356,807
Mutual investment and equity funds	2,253,355	-	-	-	-	-	-	-	2,253,355	1,829,879
Shares	7,206,698	-	-	-	-	-	-	-	7,206,698	19,363,982
Subject to repurchase agreements										
Government bonds	-	-	294,906	1,218,567	-	-	-	-	1,513,473	3,780,073
Subject to guarantees provided										
Government bonds	-	-	29,632	-	-	1,961,918	-	37,662	2,029,212	2,288,977
	56,797,570	229,426	3,360,703	8,320,913	1,494,677	5,867,893	2,250,090	9,586,842	87,908,114	104,921,333
Held to maturity securities:										
Own portfolio										
Public:										
Government bonds	-	49,905	2,253	-	-	-	-	-	52,158	53,899
Debentures	-	-	61,754	220,229	-	409,605	497,634	406,719	1,595,941	1,854,096
Provision for credit risk - Debentures	-	-	(308)	(1,101)	-	(3,359)	(2,489)	(2,033)	(9,290)	(10,784)
Private										
Debentures	-	229,231	61,155	229,231	-	-	812,731	-	1,332,348	1,869,565
Provision for credit risk - Debentures	-	(2,292)	(307)	(2,292)	-	-	(4,064)	-	(8,955)	(11,542)
	-	276,844	124,547	446,067	-	406,246	1,303,812	404,686	2,962,202	3,755,234
Derivative financial instruments (Private)										
	-	530,671	124,091	-	741,671	-	1,325	2,158	1,399,916	1,167,081
Total	56,797,570	67,906,403	3,609,341	8,766,980	2,236,348	6,274,139	3,555,227	9,993,686	159,139,694	188,505,691
Current									72,186,612	100,400,722
Non-current									86,953,082	88,104,969

6.2. Cost and market values and breakdown per issuer

	BNDES				Consolidated			
	06/30/2021		12/31/2020		06/30/2021		12/31/2020	
	Cost	Market	Cost	Market	Cost	Market	Cost	Market
Trading securities:								
Own portfolio								
Public:								
Investment fund quotas - Exclusive Funds	3,537,482	3,537,482	3,549,553	3,549,553	-	-	-	-
Government bonds	30,772,104	30,404,663	47,763,963	48,005,233	33,706,437	33,308,202	51,583,075	51,853,016
Foreign fixed income securities	8	9	8	9	65,759	65,760	67,802	67,803
Private								
Investment fund shares	80,591	51,297	80,591	47,351	1,167,008	1,127,270	529,958	461,942
Subject to repurchase agreements								
Government bonds	30,896,842	30,722,557	25,812,151	26,006,055	27,962,509	27,819,018	21,993,039	22,158,272
Subject to guarantees provided								
Government bonds	4,560,812	4,549,212	4,129,879	4,121,010	4,560,812	4,549,212	4,129,879	4,121,010
	69,847,839	69,265,220	81,336,145	81,729,211	67,462,525	66,869,462	78,303,753	78,662,043
Available for sale securities:								
Own portfolio								
Public:								
Investment fund quotas - Exclusive Funds	310,907	311,177	308,246	308,537	-	-	-	-
Debentures	388,480	408,924	543,987	577,718	388,480	408,924	543,987	577,718
Shares	3,693,524	7,983,050	3,693,524	7,229,616	20,015,533	47,337,517	19,967,317	45,420,970
Government bonds	17,725,578	18,069,265	20,327,576	21,679,238	19,325,311	19,688,289	20,685,459	22,042,705
Private								
Foreign fixed income securities	3,857,722	3,914,455	2,169,660	2,260,222	3,857,722	3,914,455	2,169,660	2,260,222
Debentures	3,163,473	3,095,347	3,179,380	6,376,421	3,621,900	3,556,191	3,686,724	7,356,807
Mutual investment and equity funds	-	-	-	-	1,427,360	2,253,355	1,599,682	1,829,879
Shares	-	75,207	-	77,421	3,808,518	7,206,698	6,030,411	19,363,982
Subject to repurchase agreements								
Government bonds	3,095,564	3,132,497	3,825,302	4,143,540	1,495,831	1,513,473	3,467,419	3,780,073
Subject to guarantees provided								
Government bonds	1,945,730	2,029,212	2,008,170	2,288,977	1,945,730	2,029,212	2,008,170	2,288,977
	34,180,978	39,019,134	36,055,845	44,941,690	55,886,385	87,908,114	60,158,829	104,921,333
Held to maturity securities:								
Own portfolio								
Public:								
Government bonds	15,786	15,786	17,367	17,367	52,158	52,158	53,899	53,899
Debentures	857,346	841,582	1,022,637	1,002,406	1,595,941	1,669,950	1,854,096	1,857,734
Provision for credit risk - Debentures	(5,214)	(5,214)	(6,177)	(6,177)	(9,290)	(9,290)	(10,784)	(10,784)
Private								
Debentures	-	-	459,613	436,230	1,332,348	1,266,023	1,869,565	1,806,507
Provision for credit risk - Debentures	-	-	(2,298)	(2,298)	(8,955)	(8,955)	(11,542)	(11,542)
	867,918	852,154	1,491,142	1,447,528	2,962,202	2,969,886	3,755,234	3,695,814
Derivative financial instruments (Private)								
	251,994	506,591	17,970	32,338	251,994	1,399,916	17,970	1,167,081
Total	105,148,729	109,643,099	118,901,102	128,150,767	126,563,106	159,147,378	142,235,786	188,446,271
Summary by portfolio type:								
Own portfolio	64,649,781	69,209,621	83,125,600	91,591,185	90,598,224	123,236,463	110,637,279	156,097,939
Restricted								
Repurchase agreements	33,992,406	33,855,054	29,637,453	30,149,595	29,458,340	29,332,491	25,460,458	25,938,345
Guarantees provided	6,506,542	6,578,424	6,138,049	6,409,987	6,506,542	6,578,424	6,138,049	6,409,987
Summary by issuer:								
Public	97,794,949	102,000,202	112,996,186	118,923,082	111,105,211	138,432,425	126,343,358	154,211,393
Private	7,353,780	7,642,897	5,904,916	9,227,685	15,457,895	20,714,953	15,892,428	34,234,878

6.3. Investment fund shares

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Exclusive funds	3,848,659	3,858,090	-	-
Mutual investment and equity funds	51,297	47,351	3,380,625	2,291,821
Total	3,899,956	3,905,441	3,380,625	2,291,821
Current	3,899,956	3,905,441	1,127,270	461,942
Non-current	-	-	2,253,355	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	06/30/2021	12/31/2020
Bozano Educacional II FIP	BRL Trust Investimentos Ltda.	312,685	333,488
VINCI Energia Sustentável FIDC	BRL Trust Investimentos Ltda.	257,251	254,957
Pátria Infraestrutura III FI FIP	Pátria Infraestrutura Gestão de Recursos Ltda.	232,576	191,348
SRM EXODUS PME Fundo de Investimento em Direitos Credit	Vortex Distribuidora de Títulos e Valores Mobiliários Ltda.	227,919	-
Pátria Crédito Estruturado Fundo de Investimento em Dir	Intrag Distribuidora de Títulos e Valores Mobiliários Ltda.	215,591	86,976
Fundo BBI Financeiro I FMIEE	FinHealth Gestão de Recursos S.A.	200,913	130,407
Fundo de Investimento em Direitos Cred. CIELO E BNDES	Oliveira Trust DTVM S.A.	200,288	-
Fundo Ag Angra Infra-Estrutura FIP	BEM – Distribuidora de Títulos e Valores Mobiliários Ltda.	198,331	155,810
Brasil Sustentabilidade FIP	BEM - Distribuidora de Títulos e Valores Mobiliários Ltda.	161,651	127,557
Fundo de Investimento em Participações CRIATEC II	Lions Trust Adm de Recursos Ltda.	122,186	70,075
FMIEE CRIATEC	Intrader Distribuidora de Títulos e Valores Mobiliários Ltda.	118,415	67,896
Brasil Agronegócio-FD. de Investimento em Participações	BEM – Distribuidora de Títulos e Valores Mobiliários Ltda.	117,723	76,331
Capital Tech II FIP	BRL Trust Investimentos Ltda.	114,833	73,827
Fundo de Investimento em Direitos Creditórios CASHME-PL	Plural S.A. Banco Múltiplo	94,986	-
Subtotal		2,575,348	1,568,672
Other		805,277	723,149
Total		3,380,625	2,291,821
Current		1,127,270	461,942
Non-current		2,253,355	1,829,879

* On 06/30/2021, BNDES had shareholdings in the amount of R\$ 51,297 (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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance of available for sale debentures	3,504,271	6,954,139	3,965,115	7,934,525
Current	104,962	3,259,405	343,017	4,013,153
Non-current	3,399,309	3,694,734	3,622,098	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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Gross amount	857,346	1,482,250	2,928,289	3,723,661
Allowance for losses	(5,214)	(8,475)	(18,245)	(22,326)
Net value	852,132	1,473,775	2,910,044	3,701,335
Current	33,108	482,618	349,233	729,345
Non-current	819,024	991,157	2,560,811	2,971,990

6.4.2.2. Breakdown of the gross portfolio per sector

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Public sector	857,346	1,022,637	1,595,941	1,854,095
Private sector	-	459,613	873,887	1,430,754
Industry	-	-	458,461	438,812
Other services ^(*)	-	-	-	-
Total Private sector	-	459,613	1,332,348	1,869,566
Total	857,346	1,482,250	2,928,289	3,723,661

^(*) Includes mining and telecommunications

6.4.2.3. Breakdown of the gross portfolio per maturity date

BNDES			Consolidated		
Years:	06/30/2021	12/31/2020	Years:	06/30/2021	12/31/2020
up to 1	33,273	485,043	up to 1	352,140	734,113
1-2	66,853	170,471	1-2	449,459	736,425
2-3	-	-	2-3	-	-
3-5	215,867	247,715	3-5	409,605	428,750
5-10	319,511	223,075	5-10	1,310,367	1,222,648
>10	221,842	355,946	>10	406,718	601,725
Total	857,346	1,482,250	Total	2,928,289	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	
			06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
A	0.5	Performing	820,215	1,436,509	(4,100)	(7,182)	2,417,386	3,218,093	(12,087)	(16,091)
B	1.0	Performing	-	3,960	-	(40)	458,461	446,577	(4,585)	(4,466)
C	3.0	Performing	37,131	41,781	(1,114)	(1,253)	52,442	58,991	(1,573)	(1,769)
Total			857,346	1,482,250	(5,214)	(8,475)	2,928,289	3,723,661	(18,245)	(22,326)
Current			33,273	485,043	(165)	(2,425)	352,140	734,113	(2,907)	(4,768)
Non-current			824,073	997,207	(5,049)	(6,050)	2,576,149	2,989,548	(15,338)	(17,558)

6.4.2.5. Changes on provision for debentures

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance at the beginning of the year	(8,475)	(10,586)	(22,326)	(27,772)
Net reversal (recognition)	3,261	2,111	4,081	5,446
Write-off against allowance	-	-	-	-
Balance at the end of the period	(5,214)	(8,475)	(18,245)	(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				
		06/30/2021			12/31/2020	
		Reference value	Market value		Market value	
			Assets	(Liabilities)	Assets	(Liabilities)
Swap agreements						
Foreign exchanges:						
USD x Euro	June 2022	(3,590)	-	(3,698)	-	(10,716)
Interest rate in US\$:						
Floating x Fixed	Aug 2021– Oct 2042	(16,113)	124,091	(44,351)	31,921	(5,555)
Subtotal		(19,703)	124,091	(48,049)	31,921	(16,271)
Future contracts (*)						
DI (short position)	Oct 2021– Jan 2029	(67,516,138)	-	-	-	-
USD (long position)	July 2021	170,075	-	-	-	-
USD (short position)	Aug 2021	(293,879)	-	-	-	-
DDI (long position)	July 2021– Oct 2025	25,561,514	-	-	-	-
DDI (short position)	July 2021	(170,047)	-	-	-	-
DAP (short position)	Jan 2022– Aug 2028	4,648,143	-	-	-	-
Subtotal		(37,600,332)	-	-	-	-
Forward contracts						
Government bonds	July 2021	8,105,678	234,340	(234,412)	-	-
Subtotal		8,105,678	234,340	(234,412)	-	-
Options						
		Pricing				
Share subscription bonus (assets)	<i>Black-Scholes</i>		148,160	-	417	-
Subtotal			148,160	-	417	-
Total			506,591	(282,461)	32,338	(16,271)
Current			358,431	(282,461)	31,921	(12,701)
Non-current			148,160	-	417	(3,570)

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

	Maturities	Consolidated				
		Reference value	06/30/2021		12/31/2020	
			Market value		Market value	
			Assets	(Liabilities)	Assets	(Liabilities)
Swap agreements						
Foreign exchanges:						
USD x Euro	June 2022	(3,590)	-	(3,698)	-	(10,716)
Interest rate in US\$:						
Floating x Fixed	Aug 2021– Oct 2042	(16,113)	124,091	(44,351)	31,921	(5,555)
Subtotal		(19,703)	124,091	(48,049)	31,921	(16,271)
Future contracts (*)						
DI (short position)	Oct 2021– Jan 2029	(67,516,138)	-	-	-	-
USD (long position)	July 2021	170,075	-	-	-	-
USD (short position)	Aug 2021	(293,879)	-	-	-	-
DDI (long position)	July 2021– Oct 2025	25,561,514	-	-	-	-
DDI (short position)	July 2021	(170,047)	-	-	-	-
DAP (short position)	Jan 2022– Aug 2028	4,648,143	-	-	-	-
Subtotal		(37,600,332)	-	-	-	-
Forward contracts						
Government bonds	July 2021	8,105,678	234,340	(234,412)	-	-
Subtotal		8,105,678	234,340	(234,412)	-	-
Options						
Pricing						
Share subscription bonus (assets)	Black-Scholes and Binomial Tree		448,890	-	383,187	-
Subtotal			448,890	-	383,187	-
Embedded derivatives						
Share subscription bonus			592,595	-	751,973	-
Subtotal			592,595	-	751,973	-
Total			1,399,916	(282,461)	1,167,081	(16,271)
Current			646,133	(282,461)	418,614	(12,701)
Non-current			753,783	-	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			
	06/30/2021		12/31/2020		06/30/2021		12/31/2020	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Assets								
Swap agreements	124,091	-	31,921	-	124,091	-	31,921	-
Forward contracts	234,340	-	-	-	234,340	-	-	-
Option contracts	-	-	-	-	-	448,890	10,916	372,271
Embedded derivatives	-	148,160	-	417	287,702	304,893	375,777	376,196
Total	358,431	148,160	31,921	417	646,133	753,783	418,614	748,467
Liabilities								
Swap agreements	(48,049)	-	(12,701)	(3,570)	(48,049)	-	(12,701)	(3,570)
Forward contracts	(234,412)	-	-	-	(234,412)	-	-	-
Total	(282,461)	-	(12,701)	(3,570)	(282,461)	-	(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 June 30, 2021. All operations below have been accounted according to BACEN Circular Letter 3,082/2002.

