

# Fundo Amazônia

(Managed by National Bank of Economic and Social Development, or BNDES - "Banco Nacional de Desenvolvimento Econômico e Social")

**Financial statements**  
**December 31, 2021 and 2020**

# Contents

<b>Independent auditors' report on the financial statements</b>	<b>3</b>
<b>Balance sheets</b>	<b>6</b>
<b>Statements of surplus (deficit)</b>	<b>7</b>
<b>Statements of changes in net assets</b>	<b>8</b>
<b>Statements of cash flows</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10</b>



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

## Independent auditors' report on the financial statements

To the Administrator of  
Fundo Amazônia  
Brasília - DF

### Opinion

We have examined the financial statements of Fundo Amazônia ("Fund"), which comprise the balance sheet as at December 31, 2021 and the related statements of net assets, changes in net assets and cash flows for the year then ended, as well as the corresponding notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fundo Amazônia as at December 31, 2021, and its financial performance for the year then ended, in accordance with the accounting practices adopted in Brazil applicable to nonprofit entities (ITG 2002 R1).

### Basis for opinion

Our audit was conducted in accordance with Brazilian and international standards on auditing. Our responsibilities under those standards are further described in the following section, titled "Auditor's Responsibilities for the Auditing of Financial Statements". We are independent of the Fund in accordance with the relevant ethical principles established in the Accountants' Professional Code of Ethics and the professional standards issued by the Federal Accounting Council, and we comply with the other ethical responsibilities according to these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

### Administrator's responsibility for the financial statements

The Fund's Administrator is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil, applicable to nonprofit entities (ITG 2002 R1) and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, regardless of whether caused by fraud or error.



In the preparation of the financial statements, Administrator is responsible, limited to prerogatives provided in NBC TG 26, for assessing the ability of the Fund 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 the Administrator intends to wind-up the Fund or cease its operations, or has no realistic alternative to avoid the closure of operations.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, regardless of whether caused by fraud or error, and to issue an auditors' that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit conducted pursuant to Brazilian and international auditing standards will always detect any existing material misstatements. Misstatements may arise from fraud or error, and are considered material when, individually or in aggregate, may influence, from a reasonable perspective, the economic decisions of users taken based on such financial statements.

As part of an audit conducted according to the Brazilian and international auditing standards, we exercise professional judgment, and maintain professional skepticism during the audit. We also:

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



- Conclude on the appropriateness of Administrator's basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide to Administrator a statement that we fulfill the relevant ethical requirements, including the applicable independence requirements, and communicate all of the possible relations or matters that could considerably affect our independence, including, when applicable, the respective disclaimers.

Rio de Janeiro, April 14, 2022

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

José Claudio Costa  
Accountant CRC 1SP-167720/O-1

**FUNDO AMAZÔNIA**  
 (Managed by National Bank of Economic and Social  
 Development, or BNDES - "Banco Nacional de  
 Desenvolvimento Econômico e Social")

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2021 and 2020

(In thousands of reais)

	Note	12/31/2021	12/31/2020
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	3,583,826	3,549,553
Prepaid expenses	5	88,885	89,139
<b>Total Assets</b>		<b>3,672,711</b>	<b>3,638,692</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Funds to be allocated to projects	6	3,583,826	3,549,553
Support funds	7	88,885	89,139
<b>NET ASSETS</b>			
Accumulated surplus/(deficit)		-	-
<b>Total liabilities and net assets</b>		<b>3,672,711</b>	<b>3,638,692</b>

The accompanying notes are an integral part of financial statements.

**FUNDO AMAZÔNIA**  
 (Managed by National Bank of Economic and Social  
 Development, or BNDES - "Banco Nacional de  
 Desenvolvimento Econômico e Social")

**STATEMENTS OF SURPLUS (DEFICIT)**  
 Years ended December 31, 2021 and 2020  
 (In thousands of reais)

	Note	2021	2020
<b>INCOME</b>			
Revenues from donations to investments	6	117,491	130,999
Revenues from donations to support	7	254	350
Finance income	4	151,764	98,776
<b>EXPENSES</b>			
Expenses with donations to investments	6	(117,491)	(130,999)
Expenses with remuneration of available project funds	6	(151,764)	(98,776)
Administrative expenses	8	(254)	(350)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		-	-

The accompanying notes are an integral part of financial statements.