Notional value	Reference currencies	Maturity	Counterparties
US\$ 15.7 million ⁽¹⁾	USD - EUR	June 2022	Santander
US\$ 792.8 million ⁽¹⁾	USD (floating interest rate)	Aug 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 June 30, 2021, government securities given as collateral to those operations amounted to R\$ 37,034 and government securities in the amount of R\$ 16,610 were received as collateral. R\$ 123,672 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			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Net income (expense):				
Swap agreements	(164,706)	(25,707)	44,675	(111,123)
Future contracts	(3,430,036)	394,580	167,405	6,568,989
Forward contracts	(694)	17	(72)	7
Subtotal- Foreign exchange and interest rate	(3,595,436)	368,890	212,008	6,457,873
Option contracts	146,858	148	147,744	9
Embedded derivatives	-	-	-	-
"Variable Income" subtotal	146,858	148	147,744	9
Total	(3,448,578)	369,038	359,752	6,457,882
Foreign exchange and interest rate	(3,595,436)	368,890	212,008	6,457,873
Variable Income	146,858	148	147,744	9

	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Net income (expense):				
Swap agreements	(164,706)	(25,707)	44,675	(111,123)
Future contracts	(3,430,036)	394,580	167,405	6,568,989
Forward contracts	(694)	17	(72)	7
Subtotal- Foreign exchange and interest rate	(3,595,436)	368,890	212,008	6,457,873
Option contracts	176,739	12,243	105,010	5,753
Embedded derivatives	17,828	416,217	(159,378)	(156,707)
"Variable Income" subtotal	194,567	428,460	(54,368)	(150,954)
Total	(3,400,869)	797,350	157,640	6,306,919
Foreign exchange and interest rate	(3,595,436)	368,890	212,008	6,457,873
Variable Income	194,567	428,460	(54,368)	(150,954)

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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Securities – Shares				
Current	-	-	670,868	10,045,547
Non-current	8,058,257	7,307,037	53,873,347	54,739,405
Subtotal Securities – DPV shares	8,058,257	7,307,037	54,544,215	64,784,952
Investments				
Interest in subsidiaries	115,362,438	117,761,105	-	-
Interest in associated companies	-	-	11,334,610	10,868,901
Other equity investments	103,000	103,000	103,000	103,000
Other investments	42,146	42,146	42,146	42,146
Subtotal permanent investments	115,507,584	117,906,251	11,479,756	11,014,047
Total	123,565,841	125,213,288	66,023,971	75,798,999

	BNDES			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Provision for impairment on equity investments - Income statement				
Available-for-sale (Note 7.1.1)		(36,614)	-	(36,614)
Total	-	(36,614)	-	(36,614)

	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Provision for impairment on equity investments - Income statement				
Available-for-sale (Note 7.1.1)	(5,388)	(308,677)	(12,288)	(310,781)
Associated companies (Note 7.2.3)	-	(55,933)	-	(55,933)
Total	(5,388)	(364,610)	(12,288)	(366,714)

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Dividends and interest on shareholders' equity receivable				
Available-for-sale shares				
Dividends	90,439	-	463,436	13,001
Interest on shareholders' equity	-	-	219,265	209,396
Associated companies				
Dividends	-	-	4,889	1,591
Interest on shareholders' equity	-	-	-	3,313
Subsidiaries				
Dividends	-	2,919,653	-	-
Total	90,439	2,919,653	687,590	227,301

Sale of shares and bonuses and subscription rights	BNDES			
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Available-for-sale shares (Note 7.1.1)	-	(68,826)	-	7,516,511
Bonuses and share subscription right	-	-	-	-
Total	-	(68,826)	-	7,516,511

Sale of shares and bonuses and subscription rights	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Available-for-sale shares (Note 7.1.1)	494,671	(68,826)	11,080,240	8,030,011
Associated companies' shares (Note 7.2.3)	1,160	-	1,160	-
Bonuses and share subscription right	-	-	151	-
Total	495,831	(68,826)	11,081,551	8,030,011

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 – 06/30/2021			Book value			
	Shares held (thousand)		% of interest in total capital	BNDES		Consolidated	
	Common	Preferred		06/30/2021	12/31/2020	06/30/2021	12/31/2020
LEVEL 1							
PETROBRAS ⁽¹⁾	17,700	1,035,459	8.07	3,972,241	3,832,936	30,945,975	29,856,265
ELETROBRAS ⁽²⁾	216,303	36,954	16.15	4,010,810	3,396,681	10,945,715	9,265,097
COPEL - UNITS	131,162	524,646	23.96	-	-	3,797,127	4,683,603
CEMIG	63,083	30,438	5.52	-	-	1,289,593	1,329,342
EMBRAER	39,762	-	5.37	-	-	747,535	348,319
BRASIL ENERGIA S.A. (former AES TIETÊ ENERGIA)	39,555	-	9.91	-	-	550,600	655,419
COMPANHIA SIDERURGICA NACIONAL	8,795	-	0.63	-	-	387,063	280,997
ENGIE BRASIL ENERGIA	7,781	-	0.95	-	-	304,488	344,017
OURO FINO SAÚDE ANIMAL	6,614	-	12.26	-	-	223,552	238,235
COPASA	13,160	-	3.46	-	-	203,973	214,106
VALE ⁽³⁾	-	-	-	-	-	-	10,045,547
KLABIN ⁽³⁾	-	-	-	-	-	-	2,205,216
Subtotal – Level 1				7,983,051	7,229,617	49,395,621	59,466,163
Other companies - Level 1				-	-	677,830	462,685
Total level 1				7,983,051	7,229,617	50,073,451	59,928,848
LEVEL 3				75,206	77,420	4,470,764	4,856,104
TOTAL				8,058,257	7,307,037	54,544,215	64,784,952
Current				-	-	670,868	10,045,547
Non-current				8,058,257	7,307,037	53,873,347	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 of during the six-month period ended June 30, 2021. See the Note 7.1.3.

During the three and six-month periods ended June 30, 2021 and June 30, 2020, there was no reclassification of amounts between Levels 1 and 2.

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

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance at the beginning of the year	77,420	140,588	4,856,104	758,671
Acquisitions	-	30,308	-	1,724,741
Transfer from Level 3 to Level 1	-	-	-	(146,119)
Transfer from Level 1 to Level 3	-	-	(72,557)	154,068
Transfer from Level 2 to Level 3	-	-	9,113	1,896,576
Permanent loss	-	(165,396)	-	(340,441)
Adjustment to market value	(2,214)	71,920	(321,896)	808,608
Balance at the end of the period	75,206	77,420	4,470,764	4,856,104

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

During the six-month periods ended June 30, 2021 and June 30, 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. 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 six-month period ended June 30, 2021, no new assets were identified whose loss recognized in Other Comprehensive Income had characteristics of permanent loss. The amount recognized as provision for impairment of investments in available-for-sale shares in the six-month period ended June 30, 2021, in the amount of R\$ 12,288 in the consolidated (R\$ 5,388 in the three-month period ended June 30, 2021), corresponds to assets whose permanent nature of the loss was identified in previous years.

In the six-month and three-month periods ended June 30, 2020, three assets had their adjustment to negative market value considered as a permanent loss and recognized in the income or loss for the period, in the amount of R\$ 36,614 in the BNDES and R\$ 306,608 in the consolidated.

The loss on shares classified as available for sale is included in the item "Reversal (recognition) of provision for investment adjustment" in the statement of income, together with the provision for impairment of investment in shares of associated companies.

	BNDES			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Permanent loss identified				
In the period - new companies	-	(36,614)	-	(36,614)
In previous years - companies that already had a permanent loss in previous years	-	-	-	-
Total effect on income (loss)	-	(36,614)	-	(36,614)

	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Permanent loss identified				
In the period - new companies	-	(306,608)	-	(306,608)
In previous years - companies that already had a permanent loss in previous years	(5,388)	(2,069)	(12,288)	(4,173)
Total effect on income (loss)	(5,388)	(308,677)	(12,288)	(310,781)

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 June 30, 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	
	06/30/2021	12/31/2020
Gross amounts – before taxes:		
Effects in the income (loss) for the six-month period / year ⁽¹⁾	(393,774)	(7,397,929)
Effect in the shareholders' equity – Accumulated equity valuation adjustment ⁽²⁾	(4,301,875)	(4,695,650)
Amounts net of taxes:		
Effects in the income (loss) for the six-month period / year ⁽¹⁾	(259,891)	(4,147,374)
Effect in the shareholders' equity – Accumulated equity valuation adjustment ⁽³⁾	(2,649,793)	(2,909,683)

⁽¹⁾ The effect presented in the income (loss) for the six-month period ended June 30, 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). 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.

⁽²⁾ Of the total of R\$ 4,301,875 as of June 30, 2021, R\$ 2,579,648 refers to the effect of shares held by BNDESPAR and R\$ 1,722,227 to shares directly held by BNDES.

⁽³⁾ Of the total of R\$ 2,649,793 as of June 30, 2021, R\$ 1,702,569 refers to the effect of shares held by BNDESPAR and R\$ 947,224 to shares directly held by BNDES.

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 six-month period ended June 30, 2021, the gain of R\$ 11,081,551 in the consolidated income, of which R\$ 11,080,240 is related to the disposal of available-for-sale shares (R\$ 8,030,011 in the six-month period ended June 30, 2020, that fully corresponds to disposal of available-for-sale shares).

Out of the gain of R\$ 11,080,240 in the six-month period ended June 30, 2021, R\$ 9,535,749 results from the disposal of Vale S.A. shares by BNDESPAR as of February 22, 2021. BNDESPAR completed the process of selling all its shareholding interest in Vale S.A., which started in the previous year, so that it no longer has shares issued by said company. On November 9, 2020 to February 22, 2021, BNDESPAR sold 188,496,276 shares issued by Vale S.A., representing 3.57% of the Company's capital.

Of the gain of R\$ 8,030,011 in the six-month period ended June 30, 2020, R\$ 7,044,447 arises from the sale by BNDES of all common shares issued by Petrobras and of its ownership (734,203 thousand common 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 held in February 2020.

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											
	Three-month period ended						Six-month period ended					
	06/30/2021			06/30/2020			06/30/2021			06/30/2020		
	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total
Eletrobras	89,313	-	89,313	-	-	-	225,125	-	225,125	-	-	-
Petrobras	106,501	-	106,501	-	-	-	106,501	-	106,501	-	67,871	67,871
Subtotal	195,814	-	195,814	-	-	-	331,626	-	331,626	-	67,871	67,871
Other companies	-	-	-	39	-	39	-	-	-	39	-	39
Total	195,814	-	195,814	39	-	39	331,626	-	331,626	39	67,871	67,910

Investees	Consolidated											
	Three-month period ended						Six-month period ended					
	06/30/2021			06/30/2020			06/30/2021			06/30/2020		
	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total	Dividends	Interest on shareholders' equity	Total
Vale	-	-	-	-	-	-	-	-	-	-	457,542	457,542
Petrobras	829,307	-	829,307	-	-	-	829,306	-	829,306	-	448,262	448,262
Eletrobras ⁽¹⁾	242,503	-	242,503	(6,918)	-	(6,918)	611,263	-	611,263	(6,918)	-	(6,918)
Copel	51,223	-	51,223	-	-	-	378,622	31,993	410,615	-	-	-
Naturgy Brasil (former CEG)	105,429	-	105,429	8,803	-	8,803	105,429	-	105,429	8,803	-	8,803
Cemig	51,308	-	51,308	-	-	-	51,308	-	51,308	-	-	-
Copasa	-	1,913	1,913	-	-	-	-	6,787	6,787	-	-	-
AES Tietê	787	-	787	25,345	-	25,345	787	-	787	25,345	-	25,345
Subtotal	1,280,557	1,913	1,282,470	27,230	-	27,230	1,976,715	38,780	2,015,495	27,230	905,804	933,034
Other companies	20,832	-	20,832	207	1,524	1,731	29,383	130	29,513	6,094	6,435	12,529
Total	1,301,389	1,913	1,303,302	27,437	1,524	28,961	2,006,098	38,910	2,045,008	33,324	912,239	945,563

⁽¹⁾ The negative value of JSCP (interest on shareholders' equity) represent an "expense" recognized in the income (loss) for the period due to the need to adjust the value of the previously recorded income. Overall, such adjustments result from changes in the disclosures made by the investee related to the distributed earnings.

7.2. Permanent investments

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
In subsidiaries				
Evaluated by the equity method	115,362,438	117,761,105	-	-
In associated companies				
Evaluated by the equity method	-	-	11,334,610	10,868,901
Other equity investments	103,000	103,000	103,000	103,000
Other investments	42,146	42,146	42,146	42,146
Total	115,507,584	117,906,251	11,479,756	11,014,047

7.2.1. Subsidiaries – BNDES

Subsidiaries	Base date	Shareholders' equity	Net income for the period	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	
				Three-month period ended		Six-month period ended		06/30/2021	12/31/2020	06/30/2021	12/31/2020
				06/30/2021	06/30/2020	06/30/2021	06/30/2020				
Agência Especial de Financiamento Industrial – FINAME	06/30/2021	15,369,025	502,104	221,636	88,631	502,104	57,100	(82,789)	(139,376)	15,369,025	14,810,334
BNDES Participações S.A. – BNDES ⁽²⁾	06/30/2021	99,993,413	10,060,950	2,260,186	(1,055,182)	10,060,950	(504,627)	21,562,684	26,908,023	99,993,413	102,950,771



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June 30, 2021
(Amounts expressed in thousands of Reais, unless otherwise indicated)

Total				2,481,822	(966,551)	10,563,054	(447,527)	21,479,895	26,768,647	115,362,438	117,761,105
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⁽¹⁾ Balance of equity valuation adjustments reflected from subsidiaries

⁽²⁾ Shareholders' equity, income (loss) for the period 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

	06/30/2021				12/31/2020
	Income (loss) for the period	Other comprehensive income (OCI)	Retained earnings ⁽¹⁾	Shareholders' equity	Shareholders' equity
BNDESPAR Shareholders' equity BNDESPAR (CVM Standard)	2,906,290	26,920,517	8,804,588	100,653,048	103,602,486
Adjustments in accounting practices:					
Gain on bargain purchase ⁽²⁾	28,669	-	(181,061)	(152,392)	(181,062)
Equity in earnings (losses) ⁽³⁾	4,955	-	17,237	22,191	17,237
Impairment loss					
. Interest in associated companies ⁽⁴⁾	(28,669)	-	28,669	-	28,669
. Shares FVTOCI - CMN Res. 4,175 ⁽⁵⁾	(393,774)	(2,579,649)	2,973,423	-	-
. Shares FVTOCI - Bacen Circ. Letter 3,068 ⁽⁶⁾	-	(5,875,259)	5,875,259	-	-
. Debentures measured at amortized cost, installment sales and receivables ⁽⁷⁾	(19,617)	-	(859,447)	(879,064)	(859,447)
Adjustment to market value of debentures ⁽⁸⁾	474,608	(3,073,673)	2,599,065	-	-
Adoption of CPC 48					
. Disposals of shares at FVTPL ⁽⁹⁾	11,474,014	-	(11,474,014)	-	-
. Impairment loss of shares and debentures at FVTPL ⁽¹⁰⁾	(12,288)	3,573,542	(3,561,254)	-	-
. Other effects	(163,542)	(107,509)	271,051	-	-
Tax effect on adjustments of accounting practices	(4,209,696)	2,704,715	1,854,611	349,630	342,888
BNDESPAR Shareholders' equity BNDESPAR (Cosif Standard)	10,060,950	21,562,684	6,348,127	99,993,413	102,950,771

⁽¹⁾ Balance of retained earnings adjusted by the balance of the accounting practice equalization reserve (statutory reserve).

⁽²⁾ BNDESPAR, following CPC 15 - Business Combination, recognizes "Gain from bargain purchase" on the acquisition of associated companies in the income (loss) for the period when the transaction takes place. Based on the Cosif Standard, such gain is maintained in assets as a "negative goodwill", reducing the value of the investment 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 June 30, 2021, the accumulated adjustment of creditor practice in shareholders' equity totaled R\$ 22,191 (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. In the six-month period ended June 30, 2021, such adjustment in the amount of R\$ 28,669 was made due to the sale of the associated company.