**FUNDO AMAZÔNIA**  
(Managed by National Bank of Economic and Social  
Development, or BNDES - "Banco Nacional de  
Desenvolvimento Econômico e Social")

**STATEMENTS OF CHANGES IN NET ASSETS**  
December 31, 2021 and 2020  
(In thousands of reais)

---

	<b>Surplus/ Accumulated (deficit)</b>
<b>Balance at January 1, 2020</b>	-
Year 2020	-
<b>Balance at December 31, 2020</b>	-
Year 2021	-
<b>Balance at December 31, 2021</b>	-

The accompanying notes are an integral part of financial statements.



**FUNDO AMAZÔNIA**  
 (Managed by National Bank of Economic and Social  
 Development, or BNDES - "Banco Nacional de  
 Desenvolvimento Econômico e Social")

**STATEMENTS OF CASH FLOWS**  
 Years ended December 31, 2021 and 2020  
 (In thousands of reais)

	Note	12/31/2021	12/31/2020
<b>Cash flows from operating activities</b>			
<b>Funds received</b>			
Funds invested in projects	6	(117,491)	(130,999)
Financial income	4	151,764	98,776
<b>(=) Net cash (consumed) generated by operating activities</b>		<b>34,273</b>	<b>(32,223)</b>
Cash and cash equivalents at the beginning of the year		3,549,553	3,581,776
Cash and cash equivalents at the end of year	4	3,583,826	3,549,553

The accompanying notes are an integral part of financial statements.

# FUNDO AMAZÔNIA

(Managed by National Bank of Economic and Social Development, or BNDES - "Banco Nacional de Desenvolvimento Econômico e Social")

Notes to the financial statements  
December 31, 2021 and 2020  
(In thousands of reais)

---

## 1. ACTIVITY CONTEXT

Fundo Amazônia was created by BNDES Resolution 1640, of September 3, 2008, and commenced its activities on the second half of 2009, engaged in raising donations to non-reimbursable investments in prevention, monitoring and combating against deforestation, and for encouraging conservation and sustainable use of forests in the Amazônia Legal biome, under Decree 6527/2008, amended by Decrees 6565/2008, 8773/2016 and 10223/2020

Fundo Amazônia supports projects in the following areas:

- Management of public forests and protected areas;
- Environmental control, monitoring and surveillance;
- Sustainable forest management;
- Economic activities developed from sustainable use of vegetation;
- Ecologic and economic zoning, land use planning and land tenure;
- Conservation and sustainable use of biodiversity; and
- Recovery of deforested areas.

The management and administration of Fundo Amazônia are responsibility of Banco Nacional do Desenvolvimento Econômico e Social - BNDES, where among others it is responsible for fundraising, contracting and monitoring projects and supported actions, as well as operating as a legal representative.

The governance of Fundo Amazônia established by the Decree 6527/2008 provided for the existence of a Steering Committee - COFA, which is responsible for defining its guidelines and monitoring the results obtained. As a result of Decree 9759, dated April 11, 2019, this committee was extinguished as of June 28, 2019, and Decree 10223 of February 5, 2020, revoked the articles related to participation in the Steering Committee for Fundo Amazônia and its goals. This situation had no impact on the performance of projects that had already been contracted. Thus, Fundo Amazônia continues to operate normally, making releases and monitoring the performance of projects in progress. The funds for the continuity and conclusion of the projects already contracted are guaranteed as provided for in the donation contracts. Only reviews and approvals of new projects that were not completed until the end of 2021 were suspended during the negotiation period. The Brazilian, Norwegian and German governments, donors of Fundo Amazônia, engaged to negotiations related to the redefinition of their governance, which were not concluded until December 31, 2021.

Fundo Amazônia has no legal personality, and its transactions are written up in specific accounts of BNDES.