⁽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 June 30, 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 six-month period ended June 30, 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). As of June 30, 2021 and December 31, 2020, the cumulative adjustment of the debtor practice in OCI totals R\$ 5,875,259, equivalent to the amount of the overstated loss in accordance with the Cosif Standard.

⁽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 June 30, 2021, the accumulated adjustment of the debtor practice in the Shareholders' Equity totals R\$ 879,064 (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 period. 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 June 30, 2021, the accumulated adjustment of the debtor practice in OCI totals R\$ 3,073,673 (R\$ 2,599,065 as of December 31, 2020), equivalent to the negative market 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 period, whereas according to the CVM Standard (CPC 48 - Financial Instruments) the concept of permanent loss is not applicable. As of June 30, 2021, the accumulated adjustment of the creditor practice in OCI totals R\$ 3,573,542 (R\$ 3,561,254 as of December 31, 2020), equivalent to the negative market 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.

Associate d compane s	04/30/2021 ⁽¹⁾				11/01/2020 to 04/30/2021 - six months ⁽¹⁾					06/30/2021
	Current assets	Current liabilities	Non- current liabilities	Shareholders ' equity	Income	Income (loss) from continued operation s	Income (losses) from discontinue d operations	Other comprehensiv e income	Total comprehensiv e income	Market value ⁽²⁾
JBS	6,643,197	10,132,141	30,266,179	38,063,633	21,128,680	6,310,316	-	(66,902)	6,243,414	16,897,255
Tupy	1,801,773	851,018	2,049,567	2,576,866	1,581,402	21,381	-	(60,616)	(39,235)	956,792
Subtotal	8,444,970	10,983,159	32,315,746	40,640,499	22,710,082	6,331,697	-	(127,518)	6,204,179	
Other associated companies	3,051,385	2,426,245	3,560,186	3,562,380	1,855,190	252,859	(45,991)	207,764	414,632	
Total	11,496,355	13,409,404	35,875,932	44,202,879	24,565,272	6,584,556	(45,991)	80,246	6,618,811	

⁽¹⁾ Base date of the shareholders' equity of the investees used to calculate the last equity in earnings (losses), except for investment in JBS, whose statement of financial position used was dated 03/31/2021 (the most recent information disclosed in the market by the associated company when these financial statements were prepared and the delay of 1 month has an immaterial effect on the financial statements).

⁽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 companies' equity portfolio on June 30, 2021:

Associated companies (2)	06/30/2021 (1)								12/31/2020 (1)	Nature of associated company's business activities
	Shares held (thousand)	% of interest on capital (3)		Equity value	Goodwill on expected future profitability	(Provision) / Reversal for losses	Negative goodwill	Total	Total	
		Common	Total							
JBS	581,661	23.55	23.55	8,963,841	479,821	-	-	9,443,662	9,009,691	Food industry Metallurgy and steel industries
Tupy	40,645	28.19	28.19	726,449	-	-	-	726,449	737,226	
Subtotal				9,690,290	479,821	-	-	10,170,111	9,746,917	
Other associated companies				1,248,130	719,529	(650,768)	(152,392)	1,164,499	1,121,984	
Total				10,938,420	1,199,350	(650,768)	(152,392)	11,334,610	10,868,901	

⁽¹⁾ The base date of the shareholders' equity of the investees used to calculate the last equity in earnings (losses) is 01/31/2021, except for JBS, where the shareholders' equity on the base date of 03/31/2021 was used, which was the most recent information disclosed in the market by the associated company when preparing these financial statements (10/31/2020 for calculation of equity in earnings (losses) 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.

JBS - Structuring of the secondary public offering of shares

As disclosed by JBS in a Material Fact as of November 19, 2019, BNDESPAR communicated its intention to sell shares issued by JBS of its ownership, potentially through a public offering of secondary distribution of shares. On the occasion, BNDESPAR also informed that it started studies to detail the possible structures and characteristics of the Operation, including regarding the definition of its schedule and volume of the transaction.

Due to the effects of the crisis and the deterioration of market conditions caused by the Covid-19 pandemic, the Offer did not proceed. However, BNDESPAR continues monitoring and periodically evaluating liquidity opportunities in the market for possible divestments of its asset portfolio.

7.2.3 Changes in investments in associated companies - consolidated

Charts below show the main changes in BNDESPAR portfolio of associated companies for the following periods:

Three-month period ended June 30, 2021 and June 30, 2020

Associated companies	Balance at 04/01/2021	Acquisition	Dividends/interest on shareholders' equity	Equity in earnings (losses) of subsidiaries and associates	Other equity in earnings (losses) ⁽¹⁾	Equity valuation adjustments reflected from associated companies	Disposal	Balance at 06/30/2021
JBS ^{(2) (3)}	9,076,742	-	(338,433)	370,856	(146,021)	480,518	-	9,443,662
Tupy	736,752	-	-	(5,283)	(8)	(5,012)	-	726,449
Subtotal	9,813,494	-	(338,433)	365,573	(146,029)	475,506	-	10,170,111
Other associated companies	1,117,953	64,946	(10,879)	31,784	(6,402)	(2,887)	(30,016)	1,164,499
Total	10,931,447	64,946	(349,312)	397,357	(152,431)	472,619	(30,016)	11,334,610

Associated companies	Balance at 04/01/2020	Dividends/interest on shareholders' equity	Equity in earnings (losses) of subsidiaries and associates	Other equity in earnings (losses) ⁽¹⁾	Equity valuation adjustments reflected from associated companies	Reversal (recognition) of allowance for impairment loss	Effects from transfer from/(to) securities	Balance at 06/30/2020
JBS ^{(2) (3)}	6,714,834	-	(1,141,107)	(380)	1,405,075	-	-	6,978,422
Tupy	688,821	-	(76,272)	135	56,221	-	-	668,905
Subtotal	7,403,655	-	(1,217,379)	(245)	1,461,296	-	-	7,647,327
Other associated companies	1,142,504	(6,883)	(2,782)	(2,230)	40,363	(55,933)	(47,169)	1,067,870
Total	8,546,159	(6,883)	(1,220,161)	(2,475)	1,501,659	(55,933)	(47,169)	8,715,197

Six-month period ended June 30, 2021 and June 30, 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) ⁽¹⁾	Equity valuation adjustments reflected from associated companies	Disposal	Balance at 06/30/2021
JBS ^{(2) (3)}	9,009,691	-	(591,363)	1,374,136	(345,401)	(3,401)	-	9,443,662
Tupy	737,226	-	-	6,197	140	(17,114)	-	726,449
Subtotal	9,746,917	-	(591,363)	1,380,333	(345,261)	(20,515)	-	10,170,111
Other associated companies	1,121,984	64,946	(13,215)	37,929	(12,880)	(4,249)	(30,016)	1,164,499
Total	10,868,901	64,946	(604,578)	1,418,262	(358,141)	(24,764)	(30,016)	11,334,610

Associated companies	Balance at 01/01/2020	Dividends/interest on shareholders' equity	Equity in earnings (losses) of subsidiaries and associates	Other equity in earnings (losses) ⁽¹⁾	Equity valuation adjustments reflected from associated companies	Reversal (recognition) of allowance for impairment loss	Effects from transfer from/(to) securities	Balance at 06/30/2020
JBS ^{(2) (3)}	7,181,075	(314,443)	(1,257,090)	(380)	1,369,260	-	-	6,978,422
Tupy	655,312	-	(57,044)	135	70,502	-	-	668,905
Subtotal	7,836,387	(314,443)	(1,314,134)	(245)	1,439,762	-	-	7,647,327
Other associated companies	1,111,680	(8,473)	25,211	(8,956)	51,510	(55,933)	(47,169)	1,067,870
Total	8,948,067	(322,916)	(1,288,923)	(9,201)	1,491,272	(55,933)	(47,169)	8,715,197

⁽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 JBS includes the changes in capital reserve recognized by the associated company as a result of capital transactions. Moreover, for the six-month period ended June 30, 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)" results from the treasury stock transactions carried out by JBS and the consequent relative change in the percentage of BNDESPAR's equity interest.

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.

	06/30/2021	06/30/2020
Associated companies' unsecured liability - % BNDESPAR ⁽¹⁾	914,901	262,734
Losses not recognized in income (loss) for the period ⁽¹⁾	14,971	4,935

⁽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

In the six-month period ended June 30, 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 record or reverse a provision was not verified. The same analysis carried out in the six-month period ended June 30, 2020 resulted in the recording of a provision for impairment losses in the amount of R\$ 55,933.

7.3. Other equity investments

Investees	Shares held (thousand)		% interest in capital stock	BNDES		Consolidated	
	Common	Preferred		06/30/2021	12/31/2020	06/30/2021	12/31/2020
FGI ⁽¹⁾	84,344	-	14.75	103,000	103,000	103,000	103,000
Total				103,000	103,000	103,000	103,000

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

7.4. Other investments

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
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 N° 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	
	06/30/2021	12/31/2020
Rights receivable - Eletrobras Group	6,942,511	8,711,821
Total	6,942,511	8,711,821
Current	4,417,900	4,295,530
Non-current	2,524,611	4,416,291

9. OTHER ASSETS

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Non-operating assets	-	787	-	1,786
Real estate properties	-	479	-	1,477
Other	-	787	-	787
Provision for devaluations	-	(479)	-	(478)
Stock material	1,196	1,200	1,196	1,200
Subtotal	1,196	1,987	1,196	2,986
Non-financial assets held for sale	-	-	999	-
Prepaid expenses	1,187,043	1,293,241	1,187,044	1,293,242
Insurance premium	244,910	282,782	244,910	282,783
Agent's commission	21,788	23,514	21,789	23,514
Financed insurance premium	920,345	986,945	920,345	986,945
Total	1,188,239	1,295,228	1,189,239	1,296,228

10. BORROWINGS AND ONLENDINGS

	BNDES		CONSOLIDATED	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Borrowings				
Country	2,941,802	3,192,380	2,941,802	3,192,380
Foreign	8,074,693	8,385,578	8,074,693	8,385,578
	11,016,495	11,577,958	11,016,495	11,577,958
Onlendings				
Country				
National Treasury	114,915,767	158,463,841	114,915,767	158,463,841
Merchant Marine Fund (FMM)	22,985,873	25,824,431	22,985,873	25,824,431
Other	451,368	451,153	451,368	451,153
Foreign - Multilateral institutions	24,642,546	27,012,288	24,642,546	27,012,288
	162,995,554	211,751,713	162,995,554	211,751,713
Total	174,012,049	223,329,671	174,012,049	223,329,671
Current	14,038,973	17,445,018	14,038,973	17,445,018
Non-current	159,973,076	205,884,653	159,973,076	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	
	06/30/2021	12/31/2020
Liabilities for acquisition of federal government securities	2,016,296	2,199,614
Financed insurance premiums payable to the Export Guarantee Fund - FGE	925,506	992,766
Total	2,941,802	3,192,380
Current	437,033	441,325
Non-current	2,504,769	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\$ 2,016,296 on June 30, 2021 - R\$ 372,941 in the current and R\$ 1,643,355 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	
				06/30/2021	12/31/2020
USD 1.75 billion ⁽¹⁾	09/26/2023 ⁽²⁾ ⁽³⁾	5.750%	Bank of New York	5,472,752	5,685,549
USD 1 billion	05/09/2024 ⁽⁴⁾	4.750%	Bank of New York	2,485,083	2,581,710
Accrued interest				116,858	118,319
Total				8,074,693	8,385,578
Current				116,858	118,319
Non-current				7,957,835	8,267,259

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

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

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

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

c) Domestic Onlendings

National Treasury

Currency / Remuneration rates	Average maturity (years)	BNDES and Consolidated	
		06/30/2021	12/31/2020
US\$	16.11	836,822	897,331
US\$ + 3.02%	17.89	4,778,301	5,101,912
SELIC	19.27	7,082,103	34,685,143
TJLP	19.74	101,428,996	114,951,847
TLP	19.74	373,109	403,350
Reais (R\$) + 3.25%	2.54	6,811	1,894,663
Accrued interest		409,625	529,595
Total		114,915,767	158,463,841
Current		8,772,033	11,967,434
Non-current		106,143,734	146,496,407

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 June 30, 2021, the amount of investments in BNDES risk financing operations reached R\$ 22,985,872 (R\$ 25,824,431 on December 31, 2020), and R\$ 2,166,563 in current and R\$ 20,819,309 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 78% as of June 30, 2021 (74% as of December 31, 2020).

d) Foreign onlendings - Multilateral institutions

Institution	Currency	Average maturity (years)	BNDES and Consolidated	
			06/30/2021	12/31/2020
Japan Bank for Internacional Cooperation – JBIC	YEN/US\$	5.92	2,261,411	2,669,805
Inter-American Development Bank - BID	US\$	14.66	16,413,469	17,701,259
Nordic Investment Bank - NIB	US\$	0.72	90,949	141,728
Kreditanstalt für Wiederaufbau - KfW	US\$	9.65	2,992,313	3,324,683
Agence Française de Développement - AFD	US\$	5.46	629,721	713,680
El Instituto de Crédito Oficial - ICO	US\$	8.83	855,526	938,169
New Development Bank - NDB	US\$	7.86	1,333,921	1,472,399
Accrued interest			65,236	50,565
Total			24,642,546	27,012,288
Current			2,606,247	2,767,953
Non-current			22,036,299	24,244,335

Foreign onlendings agreements are subject to rates ranging between 0.21% and 4.31% p.y. on June 30, 2021 and December 31, 2020. The concentration by funding rate is presented below:

	BNDES and Consolidated	
	06/30/2021	12/31/2020
Funding rates:		
up to 3%	23,223,327	25,414,519
3.1–5%	1,353,983	1,547,204
Accrued interest	65,236	50,565
Total	24,642,546	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					
	06/30/2021			12/31/2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Years:						
up to 1	11,315,868	2,723,105	14,038,973	14,558,746	2,886,272	17,445,018
1–2	11,162,399	2,521,352	13,683,751	13,340,672	2,721,075	16,061,747
2–3	8,485,723	2,452,034	10,937,757	12,010,327	2,636,166	14,646,493
3–5	16,787,189	4,739,040	21,526,229	21,291,355	5,054,906	26,346,261
5–10	38,209,668	7,123,015	45,332,683	49,911,717	8,478,484	58,390,201
>10	55,333,963	13,158,693	68,492,656	76,818,988	13,620,963	90,439,951
Total	141,294,810	32,717,239	174,012,049	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	
	06/30/2021	12/31/2020
FAT - Local currency (TJLP/TLP/Selic)	286,296,584	271,976,818
FAT - Foreign exchange (Exchange - US\$) ⁽¹⁾	27,576,026	29,761,579
	313,872,610	301,738,397
Accrued interest	6,585,916	6,068,900
Total	320,458,526	307,807,297
Current	6,585,916	6,068,900
Non-current	313,872,610	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

In relation to bookkeeping of FAT as subordinated debt, art. 29-A of CMN Resolution 4,192, of March 1, 2013, included by the CMN Resolution 4,851, of August 27, 2020, establishes that funds addressed in art. 10 of Law 7,998, of January 11, 1990, which regulates Fundo de Amparo ao Trabalhador (FAT – Workers' Supporting Fund), recognized in Tier II Capital, is limited to 50% of Tier I Reference Equity calculated on June 30, 2018, which was equivalent to R\$ 53,397,445 (Individual BNDES) and R\$ 52,678,983 (Consolidated BNDES). As provided for in CMN Resolution 4,192/2013, the following percentages will be applied to these amounts for the calculation of Tier II Capital:

- I. 100% up to December 31, 2019;
- II. 90%, as of January 1, 2020;
- III. 80%, as of January 1, 2021;
- IV. 70%, as of January 1, 2022;
- V. 60%, as of January 1, 2023;
- VI. 50%, as of January 1, 2024;
- VII. 40%, as of January 1, 2025;
- VIII. 30%, as of January 1, 2026;
- IX. 20%, as of January 1, 2027;
- X. 10% as of January 1, 2028; and
- XI. 0%, as of January 1, 2029.

Accordingly, for the purpose of using FAT funds as Tier II Capital, on June 30, 2021, the amount corresponded to 80% (item II, art. 29-A of CMN Resolution 4,192/2013) of the amount determined on June 30, 2018, that is, R\$ 42,717,956 and R\$ 42,143,186 in Individual BNDES and Consolidated, respectively.

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	
	06/30/2021	12/31/2020
Fomentar	2,401,287	2,959,280
Pronaf	2,255,941	2,445,733
Infrastructure	1,327,634	1,776,856
Total	5,984,862	7,181,869
Current	897,476	1,027,032
Non-current	5,087,386	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	Inflows	Remuneration (Appropriation)				Payment					Balance		
		06/30/2021											
		SELIC	TJLP	TLP	Total	SELIC	TJLP	TLP	Principal	Total	Available	Applied	Total
FAT INFRAESTRUTURA:	-	3,556	25,973	-	29,529	3,776	26,579	-	448,398	478,753	214,542	1,113,092	1,327,634
Econômica-TADE 06/2005	-	3,556	25,973	-	29,529	3,776	26,579	-	448,398	478,753	214,542	1,113,092	1,327,634
PRONAF:	-	1,355	20,132	73,562	95,049	679	21,336	77,751	185,074	284,840	115,752	2,140,189	2,255,941
Investment-TADE 19/2005	-	1,355	20,132	73,562	95,049	679	21,336	77,751	185,074	284,840	115,752	2,140,189	2,255,941
FAT FOMENTAR:	-	6,486	5,233	110,056	121,775	5,707	5,737	119,877	548,446	679,767	446,288	1,954,999	2,401,287
Micros e Pequenas Empresas-TADE 21/2005	-	6,322	2,652	106,990	115,964	5,572	3,002	116,770	531,618	656,962	434,901	1,787,304	2,222,205
Médias e Grandes Empresas-TADE 22/2005	-	164	2,581	3,066	5,811	135	2,735	3,107	16,828	22,805	11,387	167,695	179,082
Total	-	11,397	51,338	183,618	246,353	10,162	53,652	197,628	1,181,918	1,443,360	776,582	5,208,280	5,984,862

11.3. Changes in Constitutional FAT and FAT – Special Deposits

	Constitutional		Special deposits	Total
	TJLP	Foreign exchange		
Balance at the beginning of the year	277,825,479	29,981,818	7,181,869	314,989,166
. Inflows	9,793,668	-	-	9,793,668
. Exchange-rate variation	-	(1,008,900)	-	(1,008,900)
. Provision for interest	6,684,231	209,084	-	6,893,315
. Interest on bank deposits	-	-	246,353	246,353
. Interest capitalization	3,349,444	-	-	3,349,444
. Amortization of Special deposits	-	-	(1,181,918)	(1,181,918)
. Interest payment	(6,376,298)	-	(261,442)	(6,637,740)
. Exchange rate changes	1,396,892	(1,396,892)	-	-
Balance at the end of the period	292,673,416	27,785,110	5,984,862	326,443,388

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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
National Treasury Bills – LTN	32,905,709	29,651,797	23,886,087	25,496,919
Financial Treasury Bills - LFT	36,354,430	47,156,892	3,304,958	12,120,276
National Treasury Notes – NTN-B	2,201,011	38,237	2,201,011	38,237
National Treasury Notes – NTN-F	916,841	2,873,832	-	2,866,110
Total	72,377,991	79,720,758	29,392,056	40,521,542
Current	72,377,991	79,720,758	29,392,056	40,521,542
Non-current	-	-	-	-

13. OTHER LIABILITIES

13.1. Financial and development funds

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Amazon Fund (FA)	3,626,439	3,638,695	3,626,439	3,638,695
Fundo Setorial Audiovisual (FSA)	1,308,710	1,514,350	1,308,710	1,514,350
Land Fund (FT)	826,743	996,598	826,743	996,598
Fundo Nacional sobre a Mudança do Clima (FNMC)	1,563,522	1,544,988	1,563,522	1,764,789
Merchant Marine Fund (FMM)	2,097,749	578,514	2,097,749	578,514
Fund for Regional Development with Privatization Resources (FRD)	235,271	244,182	235,271	244,182
Benefit-Sharing National Fund (FNRB)	3,110	2,616	3,110	2,616
Other	1,175	1,145	223,197	2,005
Total	9,662,719	8,521,088	9,884,741	8,741,749

13.2. Deposits to be recognized

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Deposits for settlement of loans	393,019	292,307	462,823	405,135
Deposits from AFRMM – special and blocked account	73,586	71,467	73,586	71,467
Other	13,559	18,906	13,559	18,906
Total	480,164	382,680	549,968	495,508
Current	480,164	382,680	549,968	495,508

13.3. Financial Guarantees and Provision for Financial Guarantees Provided

Type of Financial Guarantee	BNDES and Consolidated			
	Guarantees Provided		Allowance	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Other Guarantees	11,623	-	116	-
Total	11,623	-	116	-

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	
	06/30/2021	12/31/2020
Balance at the beginning of the year	-	-
Recognition	116	-
Reversal	-	-
Balance at the end of the period	116	-

13.4. Other

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Current				
Provision for disbursement - Social Fund	176,466	222,132	176,466	222,132
Provision for disbursement - FUNTEC	137,757	151,388	137,757	151,388
Provision for disbursement - Cultural Fund	11,364	12,740	11,364	12,740
Financial operations to be settled	2,759	120,813	2,759	120,813
Employee profit sharing (Note 19.8)	-	240,864	-	247,735
Executive directors' profit sharing (Note 19.8)	2,389	2,389	2,389	2,389
Suppliers	100,129	102,944	110,793	113,441
Labor obligations (personnel)	372,713	318,647	380,550	325,796
Deposits to be recognized	11,147	9,176	16,797	17,044
Amounts payable - FGPC	57,890	36,976	55,296	35,678
Other	208	24,264	43,248	68,418
	872,822	1,242,333	937,419	1,317,574
Non-current				
Executive directors' profit sharing (Note 19.8)	1,821	1,821	1,821	1,821
Financial guarantees provided	116	-	116	-
	1,937	1,821	1,937	1,821

14. ISSUANCE OF DEBENTURES AND FINANCIAL BILLS

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Debentures - Private Issuance (BNDES)	1,309,475	1,552,183	1,309,475	1,552,183
Financial Bills	1,019,427	1,004,450	1,019,427	1,004,450
Total	2,328,902	2,556,633	2,328,902	2,556,633
Current	404,042	445,113	404,042	445,113
Non-current	1,924,860	2,111,520	1,924,860	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:

	06/30/2021	12/31/2020
3 rd issuance of BNDES' simple debentures		
First Series		
Principal adjusted (TR)	279,889	329,956
Accrued interest (6% p.y.)	713	840
Second Series		
Principal adjusted (TR)	279,889	329,956
Accrued interest (6% p.y.)	713	840
Third Series		
Principal adjusted (TR)	279,889	329,956
Accrued interest (6% p.y.)	713	840
Fourth Series		
Principal adjusted (TR)	279,889	329,956
Accrued interest (6% p.y.)	713	840
Fifth Series		
Principal adjusted (TR)	186,592	228,417
Accrued interest (6% p.y.)	475	582
Total	1,309,475	1,552,183
Current	404,042	445,113
Non-current	905,433	1,107,070

14.2. Financial Bills

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

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

	BNDES and Consolidated		
	Maturities	06/30/2021	12/31/2020
Issuance amounts (Principal)	2022	1,000,000	1,000,000
Accrued interest		19,427	4,450
Total		1,019,427	1,004,450
Current		-	-
Non-current		1,019,427	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⁾	20%
PIS/PASEP Contribution ²	0.65%
Contribution for Social Security Funding - COFINS ⁽²⁾	4%
ISS (Service Tax)	Up to 5%

⁽¹⁾ The CSLL rate was increased to 25% in the period from 07/01/2021 to 12/31/2021, returning to 20% as of 2022, according to Law 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 period.

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			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Income (loss) before income tax	7,940,380	(175,943)	19,328,002	9,363,919
Total charge of income tax and social contribution on net income at the aggregated rate of 45% (1)	(3,573,171)	79,174	(8,697,601)	(4,213,764)
Adjustments	941,270	(485,961)	4,485,679	(188,431)
• Changes on the recognition of deferred tax assets ⁽¹⁾	(562,096)	(65,747)	(754,894)	(286,306)
• Increase in the CSLL rate	266,728	-	266,728	242,270
• Equity method and dividends received from associated companies	1,204,936	(434,931)	4,902,606	(201,370)
• CSLL rate difference (non-financial)	-	-	-	-
• Interest on shareholders' equity	-	-	-	-
• Nonrefundable operations and tax incentives	12,191	12,258	30,314	14,557
• Employee profit sharing	-	-	-	-
• Other permanent differences	19,511	2,459	40,925	42,418
Income tax and social contribution on net income expenses presented in the statement of income	(2,631,901)	(406,787)	(4,211,922)	(4,402,195)
• Current Taxes	(2,145,330)	(1,498,988)	(3,314,389)	(4,475,740)
• Deferred Taxes	(486,571)	1,092,201	(897,533)	73,545
Effective rate	33.15%	-231.20%	21.79%	47.0%

	BNDES	
	06/30/2021	12/31/2020
Total current taxes recognized in income (loss)	3,314,389	4,201,910
Prior period adjustments	11,398	(27,148)
Current taxes due in the period	3,325,787	4,174,762
(-) Prepayments	(771,474)	(2,753,009)
Income taxes and contributions payable	2,554,313	1,421,753

	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Income (loss) before income tax	8,491,928	2,840	23,477,951	9,849,950
Total charge of income tax and social contribution on net income at the aggregated rate of 45% (1)	(3,821,368)	(1,278)	(10,565,078)	(4,432,478)
Adjustments	637,919	(584,292)	2,203,207	(455,748)
• Changes on the recognition of deferred tax assets ⁽²⁾	(508,218)	(129,403)	(745,991)	(328,734)
• Increase in the CSLL rate	271,505	-	271,505	259,807
• Equity method and dividends received from associated companies	565,416	(406,484)	1,098,082	(434,979)
• CSLL rate difference (non-financial)	289,152	(105,620)	1,517,148	(6,095)
• Interest on shareholders' equity	-	-	-	-
• Nonrefundable operations and tax incentives	14,467	12,335	32,626	14,695
• Employee profit sharing	-	-	-	39,558
• Other permanent differences	5,597	44,880	29,837	-
Income tax and social contribution on net income expenses presented in the statement of income	(3,183,449)	(585,570)	(8,361,871)	(4,888,226)
• Current Taxes	(2,766,796)	(1,815,898)	(7,659,677)	(5,924,507)
• Deferred Taxes	(416,653)	1,230,328	(702,194)	1,036,281
Effective rate	37%	20,618.66%	35.62%	49.6%

⁽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	
	06/30/2021	12/31/2020
Total current taxes recognized in income (loss)	7,659,677	11,183,031
Prior period adjustments	11,398	(312,182)
Current taxes due in the period	7,671,075	10,870,849
(-) Prepayments	(4,776,652)	(8,693,470)
Income taxes and contributions payable	2,894,423	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
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	
Contra-entry recorded in the income:					
. Allowance for loan losses	9,772,765	11,403,108	11,584,699	13,150,069	Receipt or effectiveness of loss
. Allowance for losses on investments	518,181	499,675	3,216,807	3,228,017	Sale of securities
. Adjustment to market value of financial instruments	201,947	-	877,890	338,058	Sale of securities
. Provision for labor and civil lawsuits	62,917	59,191	640,448	614,127	Final judicial decision
. Employee profit sharing	-	108,389	-	111,207	Payment
. Goodwill amortization	-	-	44,420	93,686	Sale of securities
. Other	599,124	157,367	666,187	215,052	
Subtotal	11,154,934	12,227,730	17,030,451	17,750,216	
Recorded in the shareholders' equity:					
. Adjustment to market value of available for sale financial instruments	-	-	2,874,669	3,008,552	Sale of securities
. Actuarial loss - FAMS	18,490	51,240	56,769	94,988	Payment of medical expenses
Subtotal	18,490	51,240	2,931,438	3,103,540	
Total deferred tax assets	11,173,424	12,278,970	19,961,889	20,853,756	
. Current	-	-	-	-	
. Non-current	11,173,424	12,278,970	19,961,889	20,853,756	

Liabilities	BNDES		Consolidated		Origin
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	
Contra-entry recorded in the income:					
. Adjustment to market value of financial instruments	(40,307)	(215,570)	30,597	13,026	Sale of securities
. Other	-	-	(5,977)	(5,977)	
Subtotal	(40,307)	(215,570)	24,620	7,049	
Recorded in the shareholders' equity:					
. Adjustment to market value of available for sale financial instruments	(2,276,315)	(3,917,020)	(14,227,662)	(19,157,655)	Sale of securities
Subtotal	(2,276,315)	(3,917,020)	(14,227,662)	(19,157,655)	
Total deferred tax liabilities	(2,316,622)	(4,132,590)	(14,203,042)	(19,150,606)	
. Current	-	-	-	-	
. Non-current	(2,316,622)	(4,132,590)	(14,203,042)	(19,150,606)	

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

Assets	BNDES			
	12/31/2020	Recognition	Realization	06/30/2021
Contra-entry recorded in the income:				
. Allowance for loan losses	11,403,108	2,139,563	(3,769,906)	9,772,765
. Allowance for losses on investments	499,675	18,506	-	518,181
. Adjustment to market value of financial instruments	-	201,947	-	201,947
. Provision for labor and civil lawsuits	59,191	8,090	(4,364)	62,917
. Employee profit sharing	108,389	-	(108,389)	-
. Other	157,367	494,788	(53,031)	599,124
Subtotal	12,227,730	2,862,894	(3,935,690)	11,154,934
Recorded in the shareholders' equity:				
. Adjustment to market value of available for sale financial instruments	-	-	-	-
. Actuarial loss - FAMS	51,240	190	(32,940)	18,490
Subtotal	51,240	190	(32,940)	18,490
Total deferred tax assets	12,278,970	2,863,084	(3,968,630)	11,173,424

Liabilities	BNDES			
	12/31/2020	Recognition	Realization	06/30/2021
Contra-entry recorded in the income:				
. Adjustment to market value of financial instruments	(215,570)	(284,372)	459,635	(40,307)
Subtotal	(215,570)	(284,372)	459,635	(40,307)
Recorded in the shareholders' equity:				
. Adjustment to market value of available for sale financial instruments	(3,917,020)	-	1,640,705	(2,276,315)
Subtotal	(3,917,020)	-	1,640,705	(2,276,315)
Total deferred tax liabilities	(4,132,590)	(284,372)	2,100,340	(2,316,622)

Assets	Consolidated			
	12/31/2020	Recognition	Realization	06/30/2021
Contra-entry recorded in the income:				
. Allowance for losses	13,150,069	3,239,700	(4,805,070)	11,584,699
. Allowance for losses on investments	3,228,017	18,506	(29,716)	3,216,807
. Adjustment to market value of financial instruments	338,058	539,832	-	877,890
. Provision for labor and civil lawsuits	614,127	31,737	(5,416)	640,448
. Employee profit sharing	111,207	-	(111,207)	-
. Goodwill amortization	93,686	4,380	(53,646)	44,420
. Other	215,052	504,166	(53,031)	666,187
Subtotal	17,750,216	4,338,321	(5,058,086)	17,030,451
Recorded in the shareholders' equity:				
. Adjustment to market value of available for sale financial instruments	3,008,552	-	(133,883)	2,874,669
. Actuarial loss - FAMS	94,988	21,588	(59,807)	56,769
Subtotal	3,103,540	21,588	(193,690)	2,931,438
Total deferred tax assets	20,853,756	4,359,909	(5,251,776)	19,961,889