**FUNDO AMAZÔNIA**  
(Managed by National Bank of Economic and Social  
Development, or BNDES - "Banco Nacional de  
Desenvolvimento Econômico e Social")

Notes to the financial statements  
December 31, 2021 and 2020  
(In thousands of reais)

---

## 2. BASIS OF PREPARATION

The financial statements have been prepared and are being presented in accordance with Brazilian accounting practices for nonprofit entities, according to Interpretation ITG 2002 (R1), approved by Resolution 1409, of September 21, 2012, issued by the Federal Accounting Council.

### a) Measuring basis

The financial statements have been prepared on the basis of historical cost, except for investments, recorded as "Cash and cash equivalents" and measured at fair value through profit or loss.

### b) Functional currency

The Administrator concluded that the Real is the functional currency of the Fund.

### c) Approval for issue

These financial statements were approved by Management on April 14, 2022.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

The accounting policies described in detail below have been consistently applied to all the years presented in these financial statements.

### 3.1 Cash and cash equivalents

Cash and cash equivalents include high liquidity investments in two investments funds administered by BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A. - BB DTVM, which have conservative investment portfolio with low risk of change in the market value of investments. Income from investments in BB DTVM is linked to the variation of the quota of invested funds, as described in Note 4.

# FUNDO AMAZÔNIA

(Managed by National Bank of Economic and Social Development, or BNDES - "Banco Nacional de Desenvolvimento Econômico e Social")

Notes to the financial statements  
December 31, 2021 and 2020  
(In thousands of reais)

---

## 3.2 Funds to be allocated to projects

Refer to the balance of donations received and not yet allocated, including income from the investment of these resources.

According to Decree 6527/2008 and further amendments, 97% of the resources received are destined to projects. The amounts are recorded as liabilities, less the expenses incurred by each project, so that they do not result in increase or reduction of the net assets of the Fund, considering that the Fund is only the collecting and forwarding agent for execution of the projects.

## 3.3 Donations for support

Pursuant to §3 of article 1 of Decree 6527/08 and further amendments, the BNDES should segregate the amount equivalent to 3% of the value of donations to cover its operating costs and the expenses related to Fundo Amazônia. Revenue from costing related to 3% of the donations is accounted for as "Support funds", and recognized according to the use of funds by the BNDES. The transfer of the 3% made by BNDES is presented as "Prepaid Expenses" and recorded as "Administrative Expenses" according to the use by the BNDES.

## 3.4 Statement of cash flows

The Fund opted for the direct method in the presentation of this statement. The funds received from projects were treated as operating activities, since the Fund operates as collecting and forwarding agent for these funds.

## 4. CASH AND CASH EQUIVALENTS

Composed as follows:

	12/31/2021	12/31/2020
Financial investment with the Administrator (*)	3,583,826	3,549,553
<b>TOTAL</b>	<b>3,583,826</b>	<b>3,549,553</b>

(\*) The Administrator maintains the Fund's resources in the investment fund BB Gaia Fundo de Investimento Renda Fixa ("BB Gaia FIRF"), whose portfolio is concentrated on Brazilian government bonds, repurchase and resale agreements backed by Federal government bonds and in BB Gaia II Fundo de Investimento em Cotas de Fundo de Investimento Renda Fixa ("BB Gaia II FIC FIRF"), which concentrates at least 95% of its net assets in quotas of BB Gaia FIRF. Both funds have daily liquidity clause.

**FUNDO AMAZÔNIA**  
 (Managed by National Bank of Economic and Social  
 Development, or BNDES - "Banco Nacional de  
 Desenvolvimento Econômico e Social")

Notes to the financial statements  
 December 31, 2021 and 2020  
 (In thousands of reais)

Pursuant to Decree 6527/08 and further amendments, the percentage of 97% of the donations received is destined to projects. The Fund segregates these resources in specific investment account. The resources, while not allocated to projects, are invested by the BNDES in the aforementioned exclusive funds, administered and managed by BB DTVM, and remunerated based on the yield rate of each of them

Additionally, the exclusive fund BB Gaia II FIC FIRF was created in compliance with Board Decision 832/2012, which established the accounting segregation of values obtained from Brazilian public sources, which cannot be destined to projects carried out by the Federal Government.