Liabilities	Consolidated			
	12/31/2020	Recognition	Realization	06/30/2021
Contra-entry recorded in the income:				
. Adjustment to market value of financial instruments	13,026	(465,033)	482,604	30,597
. Other	(5,977)	-	-	(5,977)
Subtotal	7,049	(465,033)	482,604	24,620
Recorded in the shareholders' equity:				
. Adjustment to market value of available for sale financial instruments	(19,157,655)	-	4,929,993	(14,227,662)
Subtotal	(19,157,655)	-	4,929,993	(14,227,662)
Total deferred tax liabilities	(19,150,606)	(465,033)	5,412,597	(14,203,042)

(c) Net deferred tax assets (liabilities):

	BNDES			
	12/31/2020	Effect on income (loss)	Effects on employee profit sharing	06/30/2021
Deferred tax credits	12,278,970	(1,072,796)	(32,750)	11,173,424
Deferred tax debits	(4,132,590)	175,263	1,640,705	(2,316,622)
Deferred tax credits (debits), net	8,146,380	(897,533)	1,607,955	8,856,802

	BNDES			
	12/31/2019	Effect on income (loss)	Effects on employee profit sharing	06/30/2020
Deferred tax credits	13,182,913	109,655	(41,236)	13,251,332
Deferred tax debits	(8,541,800)	(36,110)	5,555,525	(3,022,385)
Deferred tax credits (debits), net	4,641,113	73,545	5,514,289	10,228,947

	Consolidated			
	12/31/2020	Effect on income (loss)	Effects on employee profit sharing	06/30/2021
Deferred tax credits	20,853,756	(719,765)	(172,102)	19,961,889
Deferred tax debits	(19,150,606)	17,571	4,929,993	(14,203,042)
Deferred tax credits (debits), net	1,703,150	(702,194)	4,757,891	5,758,847

	Consolidated			
	12/31/2019	Effect on income (loss)	Effects on employee profit sharing	06/30/2020
Deferred tax credits	21,132,124	927,268	(67,743)	21,991,649
Deferred tax debits	(26,770,006)	109,013	9,160,266	(17,500,727)
Deferred tax credits (debits), net	(5,637,882)	1,036,281	9,092,523	4,490,922

d) Deferred tax credits not recognized:

As of June 30, 2021, tax credits in the amount of R\$ 4,245,656 were not recognized, of which R\$ 5,129,706 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\$ 5,187,525, of which R\$ 5,967,842 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
2021	2,669,000	23.89%	(732,863)	31.64%	1,936,137	6,453,339	32.33%	(4,593,978)	32.34%	1,859,361
2022	1,204,577	10.78%	(686,710)	29.64%	517,867	3,783,951	18.96%	(4,442,184)	31.27%	(658,233)
2023	737,498	6.60%	(689,504)	29.76%	47,994	2,516,149	12.60%	(4,416,452)	31.10%	(1,900,303)
2024	1,351,989	12.10%	(21,005)	0.91%	1,330,984	1,447,140	7.25%	(21,005)	0.15%	1,426,135
2025	2,350,444	21.04%	(32,650)	1.41%	2,317,794	2,487,714	12.46%	(32,650)	0.23%	2,455,064
2026-2030	2,859,916	25.59%	(33,654)	1.45%	2,826,262	3,273,596	16.40%	(33,654)	0.24%	3,239,942
>2030*	-	-	(120,236)	5.19%	(120,236)	-	-	(663,119)	4.67%	(663,119)
Total	11,173,424	100.0%	(2,316,622)	100.0%	8,856,802	19,961,889	100.0%	(14,203,042)	100.0%	5,758,847
Present Value	8,921,144		(2,014,177)		6,906,967	16,767,463		(12,462,028)		4,305,435

12/31/2020										
	BNDES					Consolidated				
	Tax credits	%	Tax debits	%	Net	Tax credits	%	Tax debits	%	Net
2021	2,713,355	22.10%	(1,940,698)	46.96%	772,657	6,106,513	29.28%	(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%	(4,132,590)	100%	8,146,380	20,853,756	100%	(19,150,606)	100%	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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
IRPJ/CSLL recoverable/ Negative balance	337	-	16,539	-
IRRF (Withholding income tax)	1,353	1,798	57,401	92,408
Other	862	792	2,389	2,329
Total current assets	2,552	2,590	76,329	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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Labor lawsuits	73,121	63,584	95,097	84,251
Civil lawsuits	67,986	67,953	1,742,393	1,677,396
Total	141,107	131,537	1,837,490	1,761,647
Current	1,909	1,942	693,833	2,030
Non-current	139,198	129,595	1,143,657	1,759,617

Expected schedule for the realization of these provisions:

Years:	06/30/2021			
	Labor lawsuits		Civil lawsuits	
	BNDES	Consolidated	BNDES	Consolidated
up to 1	107	107	1,802	693,726
1-2	41,209	60,855	5	975,522
2-3	10,710	12,014	117	228
3-5	19,678	20,704	64,644	64,647
5-10	1,417	1,417	-	-
>10	-	-	1,418	8,270
Total	73,121	95,097	67,986	1,742,393

a) Labor provisions

Labor provisions reflect the probable loss on 124 lawsuits in progress in BNDES and 138 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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance at the beginning of the year	63,584	56,325	84,251	75,356
Payments	(1,666)	(63)	(1,666)	(63)
Recognitions	12,471	7,623	13,849	9,297
Reversals	(1,268)	(301)	(1,337)	(339)
Balance at the end of the period	73,121	63,584	95,097	84,251

On June 30, 2021, there were 13 lawsuits in progress in BNDES and 24 in the Consolidated classified in the category of possible risk in an estimated amount of R\$ 7,577 and R\$ 9,703 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 an 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 23 lawsuits (33 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 period:

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance at the beginning of the year	67,953	12,736	1,677,396	1,499,540
Payments	(22)	(122)	(42)	(122)
Recognitions	5,296	56,014	73,285	178,653
Reversals	(5,241)	(675)	(8,246)	(675)
Balance at the end of the period	67,986	67,953	1,742,393	1,677,396

On June 30, 2021, there were 28 lawsuits in progress in BNDES and 42 in the Consolidated classified in the category of possible risk in an estimated amount of R\$ 145,812 and R\$ 1,380,086 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 an 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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Actuarial liability - PBB	1,977,542	2,950,868	2,363,211	3,479,669
Actuarial liability - PAS	3,573,383	4,058,034	4,267,435	4,809,207
	5,550,925	7,008,902	6,630,646	8,288,876
Current				
Actuarial liability - PBB	246,474	216,233	316,606	277,792
Actuarial liability - PAS	40,015	37,761	68,094	63,637
	286,489	253,994	384,700	341,429
Non-current				
Actuarial liability - PBB	1,731,068	2,734,635	2,046,605	3,201,877
Actuarial liability - PAS	3,533,368	4,020,273	4,199,341	4,745,570
	5,264,436	6,754,908	6,245,946	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 based on data from May 31, 2021 and updated until June 30, 2021.

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Present value of the actuarial liabilities	17,370,744	18,310,573	20,723,356	21,771,479
Market value of the plan's assets	(13,415,660)	(12,408,837)	(15,996,933)	(14,812,141)
Present value of liabilities not covered by assets	3,955,084	5,901,736	4,726,423	6,959,338
Share allocated to participants	(1,977,542)	(2,950,868)	(2,363,212)	(3,479,669)
Present value of Sponsor's net obligations	1,977,542	2,950,868	2,363,211	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 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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Market value at the beginning of the year	18,310,573	14,920,089	21,771,479	17,921,751
Current service cost	213,706	626,033	215,418	631,322
Interest cost	545,179	1,170,294	646,366	1,390,893
Plan participants' contribution	46,334	81,245	47,058	83,403
Benefits paid	(316,502)	(603,538)	(408,218)	(781,455)
Actuarial losses (gains)	(1,428,546)	615,554	(1,548,747)	711,747
Change in assumptions (wage increase)	-	(160,851)	-	(162,698)
Change in forecasts (discount rate)	(2,101,525)	(334,386)	(2,357,945)	(374,835)
Change of assumptions (biometric tables)	-	730,948	-	877,662
Adjustment of experience	672,979	379,843	809,198	371,618
Effect of change of estimate by risk sharing ⁽¹⁾	-	1,500,896	-	1,813,818
Present value at the end of the period ⁽²⁾	17,370,744	18,310,573	20,723,356	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.

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

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Market value at the beginning of the year	12,408,837	12,600,073	14,812,141	15,073,987
Interest income	434,887	952,962	517,536	1,133,614
Return on the plan's assets, excluding interest	760,071	(767,993)	934,405	(866,041)
Contributions received from employer ⁽¹⁾	82,033	146,088	94,011	168,633
Contributions received from participants ⁽²⁾	46,334	81,245	47,058	83,403
Benefits paid	(316,502)	(603,538)	(408,218)	(781,455)
Gross benefits	(355,629)	(674,533)	(458,598)	(872,836)
Contributions discounted from beneficiaries ⁽²⁾	39,127	70,995	50,380	91,381
Market value at the end of the period	13,415,660	12,408,837	15,996,933	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\$ 85,461 (R\$ 97,438 for the consolidated).

The estimated contribution to the supplementary retirement and pension plan for the next twelve months is close to R\$ 169,890 (R\$ 194,696 for the Consolidated).

The average duration of the actuarial liability is 19.05 years as of June 30, 2021 (20.64 years as of December 31, 2020).

The table below presents the estimated benefits payable on the base date of June 30, 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	829,917	827,066	833,561	1,715,771	4,540,999	56,555,324	65,302,638
Consolidated	1,070,416	1,066,951	1,071,297	2,189,166	5,683,856	59,857,263	70,938,949

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			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Current service cost	(107,775)	(149,150)	(213,706)	(306,985)
Interest cost	(278,760)	(270,387)	(545,179)	(527,236)
Interest income from assets	220,999	222,310	434,887	437,170
Subtotal	(165,536)	(197,227)	(323,998)	(397,051)
Contributions received from employer	44,000	36,121	82,032	72,836
Total	(121,536)	(161,106)	(241,966)	(324,215)

	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Current service cost	(108,638)	(150,394)	(215,418)	(309,565)
Interest cost	(329,796)	(322,216)	(646,366)	(629,883)
Interest income from assets	262,611	264,823	517,536	521,499
Subtotal	(175,823)	(207,787)	(344,248)	(417,949)
Contributions received from employer	50,326	41,729	94,011	84,066
Total	(125,497)	(166,058)	(250,237)	(333,883)

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

Shareholders' Equity - Other comprehensive income	BNDES		Consolidated ⁽¹⁾	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance at the beginning of the year	1,004,290	937,851	835,374	747,295
Actuarial gains (losses)	1,428,546	(615,554)	1,548,747	(711,747)
Return on plan's assets, excluding interests	760,072	(767,993)	934,405	(866,041)
Balance at the end of the period	3,192,908	(445,696)	3,318,526	(830,493)
Effect of risk sharing ⁽²⁾	(973,341)	1,449,986	(1,116,475)	1,665,867
Balance at the end of the period (with risk sharing)	2,219,567	1,004,290	2,202,051	835,374

⁽¹⁾ Balance of equity valuation adjustments of BNDES, BNDESPAR and FINAME.

⁽²⁾ Changes in the effect of risk sharing in the periods ended.

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

Assets per category	BNDES							
	06/30/2021				12/31/2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investment funds	62,044	11,856,206	468,612	12,386,862	52,706	11,086,147	357,263	11,496,116
Shares	-	498,484	-	498,484	6,779	420,320	-	427,099
Fixed rate	-	2	-	2	-	2	-	2
Multimarket	-	11,357,720	-	11,357,720	-	10,665,825	-	10,665,825
Equity investments	-	-	468,612	468,612	-	-	357,263	357,263
Real estate funds	62,044	-	-	62,044	45,927	-	-	45,927
Real estate properties ¹	-	-	753,167	753,167	-	-	808,704	808,704
Leased to third parties	-	-	695,415	695,415	-	-	743,541	743,541
Leased to sponsors	-	-	57,752	57,752	-	-	65,163	65,163
Loans and financing	-	-	379,238	379,238	-	-	364,793	364,793
Subtotal	62,044	11,856,206	1,601,017	13,519,267	52,706	11,086,147	1,530,760	12,669,613
Other assets not evaluated at market value ²				85,934				71,231
Other deductions ³				(202,029)				(319,118)
Total as of 05/31/2021 and 11/30/2020				13,403,172				12,421,726
Updating on base date ⁴				12,488				(12,889)
Total				13,415,660				12,408,837

¹ The market value of the properties occupied and used by FAPES amounts to R\$ 14,358 as of June 30, 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 05/31/2021 to 06/30/2021. 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 06/30/2021.

Assets per category	Consolidated							
	06/30/2021				12/31/2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investment funds	74,014	14,143,742	559,026	14,776,782	62,942	13,239,294	426,652	13,728,888
Shares	-	594,662	-	594,662	8,095	501,954	-	510,049
Fixed rate	-	2	-	2	-	2	-	2
Multimarket	-	13,549,078	-	13,549,078	-	12,737,338	-	12,737,338
Equity investments	-	-	559,026	559,026	-	-	426,652	426,652
Real estate funds	74,014	-	-	74,014	54,847	-	-	54,847
Real estate properties ¹	-	-	898,483	898,483	-	-	965,770	965,770
Leased to third parties	-	-	829,589	829,589	-	-	887,951	887,951
Leased to sponsors	-	-	68,894	68,894	-	-	77,819	77,819
Loans and financing	-	-	452,409	452,409	-	-	435,643	435,643
Subtotal	74,014	14,143,742	1,909,918	16,127,674	62,942	13,239,294	1,828,065	15,130,301
Other assets not evaluated at market value ²				102,514				85,065
Other deductions ³				(241,009)				(381,097)
Total as of 02/28/2021 and 11/30/2020				15,989,179				14,834,269
Updating on base date ⁴				7,754				(22,128)
Total				15,996,933				14,812,141

¹ The market value of the properties occupied and used by FAPES amounts to R\$ 17,128 as of June 30, 2021 (R\$ 17,243 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 05/31/2021 to 06/30/2021. 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 06/30/2021.

Sensitivity analysis

The table below presents how the defined benefit obligation would have been affected, on June 30, 2021, by the change in each relevant actuarial assumption, individually. Sensitivity analysis was performed for discount rate assumption (1% p.y. on the adopted rate), salary growth rate assumption (1% p.y. on the effective rate), mortality tables assumption (1 year on the death probabilities), using the same method and data base adopted in the calculation of the obligations.

Significant actuarial assumption	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.	(2,264,884)	(13.48%)	(2,624,791)	(12.67%)
1% decr. p.y.	2,919,401	17.37%	3,346,758	16.15%
Mortality Table				
One-year increase in age	363,134	2.16%	455,077	2.20%
One-year decrease in age	(370,111)	(2.20%)	(463,942)	(2.24%)
Salary growth rate				
1% incr. p.y.	914,083	5.44%	921,907	4.45%
1% decr. p.y.	(787,858)	(4.69%)	(794,779)	(3.84%)

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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
2002 agreements (a)	863,146	835,568	1,103,113	1,067,868
2004 agreements (b)	59,050	57,400	81,390	79,116
Total	922,196	892,968	1,184,503	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.