Until December 2021, the total financial revenues of the Fundo Amazônia applications since its inception totaled R\$ 1,710,773 (R\$ 1,559,009 until December 2020).

Changes in cash and cash equivalents are as follow:

12/31/2021				
	Total	Funds to projects (Gaia FI)	Funds to projects (Gaia II FIC)	Support funds
<b>Balance at January 1, 2021</b>	<b>3,549,553</b>	<b>3,528,169</b>	<b>21,384</b>	-
Income	151,764	150,850	905	-
Funds released	(117,491)	(117,491)	-	-
<b>Balance at December 31, 2021</b>	<b>3,583,826</b>	<b>3,561,528</b>	<b>22,289</b>	-

12/31/2020				
	Total	Funds to projects (Gaia FI)	Funds to projects (Gaia II FIC)	Support funds
<b>Balance at January 1, 2020</b>	<b>3,581,776</b>	<b>3,560,935</b>	<b>20,841</b>	-
Income	98,776	98,233	543	-
Funds released	(130,999)	(130,999)	-	-
<b>Balance at December 31, 2020</b>	<b>3,549,553</b>	<b>3,528,169</b>	<b>21,384</b>	-

**FUNDO AMAZÔNIA**  
(Managed by National Bank of Economic and Social  
Development, or BNDES - "Banco Nacional de  
Desenvolvimento Econômico e Social")

Notes to the financial statements  
December 31, 2021 and 2020  
(In thousands of reais)

## 5. PREPAID EXPENSES

The balance of prepaid expenses is comprised of the equivalent to 3% of the value of donations, retained by BNDES to cover operating costs of Fundo Amazônia, net of amounts recognized as "Administrative Expenses" at Fundo Amazônia according to the use by BNDES.

## 6. FUNDS TO BE ALLOCATED TO PROJECTS

The balance of project funds was received from the following donors: (i) Norwegian Ministry of Foreign Affairs, (ii) KFW and (iii) Petrobras, and are destined to specific projects and associated to the purpose of Fundo Amazônia.

Changes in the available project funds are as follows:

	12/31/2021	12/31/2020
<b>Balance at the beginning of the year</b>	<b>3,549,553</b>	<b>3,581,776</b>
Income	151,764	98,776
Funds released	(117,491)	(130,999)
Donations received (*)	-	-
<b>Balance at the end of the year</b>	<b>3,583,826</b>	<b>3,549,553</b>

(\*) Net amount of the portion of 3% destined to cover costs.

The amount of R\$ 117,491 (R\$ 130,999 as at December 31, 2020) is recorded in the statements of surplus (deficit) as "Revenue from donations to investments" and "Expenses with donations to investments", annulling each other because Fundo Amazônia is a nonprofit entity.

Fundo Amazônia did not receive donations in the years 2021 and 2020. Since the beginning of its activities to December 31, 2021, Fundo Amazônia received funds from the following donors:

Up to 12/31/2021			
Donor	Support funds 3%	Project funds 97%	Total 100%
Norwegian Ministry of Foreign Affairs	95,601	3,091,119	3,186,720
KFW	5,781	186,909	192,690
Petrobras	518	16,767	17,285
<b>Total</b>	<b>101,900</b>	<b>3,294,795</b>	<b>3,396,695</b>

**FUNDO AMAZÔNIA**  
(Managed by National Bank of Economic and Social  
Development, or BNDES - "Banco Nacional de  
Desenvolvimento Econômico e Social")

Notes to the financial statements  
December 31, 2021 and 2020  
(In thousands of reais)

---

Up to 12/31/2020			
Donor	Support funds 3%	Project funds 97%	Total 100%
Norwegian Ministry of Foreign Affairs	95,601	3,091,119	3,186,720
KFW	5,781	186,909	192,690
Petrobras	518	16,767	17,285
<b>Total</b>	<b>101,900</b>	<b>3,294,795</b>	<b>3,396,695</b>

## 7. SUPPORT FUNDS

The balance of support funds refers to the portion of the donation (3%) retained by BNDES not yet recognized as "Revenue from donation". Revenue from donation is recognized according to the use of support funds by BNDES. In the years ended December 31, 2021 and December 31, 2020, no support amounts were allocated due to the lack of funds received from donations for the period.