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

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

TCU, in case TC-029.058/2014-7, ordered BNDES, through Decision nº 2,766/2015-Plenário 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 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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Present value of liabilities not funded	3,573,383	4,058,034	4,267,435	4,809,207
Net liabilities	3,573,383	4,058,034	4,267,435	4,809,207

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

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance at the beginning of the year	4,058,034	4,218,286	4,809,207	4,981,630
Current service cost	105,043	248,561	107,118	252,994
Interest cost of obligation	147,317	342,839	173,702	400,668
Actuarial losses (gains)	(700,630)	(685,481)	(774,397)	(735,326)
Change in forecasts (discount rate)	(635,670)	(108,951)	(709,669)	(121,472)
Adjustment of experience	(64,960)	(890,672)	(64,728)	(980,207)
Change of assumptions (biometric tables)	-	314,142	-	366,353
Benefits paid	(36,381)	(66,171)	(48,195)	(90,759)
Balance at the end of the period	3,573,383	4,058,034	4,267,435	4,809,207

Impact on income (loss) and shareholders' equity

Amounts recognized in the statement of income are stated below:

Result	BNDES			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Current service cost	(52,975)	(59,555)	(105,043)	(122,161)
Interest cost	(82,646)	(78,534)	(147,317)	(151,839)
Subtotal	(135,621)	(138,089)	(252,360)	(274,000)
Benefits paid	18,469	14,869	36,381	32,137
Total	(117,152)	(123,220)	(215,979)	(241,863)

Result	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Current service cost	(54,021)	(60,617)	(107,118)	(124,340)
Interest cost	(96,771)	(92,018)	(173,702)	(178,346)
Subtotal	(150,792)	(152,635)	(280,820)	(302,686)
Benefits paid	24,750	20,584	48,195	44,296
Total	(126,042)	(132,051)	(232,625)	(258,390)

Amounts recognized in equity valuation adjustments are presented below:

Other comprehensive income - Shareholders' equity	BNDES		Consolidated ⁽¹⁾	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Balance at the beginning of the year	(996,307)	(1,681,788)	(1,319,039)	(2,054,365)
Actuarial gains (losses)	700,630	685,481	774,397	735,326
Balance at the end of the period	(295,677)	(996,307)	(544,642)	(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\$ 73,453 (R\$ 102,349 in the consolidated).

The average duration of the actuarial liability is 26.91 years as of June 30, 2021 (29.08 years as of December 31, 2020).

The table below presents the estimated benefits payable on the base date of June 30, 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	73,453	77,157	81,233	178,252	551,341	20,862,484	21,823,920
Consolidated	102,349	107,671	112,802	245,321	737,166	21,967,546	23,272,855

Sensitivity analysis

The table below presents how the obligation would have been affected, on June 30, 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.	(665,652)	(18.63%)	(749,320)	(17.56%)
1% decr. p.y.	911,827	25.52%	1,016,541	23.82%
Mortality Table				
One-year increase in age	150,751	4.22%	179,354	4.20%
One-year decrease in age	(148,421)	(4.15%)	(176,487)	(4.14%)
Medical cost change rate				
1% incr. p.y.	893,920	25.02%	996,664	23.36%
1% decr. p.y.	(666,858)	(18.66%)	(750,685)	(17.59%)

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:

	06/30/2021	12/31/2020
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	3.24% p.y.	3.24% p.y.
Support group	2.91% p.y.	2.91% p.y.
Nominal rate of future salary growth		
Technical group	6.91% p.y.	6.91% p.y.
Support group	6.56% p.y.	6.56% p.y.
Nominal discount rate	7.92% p.y.	7.16% p.y.
Inflation rate	3.55% p.y.	3.55% p.y.
Expected return on assets of the supplementary retirement and pension plan	7.92% 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 post-employment benefit obligations to present value was 4.22% per annum, corresponding to the indicative rate of NTN-B, traded on June 21, 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 4.13% p.y. on June 30, 2021, representing a decrease of 0.09 percentage points in relation to the discount rate used.

17.3. Lawsuits and contingencies

		06/30/2021		12/31/2020	
		PBB	PAS	PBB	PAS
Classification: Probable	Value	25,184	180	24,603	161
	Amount	21	8	26	6
Classification: Possible	Value	50,381	248	65,246	254
	Amount	65	9	76	11

Lawsuits assessed as possible loss are recorded in the FAPES contingent liabilities. These lawsuits amounted to R\$ 25,184 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\$ 180 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\$ 50,381 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\$ 248 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:

	BNDES			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Meal voucher	8,665	8,183	17,549	16,358
Educational assistance	4,013	3,619	7,983	7,241
Total	12,678	11,802	25,532	23,599

	Consolidated			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Meal voucher	14,205	14,878	28,769	29,742
Educational assistance	6,579	6,580	13,086	13,165
Total	20,784	21,458	41,855	42,907

18. SHAREHOLDERS' EQUITY

The accounting treatment of the items included in shareholders' equity is described in the Note 26.20.

18.1 Capital

On June 30, 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.

A capital increase is in progress, due to the merger of the full Reserve for future capital increase, in the amount of R\$ 7,858,968, without the issuance of new shares, which was approved at the Extraordinary General Meeting held on April 26, 2021. Once the request for the capital increase is authorized by BACEN, pursuant to BACEN Circular 3,180/2003, the capital will be R\$ 61,842,148.

18.2. Equity valuation adjustments

	06/30/2021	12/31/2020
Adjustment – accumulated from conversion – effect of associated company	3,132,991	3,199,459
Adjustment – other comprehensive income – own	1,942,379	59,220
Adjustment – other comprehensive income – effect of subsidiaries	(228,199)	(447,899)
Adjustment – other comprehensive income – effect of associated company	16,726	9,232
Measurement at market value of available for sale securities ⁽¹⁾	21,120,163	28,976,610
Of own assets	21,109,729	29,006,807
Of a subsidiary's assets (BNDESPAR)	10,434	(30,197)
Total	25,984,060	31,796,622

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

18.3. Payment of dividends and interest on shareholders' equity

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

06/30/2021			
Event	Base year	Stated value	Paid amount ^(*)
Mandatory minimum dividends in the form of interest on own capital	2020	3,186,745	3,210,974
Minimum mandatory dividends	2020	1,725,110	1,738,225
Total		4,911,855	4,949,199

^(*) Includes adjustment by the SELIC rate from the date to which the earnings refer until the actual payment date.

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:

	06/30/2021			12/31/2020		
	Finame	Bndespar	Total	Finame	Bndespar	Total
Assets						
Onlending transactions	71,016,154	-	71,016,154	73,794,601	-	73,794,601
Local currency	49,276,658	-	49,276,658	50,434,123	-	50,434,123
Foreign currency	21,739,496	-	21,739,496	23,360,478	-	23,360,478
Dividends receivable	-	-	-	87,285	2,832,368	2,919,653
Reimbursable payments	19,250	36,340	55,590	54,618	126,621	181,239
Other receivables	-	-	-	-	-	-
Liabilities						
Repurchase agreements	3,436,675	39,549,261	42,985,936	275,920	38,923,297	39,199,217
Local currency	3,436,675	39,549,261	42,985,936	275,920	38,923,297	39,199,217
Other liabilities	-	2	2	1	-	1

	Three-month period ended					
	06/30/2021			06/30/2020		
	Finame	Bndespar	Total	Finame	Bndespar	Total
Income						
Onlending transactions	(1,867,054)	-	(1,867,054)	1,584,829	-	1,584,829
. Local currency	1,063,975	-	1,063,975	385,709	-	385,709
. Foreign currency	(2,931,029)	-	(2,931,029)	1,199,120	-	1,199,120
Other income	347	78,838	79,185	12,465	147,366	159,831
Expenses	-	-	-	-	-	-
Repurchase agreements	(40,044)	(349,077)	(389,121)	(25,550)	(225,309)	(250,859)

	Six-month period ended					
	06/30/2021			06/30/2020		
	Finame	Bndespar	Total	Finame	Bndespar	Total
Income						
Onlending transactions	1,636,083	-	1,636,083	7,414,843	-	7,414,843
. Local currency	2,269,621	-	2,269,621	1,388,940	-	1,388,940
. Foreign currency	(633,538)	-	(633,538)	6,025,903	-	6,025,903
Other income	769	92,517	93,286	14,915	172,553	187,468
Expenses						
Repurchase agreements	(49,223)	(574,639)	(623,862)	(50,697)	(549,719)	(600,416)

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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Assets				
Federal government bonds (Note 6)	88,923,192	106,261,420	88,959,564	106,297,952
Other receivables from the National Treasury (Note 19.2.1)	925,610	738,760	1,718,259	1,334,031
Liabilities				
Obligations for onlending in the country (Note 10.1.c)	114,915,767	158,463,841	114,915,767	158,463,841
Other liabilities with the National Treasury	8,649	6,186	17,447	16,354
Instruments eligible to core capital (Note 19.2.3)	36,329,804	36,794,774	36,329,804	36,794,774
Dividends and interest on shareholders' equity payable	-	4,911,855	-	4,911,855

	BNDES			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Result				
Income (loss) from government bonds	337,249	1,407,969	1,022,086	2,786,633
Income from other receivables - equalization	515,282	168,873	1,112,550	606,568
Expenses - onlendings and instruments eligible to core capital	(1,256,979)	(2,124,978)	(3,161,042)	(5,471,730)
Expenses with other liabilities - equalization	(3,385)	(2,389)	(8,548)	(3,943)

	CONSOLIDATED			
	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Result				
Income (loss) from government bonds	337,211	1,416,644	1,022,920	2,786,547
Income from other receivables - equalization	942,635	279,435	2,088,695	1,153,725
Expenses - onlendings and instruments eligible to core capital	(1,256,979)	(2,124,978)	(3,161,042)	(5,471,730)
Expenses with other liabilities - equalization	(6,134)	(22,197)	(15,043)	(28,706)

19.2.1. Specific Credits - Credits from the National Treasury

	BNDES		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Credits from interest rate equalization	866,226	681,774	1,658,875	1,277,045
Other receivables	59,384	56,986	59,384	56,986
Total	925,610	738,760	1,718,259	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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Amounts assessed in:				
2021	857,765	-	1,644,486	-
2020	6,773	679,931	10,941	1,273,442
<2020	1,688	1,843	3,448	3,603
Total	866,226	681,774	1,658,875	1,277,045

The changes in this caption were as follows:

	BNDES					
	06/30/2021			12/31/2020		
	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 year	98,049	1,009,566	1,107,615	318,173	1,020,340	1,338,513
. Monetary restatement	-	138	138	-	155	155
. Receipts	(131,904)	(791,241)	(923,145)	(460,670)	(909,093)	(1,369,763)
. Formation of provisions (*)	-	-	-	-	(137,079)	(137,079)
. Other	-	(156)	(156)	-	1,917	1,917
Balance at the end of the period	103,790	762,436	866,226	137,645	544,129	681,774

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

	Consolidated					
	06/30/2021			12/31/2020		
	PSI	Other programs	Total	PSI	Other programs	Total
Balance at the beginning of the year	446,679	830,366	1,277,045	901,968	972,425	1,874,393
.Amounts assessed in the year	322,991	1,760,748	2,083,739	1,047,863	1,459,844	2,507,707
. Monetary restatement	-	159	159	-	172	172
. Receipts	(436,876)	(1,265,036)	(1,701,912)	(1,503,152)	(1,167,784)	(2,670,936)
. Formation of provisions (*)	-	-	-	-	(436,208)	(436,208)
. Other	-	(156)	(156)	-	1,917	1,917
Balance at the end of the period	332,794	1,326,081	1,658,875	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 June 30, 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 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.
- (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)	12/31/2020	Interest and monetary restatement	Interest payment	06/30/2021
Variable, limited to TJLP	867/PGFN/CAF ⁽¹⁾	15,530,038	338,384	(534,634)	15,333,788
Variable, limited to TJLP	963/PGFN/CAF	9,040,302	196,979	(311,220)	8,926,061
Variable, limited to TJLP	964/PGFN/CAF	7,047,755	153,563	(242,625)	6,958,693
Variable, limited to TJLP	1018/PGFN/CAF	5,176,679	112,794	(178,211)	5,111,262
Total		36,794,774	801,720	(1,266,690)	36,329,804
Current		1,255,798			14,290,828
Non-current		35,538,976			22,038,976

(1) Contract partially settled on July 1, 2021, see Note 23.

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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Assets	60,610,986	67,026,183	64,499,697	72,482,745
Loans and interbank onlendings	50,462,654	55,090,644	58,151,117	64,369,338
Allowance for loan losses	(694,135)	(681,723)	(694,906)	(682,690)
Shares of Banco do Brasil and CEF investment funds	3,848,659	3,858,090	-	-
Rights receivable - Eletrobras	6,942,511	8,711,821	6,942,511	8,711,821
Other	51,297	47,351	100,975	84,276
Liabilities	363,927,367	354,693,694	364,149,388	354,914,354
Domestic loans and onlendings	26,377,402	29,466,539	26,377,402	29,466,539
Financial and development funds	9,662,719	8,521,088	9,884,740	8,741,748
Constitutional FAT - subordinated debts	320,458,526	307,807,297	320,458,526	307,807,297
FAT - Special Deposit	5,984,862	7,181,869	5,984,862	7,181,869
Issuance of debentures	1,309,475	1,552,182	1,309,475	1,552,182
Other	134,383	164,719	134,383	164,719

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-servicos-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>.

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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Liabilities				
Actuarial liabilities - Supplementary retirement plan (PBB)	1,977,542	2,950,868	2,363,211	3,479,669
Actuarial liabilities - Health care plan (PAS)	3,573,383	4,058,034	4,267,435	4,809,207
Shareholders' equity				
Equity valuation adjustments - PBB	2,219,567	1,004,290	2,219,567	1,004,290
Equity valuation adjustments - PAS	(295,677)	(996,307)	(295,677)	(996,307)

	BNDES				Consolidated			
	Three-month period ended		Six-month period ended		Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Expenses								
PBB	(121,536)	(161,106)	(241,966)	(324,215)	(125,497)	(166,058)	(250,237)	(333,883)
PAS	(117,153)	(123,220)	(215,979)	(241,863)	(126,042)	(132,051)	(232,625)	(258,390)

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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Assets				
Rights and receivables	13,034	108,433	13,034	108,433
Allowance for loan losses	(130)	(1,897)	(130)	(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 Executive Board members, Boards of Directors, Audit Committee, Risk Committee, and Tax Councils:

	BNDES		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Short-term benefits:				
Fees, benefits and charges	7,985	7,510	7,985	7,911
RVA (Cash installment)	-	-	-	-
Post-employment benefits				
Compensatory remuneration - quarantine	-	535	-	535
Long-term benefits				
RVA (Deferred portions)	-	999	-	999
Benefits on termination of employment contract				
Proportionate and compensated vacation time	152	-	152	-

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 period:

	BNDES				Consolidated			
	06/30/2021		06/30/2020		06/30/2021		06/30/2020	
	Management	Employees	Management	Employees	Management	Employees	Management	Employees
Highest salary	80.84	76.79	80.84	75.65	80.84	76.79	80.84	75.65
Lowest salary	8.10	4.20	8.10	3.94	8.10	4.20	8.10	3.94
Average Salary	34.97	31.96	35.00	30.77	34.97	31.99	28.21	30.86

19.8. Employee profit sharing

Changes in the provisioned balances for profit sharing:

	BNDES				Consolidated			
	06/30/2021		12/31/2020		06/30/2021		12/31/2020	
	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)	-	(21,152)	(108)	(4,962)	-	(21,624)	(108)	(5,059)
Payments made	-	(219,712)	(1,651)	(169,401)	-	(226,111)	(1,651)	(174,967)
Adjustment RVA provision - deferred (*)	-	-	22	-	-	-	22	-
Provision of the year	-	-	2,127	240,864	-	-	2,127	247,735
Balance at the end of the period	4,210	-	4,210	240,864	4,210	-	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 Executive Board (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	
	06/30/2021	12/31/2020
2021	2,389	2,389
2022	893	893
2023	574	574
2024	354	354
Total	4,210	4,210

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 first semester of 2021, compared to the same period of the previous year:

	Consolidated				
	06/30/2021				
	Financing	Equity investments	Treasury/ALM	Non-allocated	Total
Income from Loans and interbank onlendings	18,008,590	-	-	-	18,008,590
Income from securities	4,513,060	-	3,539,765	-	8,052,825
Funding expenses	(13,123,804)	(852,166)	(929,808)	-	(14,905,778)
Net Foreign Exchange Effect	-	-	(119,177)	-	(119,177)
PRODUCT FROM FINANCIAL INTERMEDIATION	9,397,846	(852,166)	2,490,780	-	11,036,460
Allowance for losses, net of recovery	962,511	-	81,803	-	1,044,314
GROSS INCOME FROM FINANCIAL INTERMEDIATION	10,360,357	(852,166)	2,572,583	-	12,080,774
Income (loss) from equity investments	-	14,040,961	-	-	14,040,961
Administrative and personnel expenses	(932,573)	(100,840)	(73,572)	-	(1,106,985)
Other expenses, net	(947,957)	(725,740)	136,898	-	(1,536,799)
INCOME (LOSS) BEFORE INCOME TAX	8,479,827	12,362,215	2,635,909	-	23,477,951
Income taxes	(3,744,409)	(3,249,125)	(1,095,386)	(272,951)	(8,361,871)
NET INCOME FOR THE PERIOD	4,735,418	9,113,090	1,540,523	(272,951)	15,116,080
ASSETS	439,598,070	71,675,018	197,224,889	19,961,889	728,459,866
Investments in associated companies	-	11,334,610	-	-	11,334,610

	Consolidated				
	06/30/2020				
	Financing	Equity investments	Treasury/ALM	Non-allocated	Total
Income from Loans and interbank onlendings	14,656,414	-	-	-	14,656,414
Income from securities	571,910	-	3,238,898	-	3,810,808
Funding expenses	(9,860,278)	(1,466,822)	(286,606)	-	(11,613,706)
Net Foreign Exchange Effect	-	-	201,657	-	201,657
PRODUCT FROM FINANCIAL INTERMEDIATION	5,368,046	(1,466,822)	3,153,949	-	7,055,173
Allowance for losses, net of recovery	(1,775,705)	-	(494,845)	-	(2,270,550)
GROSS INCOME FROM FINANCIAL INTERMEDIATION	3,592,341	(1,466,822)	2,659,104	-	4,784,623
Income (loss) from equity investments	-	7,367,874	-	-	7,367,874
Administrative and personnel expenses	(941,963)	(96,818)	(73,786)	-	(1,112,567)
Other expenses, net	(1,290,787)	(207,229)	308,036	-	(1,189,980)
INCOME (LOSS) BEFORE INCOME TAX	1,359,591	5,597,005	2,893,354	-	9,849,950
(+/-) Income taxes	(632,673)	(3,094,151)	(1,092,391)	(69,011)	(4,888,226)
NET INCOME FOR THE PERIOD	726,918	2,502,854	1,800,963	(69,011)	4,961,724
ASSETS	459,502,966	79,454,806	186,922,925	21,991,649	747,872,346
Investments in associated companies	-	8,715,197	-	-	8,715,197

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 semester ended June 30, 2021, compared to the same period in the previous year. Definitions of recurring and non-recurring income (loss) can be found in Note 26.22.

	Consolidated					
	06/30/2021			06/30/2020		
	Accounting profit	Non-recurring effects	Recurring profit	Accounting profit	Non-recurring effects	Recurring profit
Income from Loans and interbank onlendings	18,008,590	-	18,008,590	14,656,414	-	14,656,414
Income from securities	8,052,825	3,811,190	4,241,635	3,810,808	-	3,810,808
Funding expenses	(14,905,778)	-	(14,905,778)	(11,613,706)	-	(11,613,706)
Net Foreign Exchange Effect	(119,177)	-	(119,177)	201,657	-	201,657
PRODUCT FROM FINANCIAL INTERMEDIATION	11,036,460	3,811,190	7,225,270	7,055,173	-	7,055,173
Provision for credit risk	1,044,314	-	1,044,314	(2,270,550)	-	(2,270,550)
GROSS INCOME FROM FINANCIAL INTERMEDIATION	12,080,774	3,811,190	8,269,584	4,784,623	-	4,784,623
Income (loss) from equity investments	14,040,961	12,136,113	1,904,848	7,367,874	6,224,346	1,143,528
Administrative and personnel expenses	(1,106,985)	-	(1,106,985)	(1,112,567)	-	(1,112,567)
Other expenses, net	(1,536,799)	(950,127)	(586,672)	(1,189,980)	(605,671)	(584,309)
INCOME (LOSS) BEFORE INCOME TAX	23,477,951	14,997,176	8,480,775	9,849,950	5,618,675	4,231,275
Income taxes	(8,361,871)	(5,236,236)	(3,125,635)	(4,888,226)	(3,185,111)	(1,703,115)
NET INCOME FOR THE PERIOD	15,116,080	9,760,940	5,355,140	4,961,724	2,433,564	2,528,160
Provision for credit risk		1,044,314	(1,044,314)		(2,270,550)	2,270,550
Taxes on PRC		(469,474)	469,474		1,012,816	(1,012,816)
RECURRING NET INCOME, ADJUSTED ACCORDING TO PRC	15,116,080	10,335,780	4,780,300	4,961,724	1,175,830	3,785,894

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	
	06/30/2021	06/30/2020
Net income for the period	15,116,080	4,961,724
(-) Non-recurring events, net of assets	9,760,940	2,433,564
Disposals of debentures	2,150,995	-
Disposal of equity investments	7,313,824	4,472,991
Equity in earnings (losses)	1,418,262	(1,288,923)
Asset impairment	(8,110)	(236,994)
Income (loss) from derivatives	(52,135)	(99,631)
Other income (loss) from equity investments	(196,050)	611
Provision for contingencies	(49,883)	(89,279)
Other expenses	(543,012)	(256,200)
Tax credit adjustment ⁽¹⁾	(272,951)	(69,011)
Recurring net income for the period	5,355,140	2,528,160
Provision for credit risk	(574,840)	1,257,734
Recurring net income, adjusted according to PRC	4,780,300	3,785,894

⁽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 Executive Board 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 Executive Board 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 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 risk management and internal control and information security framework of BNDES comprises: Board of Directors; Executive Board; Audit, Risk Committee; Market risk Management Committees, Credit and Operating Risk Management, Internal Control and Integrity, Information Security Committee; 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, of 02/23/2017, 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) the Planning Area (AP), responsible for preparing the BNDES' multi-year budget proposal; (v) DEVAL, responsible for preparing the ICAAP's independent validation report; (vi) and the Internal Audit Area, which must periodically evaluate the Bank's capital management process.

In compliance with the guidelines set forth in BACEN Resolution 54/20 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, measurement, evaluation, monitoring and reporting 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 dissemination 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 communication and information dissemination actions, which include presentations, lectures, training and 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} decreased from R\$ 37,814,843 as of December 31, 2020 to R\$ 50,877,376 on June 30, 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 June 30, 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 June 30, 2021 and December 31, 2020, segregated by risk factor, are shown in the table below:

Risk factors	06/30/2021	12/31/2020
Interest	77,741	73,675
Exchange	13,123	236
Shares	1,551,702	2,421,668
Diversification effect	(85,148)	(62,904)
Total VaR	1,557,418	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 table below shows the interest rate risk values of the banking portfolio according to the *Net Interest Income* (NII) and *Economic Value of Equity* (EVE) metrics, for June 30, 2021 and December 31, 2020.

Metric	06/30/2021	12/31/2020
ΔEVE	7,981,158	27,238,359
ΔNII	671,577	276,853
IRRBB (Total)	1,186,172	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}	06/30/2021	12/31/2020
RWAJUR1	321,386	554,913
RWAJUR2	-	-
RWAJUR3	68,685	1,462,701
RWACAM	28,508,583	28,280,668
Total RWA_{MPAD} portion	28,898,654	30,298,282
IRRBB	1,186,172	2,174,943

Market risks from equity portfolio (RWA_{ACS}) and from commodities (RWA_{COM}) were equal to zero at the end of the periods 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 June 30, 2021 and December 31, 2020:

Risk group	Financial instrument / Risk factor	BNDES		Consolidated	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Fixed income operations					
Interest	Selic / DI	22,015,251	6,742,015	69,704,580	45,103,828
Interest	TJLP	(22,428,374)	(10,135,592)	(607,018)	(5,549,705)
Interest	Fixed rate	3,432,931	3,754,099	3,979,983	4,333,194
Interest	IGPM	749,635	4,285,991	820,793	4,884,239
Interest	IPCA	3,882,811	3,739,218	5,044,203	4,930,172
Interest	Ref. rate	(4,864,160)	(5,271,377)	(6,560,542)	(6,901,487)
Exchange	Foreign currency	121,558	466,649	(58,246)	68,800
Variable income operations					
Prices	Shares	8,058,257	7,307,037	54,544,215	64,784,952
Prices	Debentures convertible into shares	-	-	1,033,874	1,150,810
Prices	Stock options	148,249	493	449,123	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 June 31, 2021 and December 31, 2020.

BNDES					
Risk group	Financial instrument / Risk factor	Risk	06/30/2021		
			Probable scenario	Scenario II	Scenario III
Fixed income operations					
Interest	Selic / DI	SELIC/DI incr.	(87,180)	(191,216)	(318,693)
Interest	TJLP	TJLP incr.	(50,329)	(180,593)	(361,187)
Interest	Fixed rate	PRE decr.	109,026	(5,293)	(8,822)
Interest	IGPM	IGPM decr.	9,598	(3,107)	(5,178)
Interest	IPCA	IPCA decr.	(22,295)	(27,369)	(45,615)
Interest	Ref. rate	Ref. rate incr.	(35,956)	-	-
Exchange	Foreign currency	USD decr.	1,605	(16,046)	(26,743)
Variable income operations					
Prices	Shares	Decrease in quotations	653,862	(1,329,612)	(2,659,225)
Prices	Debentures convertible into shares	Decrease in quotations	-	-	-
Prices	Stock options	Decrease in quotations	-	(37,061)	(74,118)

BNDES					
Risk group	Financial instrument / Risk factor	Risk	12/31/2020		
			Probable scenario	Scenario II	Scenario III
Fixed income operations					
Interest	Selic / DI	SELIC/DI incr.	(27,588)	(25,363)	(42,272)
Interest	TJLP	TJLP incr.	(18,062)	(73,417)	(146,834)
Interest	Fixed rate	PRE decr.	30,776	(4,895)	(8,159)
Interest	IGPM	IGPM decr.	145,115	3,112	5,186
Interest	IPCA	IPCA decr.	4,936	(19,151)	(31,918)
Interest	Ref. rate	Ref. rate incr.	(5,219)	-	-
Exchange	Foreign currency	USD decr.	(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	06/30/2021		
			Probable scenario	Scenario II	Scenario III
Fixed income operations					
Interest	Selic / DI	SELIC/DI incr.	(276,030)	(605,426)	(1,009,043)
Interest	TJLP	TJLP incr.	(1,362)	(4,888)	(9,775)
Interest	Fixed rate	PRE decr.	126,400	(6,136)	(10,227)
Interest	IGPM	IGPM decr.	10,509	(3,402)	(5,670)
Interest	IPCA	IPCA decr.	(28,964)	(35,556)	(59,259)
Interest	Ref. rate	Ref. rate incr.	(48,496)	0	0
Exchange	Foreign currency	USD decr.	(769)	(9,611)	(19,221)
Variable income operations					
Prices	Shares	Decrease in quotations	4,385,699	(8,999,795)	(17,999,591)
Prices	Debentures convertible into shares	Decrease in quotations	-	(384,956)	(732,519)
Prices	Stock options	Decrease in quotations	-	(37,633)	(75,258)

Consolidated					
Risk group	Financial instrument / Risk factor	Risk	12/31/2020		
			Probable scenario	Scenario II	Scenario III
Fixed income operations					
Interest	Selic / DI	SELIC/DI incr.	(184,565)	(169,681)	(282,801)
Interest	TJLP	TJLP incr.	(9,890)	(40,199)	(80,399)
Interest	Fixed rate	PRE decr.	35,523	(5,651)	(9,418)
Interest	IGPM	IGPM decr.	165,371	3,546	5,910
Interest	IPCA	IPCA decr.	6,508	(25,250)	(42,084)
Interest	Ref. rate	Ref. rate incr.	(6,832)	-	-
Exchange	Foreign currency	USD decr.	(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.

An adjustment was made in the calculation of the exposure to Selic/DI to reproduce the amount recorded in the statement of financial position. For comparative purposes, the amounts as of December 31, 2020 of the exposure to Selic/DI were also adjusted.

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 Executive Board.

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 June 30, 2021 and December 31, 2020.

Liquidity Risk Indicators	06/30/2021 (new methodology)	12/31/2020 (old methodology)
Liquidity Coverage Ratio (LCR)	22	8,7
Minimum Cash Ratio - 6 months (ICM)	9.9	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 Executive Board 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 Executive Board 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 Pillar 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.