## 8. ADMINISTRATIVE EXPENSES

In the year ended December 31, 2021, the amount of R\$ 254 (R\$ 350 as at December 31, 2020) was recognized as administrative expenses, where the most relevant ones are: publicity, travels and lodging, lecturers and events and audit services.

## 9. TAXES

Any tax liability resulting from operations in the ambit of Fundo Amazônia is responsibility of BNDES, since the Fund does not have its own legal personality, and its transactions are written-up in specific bookkeeping accounts of BNDES.

### Pis and Cofins

According to article 1 of Law 11828, of November 20, 2008, amended by Law 12810, of May 15, 2013, donations in cash received by public financial institutions controlled by the Federal Government and intended for actions to prevent, monitor, combat deforestation, including compensation programs for environmental services, and promoting conservation and sustainable use of Brazilian biomes are exempted from PIS-PASEP and from the Contribution for the Financing Social Security (COFINS).

# FUNDO AMAZÔNIA

(Managed by National Bank of Economic and Social Development, or BNDES - "Banco Nacional de Desenvolvimento Econômico e Social")

Notes to the financial statements  
December 31, 2021 and 2020  
(In thousands of reais)

---

## Income and social contribution taxes

There is no income to be presented for taxation of income tax (IRPJ) and social contribution on net income (CSLL). The income from donation is recognized at the same time as the recognition of operating expenses with projects intended within the scope of Fundo Amazônia (as approved by inquiry 59 SRRF07/Disit, 08/06/2009, performed by BNDES to the Federal Revenue Department). The same occurred in relation to the financial income derived from investments in investment funds.

## 10. RELATED PARTIES

Fundo Amazônia has a relationship with BNDES, which is authorized to earmark the value of donations received in cash to non-reimbursable investments in prevention, monitoring, combating deforestation and promotion of conservation and sustainable use of the Amazon biome. The relationship mentioned refers to values corresponding to "cash and cash equivalents" (as mentioned in Note 4), which are held in bank accounts held by BNDES.

Additionally, BNDES holds an amount equivalent to 3% of the value of donations to cover its operating costs and the expenses related to Fundo Amazônia, see further explanations in note 5 "prepaid expenses".

## 11. NET ASSETS

The shareholder's equity of Fundo Amazônia is comprised of surplus/(deficit) for the years.

## 12. RISK MANAGEMENT

On December 31, 2021 and 2020, the Fund does not present material credit, liquidity, market and operating risks since it has very limited operations. The Fund presents a concentration of credit risk with its Administrator (invested funds) as Note 4 shows. The book values represent the amount related to Fund's credit risk as Note 1, the funds for the continuity and conclusion of the projects already contracted are guaranteed as provided for in the donation contracts.



**FUNDO AMAZÔNIA**  
(Managed by National Bank of Economic and Social  
Development, or BNDES - "Banco Nacional de  
Desenvolvimento Econômico e Social")

Notes to the financial statements  
December 31, 2021 and 2020  
(In thousands of reais)

---

**BOARD OF EXECUTIVE OFFICERS**

Gustavo Henrique Moreira Montezano – President

Rodrigo Donato de Aquino

Lourenço Tigre

Bruno Laskowsky

Claudenir Brito Pereira

Fábio Almeida Abrahão

Bruno Caldas Aranha

Solange Paiva Vieira

Ricardo Wering de Barros

Marcelo Sampaio Vianna Rangel

**SUPERINTENDENT OF THE CONTROLLERSHIP AREA**

Patricia da Silva Barros

**HEAD OF ACCOUNTING DEPARTMENT** Marcos Paulo Pereira da Silva

Accountant - CRC-RJ 097.092/O-9