	06/30/2021	12/31/2020
Interbank investments	445,348	609,442
Securities	65,469,169	79,254,533
Interbank Onlendings	76,580,798	81,104,366
Loans	207,682,288	193,514,018
Other rights receivable	1,874,638	1,541,179
Investment and property, plant and equipment in use	10,791,599	10,330,404
Credit commitments and Balances to be released	24,800,705	22,217,697
Tax credits	11,584,699	13,150,069
Other RWA _{CPAD} items	2,498,383	2,362,174
TOTAL exposure of the RWA_{CPAD} portion	401,727,627	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 Executive Board 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	
	06/30/2021	12/31/2020
Guarantee provided by the National Treasury	42,306,821	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⁾	2,984,876	7,310,886
Guarantee from financial institutions or other institutions authorized to operate by BACEN	12,363,016	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	1,271,841	1,353,703
Total	58,926,554	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:

	06/30/2021	12/31/2020
Financial assets		
<u>Held to maturity</u>		
Securities	2,980,446	3,777,561
Loans	290,313,715	298,574,571
Interbank Onlendings	158,497,770	168,391,826
Other receivables	2,067,993	2,044,567
<u>Trading</u>	-	-
Securities	67,330,308	79,642,429
<u>Available for sale</u>	-	-
Securities	87,447,270	103,940,947
Commitments to be released in up to 360 days	79,866,391	74,953,804
Total	688,503,893	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	06/30/2021	12/31/2020
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	1.625%	1.25%
Conservation	Conservation ACC / RWA	1.625%	1.25%
Countercyclical	Countercyclical ACC / RWA	0.0%	0.0%
Factor "F" of RE + ACC	(PR + ACP) / RWA	9.625%	9.25%
Core capital+ ACC	(Core capital + ACC) / RWA	6.125%	5.75%
Tier I + ACC	(Tier I + ACC) / RWA	7.625%	7.25%

Measurement of Regulatory Capital

The Regulatory Capital of the Prudential Conglomerate is as follows:

CAPITAL REQUIREMENT - CONSOLIDATED ⁽¹⁾	06/30/2021	12/31/2020
Reference Equity (RE = Tier I + Tier II)	185,450,936	194,493,120
Tier I Reference Equity (RE_I = CC + AC)	143,307,749	147,082,035
Core Capital - ST	143,307,749	147,082,035
Capital	61,842,148	53,983,180
Capital Reserves, Revaluation and Profit Reserves	19,363,746	27,222,715
Unrealized Gains from Equity Valuation Adjustments, Except for Cash Flow Hedge	25,984,354	31,805,607
Surplus or retained earnings	15,116,080	-
Other Instruments Eligible to Core Capital	22,038,976	35,538,976
Core Capital Deductions, Except for Prudential Adjustments	(292)	(8,985)
Negative adjustment to market value of derivatives	(292)	(8,985)
Prudential Adjustments Except for Non-Consolidated and Tax Credit	(1,037,263)	(1,459,458)
Prudential Adjustment I - Goodwill paid	(790,901)	(790,902)
Prudential Adjustment II - Intangible Assets	(7,942)	(11,050)
Set Prudential XV – Minor Difference – Resolution Adjustments 4,277/13	(238,420)	(657,506)
Tier II Reference Equity	42,143,187	47,411,085
Total risk-weighted assets (RWA) ⁽²⁾	481,503,657	472,197,007
Credit risk (RWA _{CPAD})	401,727,627	404,083,882
Market risk (RWA _{MPAD})	28,898,654	30,298,282
Operational risk (RWA _{OPAD})	50,877,376	37,814,843
Bank risk (RBA _N)	1,186,172	2,174,943
Total	482,689,829	474,371,950
Required Minimum Reference Equity ⁽³⁾	38,520,293	37,775,761
RE Compatibility Margin (RE - REMR - Rban)	145,744,471	154,542,416
Additional Core Capital (ACC)	7,825,190	5,903,253
Conservation ACC ⁽⁴⁾	7,824,435	5,902,463
Countercyclical ACE ⁽⁵⁾	755	790
Index	06/30/2021	12/31/2020
Basel Ratio (BR)	38.51%	41.19%
Tier I Capital ratio	29.76%	31.15%
Core capital ratio	29.76%	31.15%
Leverage ratio	17.27%	17.04%

⁽¹⁾ Assessment in accordance with CMN Circular Letter 4,192/2013 and further amendments.

⁽²⁾ Assessment in accordance with CMN Circular Letter nº 4,193/2013.

⁽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 from January 1, 2019 to March 31, 2020; and 1.625% from April 1, 2021–September 30, 2021.

⁽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 June 30, 2021, the Reference Equity of the Conglomerate reduced by R\$ 9,042,185, due to the decrease in the Equity Valuation Adjustment, of R\$ 5,821,254, as well as due to the early settlement of R\$ 13,500,000 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 drop was partially offset by retained earnings of R\$ 15,116,080.

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\$ 9,306,651 (2.0%), due to the increase of RWA_{OPAD} portion.

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	06/30/2021	12/31/2020
Merchant Marine Fund (FMM)	25,083,622	26,402,945
FT - Land and Agrarian Reform Fund	826,743	996,598
FSA - Audiovisual Sectorial Fund	1,568,443	1,695,369
FNMC - Fundo Nacional sobre a Mudança do Clima	1,784,622	1,764,787
FAN - Amazon Fund	3,537,482	3,549,553
FUNTEL - Fund for the Technological Development of Telecommunications	449,727	449,727
Fund for Regional Development with Privatization Resources (FRD)	235,271	244,182
FAT-DE - Workers' Aid Fund - Special Deposits	5,984,862	7,181,869
FNRB - Benefit-Sharing National Fund	3,110	2,616
FGI - Investment Guarantee Fund ⁽¹⁾	1,370,349	1,370,138
FGI-PEAC - Investment Guarantee Fund - Emergency Credit Access Program ⁽²⁾	20,839,357	20,762,531
Total	61,683,588	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	06/30/2021	12/31/2020
FGE	39,394,499	38,966,916
FGPC ⁽¹⁾	55,253	2,425,486
Total	39,449,752	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

	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
PIS/PASEP	-	10,986	-	55,593
Merchant Marine Fund (FMM)	184,040	164,572	333,331	368,664
FSA - Audiovisual Sectorial Fund	1,463	788	2,304	2,247
FNMC - Fundo Nacional sobre a Mudança do Clima	3,864	4,610	5,278	6,075
FNRB - Benefit-Sharing National Fund	15	11	28	11
FGI-PEAC - Investment Guarantee Fund - Emergency Credit Access Program	51,610	-	102,587	-
FGI - Investment Guarantee Fund	3,621	3,495	7,251	6,938
FND – National Privatization Fund	15,027	2,120	15,027	2,120
Total	259,640	186,582	465,806	441,648

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, the total amount of R\$10,300,000, R\$1,750,000 of which must be allocated to BNDES, as one of the injured entities. 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 June 30, 2021 was R\$ 133,087. Of this amount, R\$ 83,284 was received during the year 2020. 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 June 30, 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.

23. SUBSEQUENT EVENTS

Instruments Eligible to Core Capital - Settlement of PGFN/CAF contract 867

On July 1, 2021, BNDES made the payment of a debt contract with the National Treasury in the amount of R\$ 13.5 billion, in the form of Instruments Eligible to Core Capital – IECF, as announced to the market on the same day, partially settling PGFN/CAF contract 867 signed in June 2013 (see Note 19.2.3).

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, as communicated in March 26, 2021.

Early settlement to the National Treasury

On July 26, 2021, BNDES prepaid a debt contract with the National Treasury in the amount of R\$ 3 billion, partially settling PGFN/CAF contract 034 entered into in January 2018.

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 periods 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 period.

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
Provision 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 corporate 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 semester ended June 30, 2021 and for the 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 gap may be used, as mentioned in Note 7.2.2.

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 period 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) for the period.

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

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.

When the interest in the loss of an associated company is equal to or higher than the investment book value, including any long term asset that naturally is part of the associated investment, additional losses are not recognized, unless there are legal or constructive obligations to make payments on behalf of the associated company.

26.7.2. Equity investments classified as available for sale

When initially recognized, the companies of BNDES Group measure its shares classified 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 measured 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 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 an 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), R\$ 5,558.41 on 06/30/2021.

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 June 30, 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 (CNPIC) 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;
- **CNPIC Resolution 30/2018** that replaces CGPC Resolutions 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 June 21, 2021, was used to update the amounts for the specific dates, maturing in 2035, corresponding to 4.22% p.y. The same note ended the base date of these financial statements on June 30, 2021 at 4.13% per annum, representing a decrease of 0.09 percentage point in relation to the discount rate used.

MPS/CNPIC 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 Executive Board 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 retirement and pension plans of defined benefit.

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 June 30, 2021, according to the quarterly actuarial valuation carried out by an external actuary, based on May 2021 and restated up to June 30, 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 Executive Board 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 20% 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 portion of the deferred tax credit to be realized in 2021 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
- III - 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 Department².

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.

² Corresponds to the Methodology for Evaluating the Risk and Financial Value Estimate (MAERV) in legal and administrative proceedings of BNDES Group.

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 an 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	

26.22. 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 - Chairman
Fábio de Barros Pinheiro
Heloisa Belotti Bedicks
João Laudo de Camargo
Joisa Campanher Dutra Saraiva
Pedro Maciel Capeluppi
Sônia Aparecida Consiglio
Waldery Rodrigues Junior
Walter Baere de Araújo Filho
William George Lopes Saab

TAX COUNCIL

Pricilla Maria Santana – President
Diogo Mac Cord de Faria
Marília Moreira Garcez
Antônio Simões Branco Junior - Deputy

AUDIT COMMITTEE

Fábio de Barros Pinheiro - President
Maria Salete Garcia Pinheiro
Paulo Marcelo de Miranda Serrano

EXECUTIVE BOARD

Gustavo Henrique Moreira Montezano - CEO
Ângela Brandão Estellita Lins
Bianca Nasser Patrocínio
Bruno Caldas Aranha
Bruno Laskowsky
Claudenir Brito Pereira
Fábio Almeida Abrahão
Petrônio Duarte Cançado
Ricardo Wering de Barros
Saulo Benigno Puttini

SUPERINTENDENT OF THE CONTROLLERSHIP AREA

Patricia da Silva Barros

CORPORATE REPORT DEPARTMENT HEAD

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



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Independent auditors' 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 June 30, 2021 and the respective statements of income, comprehensive income, changes in shareholders' equity and cash flows for the semester 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 at June 30, 2021, and their consolidated performance of its cash flows, for the semester 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 in accordance with Brazilian and international standards on auditing. Our responsibilities, in accordance with such standards, are described in the following section entitled "Auditors' responsibilities for the audit of 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.

Key audit matters

The key audit matters are those who, in our professional judgment, were the most significant in our audit of the consolidated financial statements of the semester ended June 30, 2021. These matters were treated in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 – Employee benefits obligations

Refer to Notes 17 and 26.15 of consolidated financial statements.

Key audit matter	How our audit approached this matter
<p>The Bank sponsors pension plans and supplementary healthcare plans which ensure the supplementation of retirement healthcare benefits to its employees.</p> <p>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.</p> <p>We considered the measurement of benefit plan obligations as a key of audit matters due to 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.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> – Evaluation of the design and operational effectiveness of key internal controls linked to the process of the measurement of actuarial liabilities, including controls related to the determination, review and approval of the assumptions involved in the 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 the measurement benefit plan obligations, including comparison with data obtained from external sources. <p>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 consolidated financial statements taken as a whole for the semester ended June 30, 2021.</p>

2 - 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
<p>The Bank classifies its credit operations and interbank onlendings for measuring the allowance for loan losses into nine risk levels, taking into account inputs and assumptions such as late payments, economic financial situation, level of indebtedness, economic activity segment, collateral characteristics and other factors and assumptions provided for in CMN (National Monetary Council) Resolution No. 2682/1999, rating being “AA” being the minimum risk and “H” maximum risk.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> – Evaluation of the design and operational effectiveness, by sampling, 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;

<p>The Bank, initially, applies loss percentages established in 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 (supplementary provision).</p> <p>The loans and interbank onlendings classification into risk levels as well as 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 account represents the Bank's best estimate of the portfolios losses.</p> <p>Due to the relevance of loans and interbank onlendings, the judgment, involved in the determination, and the uncertainties, by the current social and economic scenario resulting from the Covid-19, inherent in determining the estimate of the allowance for loan losses, as a result of the complexity of the methods and assumptions used, we consider this as significant matter in our audit.</p>	<ul style="list-style-type: none"> – Evaluation, on sampling basis, 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 resulting from the Covid-19 pandemic; – Evaluation, on sampling basis, whether the Bank met the requirements established by the CMN Resolution No. 2682/1999, 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. <p>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 ended June 30, 2021.</p>
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3 - Securities

Refer to Notes 6 and 26.6 to the consolidated financial statements.

Key audit matter	How our audit approached this matter
<p>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.</p> <p>For the derivative financial instruments and securities measured at market value, whose market prices or parameters are not observable, the determination of the market value is subject to a high level of uncertainty, according as the Bank performs significant judgments in determining the methods and assumptions used in its measurement.</p> <p>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.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> – 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 market value, which market price measurement parameters are not observable, we evaluate with the support of our specialists in financial instrument, the models developed by the Bank for determining market values and the reasonableness of data, the parameters and information included in the pricing models used. – Recalculation, on a sampling basis, of the market value of these derivative financial instruments and securities, as well as analysis of the policy and criteria related to indication of evidence of impairment losses of financial assets classified as "Available for Sale" and "Held to Maturity"; and

<p>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.</p>	<ul style="list-style-type: none"> – Evaluation of the Bank's disclosures in consolidated financial statements described in the notes. <p>Based on the evidence obtained from the the procedures summarized above, we consider adequate the measurement of market values of derivative financial instruments and securities, the evaluation of the indications of impairment losses of 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 ended June 30, 2021.</p>
4 - Interest in associated companies	
<p>Refer to Notes 7 and 26.7 to the consolidated financial statements.</p>	
Key audit matter	How our audit approached this matter
<p>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.</p> <p>These investments are classified in the accounting category "interests in associated companies" and are recorded under the equity method. When there are indications evidence 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 flows; (ii) other macroeconomic events that may have an impact on business models; and (iii) the company's business plan for subsequent years.</p> <p>Due to the relevance and the high level of judgment involved in the process of determining these assumptions, accentuated 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.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> – Evaluation of the design and operational effectiveness of the key internal controls implemented by the Bank, in order to manage its interests in associated companies, particularly those related to impairment testing; – Comparison of the market value of the main publicly-held companies with their book value, and, in cases where the market value is lower, we evaluate whether this indication of evidence of impairment loss in an associated company may have suffered a devaluation would evidence an impairment. – Research of market data of associated companies which is used as input for qualitative analyzes and that may indicate of evidence of impairment loss in the recoverable value of interests in associated companies; – Evaluation, when applicable, with the support of our specialists in corporate finance, aiming to analyze the recoverable value studies prepared by the Bank. The main procedures are related to the verification of the reasonableness of mathematical models within accepted market standards, as well as the analysis of cash flows projections and the ability to implement the business plans for each interest in associated companies, considering the economic and financial evaluation that was structured; and

	<p>– Evaluation of the Bank's disclosures in the consolidated financial statements described in notes.</p> <p>Based on evidence obtained from the procedures summarized above, we consider adequate the accounting treatment regarding interest in associated companies investments and respective disclosures in the context of the consolidated financial statements taken as a whole for the semester ended June 30, 2021.</p>
Other matters	

Statements of added value

Consolidated statements of added value for the semester ended June 30, 2021, prepared under responsibility of Bank's management, and presented as supplementary information in relation to accounting practices adopted in Brazil applicable to institutions authorized by Central Bank of Brazil, were submitted to audit procedures carried out together with the audit of the Bank's financial statements. To form our opinion, we evaluated whether these statements are reconciled with the financial statements and book records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement 09 (CPC 09) - Statement of Added Value issued by the Committee for Accounting Pronouncements (CPC). In our opinion, these statements of added value were fairly 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 and the auditors' report

Management is responsible for this 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 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 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 that fact. We have nothing to report on this respect.

Responsibilities of management and governance for the consolidated financial statements

Management 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 which management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether the latter were due to fraud or error.

In the preparation of consolidated financial statements, management is responsible for evaluating the ability of the Bank to continue as a going concern, disclosing, where applicable, the matters relating to its going concern and the use of this basis of accounting in preparing the financial statements, unless management intends to liquidate the Bank and its subsidiaries or cease its operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' responsibilities for the audit of consolidated financial statements

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

As part of the audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and evaluate the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and we obtained 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 the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the internal controls of the Bank's internal control and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.
- Conclude as to the appropriateness of management's use of the accounting basis for going concern and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and its subsidiaries' ability to continue as a going concern. If we conclude that there is a material uncertainty, we will call attention in our audit report to the respective disclosures in the consolidated financial statements or include any change in our opinion, if the disclosures are inappropriate. 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.
- Evaluate the overall presentation, structure and content of financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner consistent with the objective of fair presentation.
- Obtain appropriate and sufficient 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 audit, and, consequently, the audit opinion.

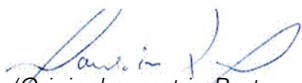
We communicate with those charged with governance regarding, among other matters, the planned scope, the timing of audit and the significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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

From the matters communicated to people responsible for governance, we determined those that were considered the most significant in the audit of the consolidated financial statements as of June 30, 2021, and that, accordingly, comprise the key audit matters. We describe these matters in our auditors' 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, August 11, 2021

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ



(Original report in Portuguese signed by)
Marcelo Faria Pereira
Accountant CRC RJ-077911/O-2