BNDES

O banco nacional do desenvolvimento

BNDES 2Q22 Results

Gustavo Montezano – CEO

Lourenço Tigre – CFO

Fábio Abrahão – Concessions and Privatizations Director

August 11, 2022

70 ANOS

Public Document

Agenda

> Message from the CEO

> Quarter Highlights

> Financial Results

> Project Factory

> Press Conference

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BNDES committed to sustainable development

70 years building sustainable futures

Privatization of Latin America’s largest energy company

Largest credit recovery in the history of BNDES

First call for blended finance

Euromoney Awards for Excelence 2022: Latin America’s Best Bank Transformation

One of the 100 most valuable brands in Brazil

> Quarter Highlights

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2Q22 Financial Highlights

Net Income

BRL11.7 bn

↗ 120.7% 2Q22/2Q21
↘ 9.3% 2Q22/1Q22

Treasury Position

BRL131.2 bn

Payments to the National Treasury[1/]

BRL39.9 bn

Expanded Portfolio[2/]

BRL453.4 bn

↗ 3.4% 2Q22/2Q21
↗ 2.4% 2Q22/1Q22

Total Disbursements

BRL18.4 bn

↗ 46.0% 2Q22/2Q21
↗ 24.3% 2Q22/1Q22

NPL (+90 days)

0.17%

1/ In addition to the BRL39.9 bn, BRL1.0 bn was paid in taxes
2/ Includes debentures (BRL7.1 bn) and other loan assets (BRL2.9 bn), does not consider stock loan of BRL4.8 bn, carried out in 2Q22

2Q22 results are based on the pillars of BNDES' operations

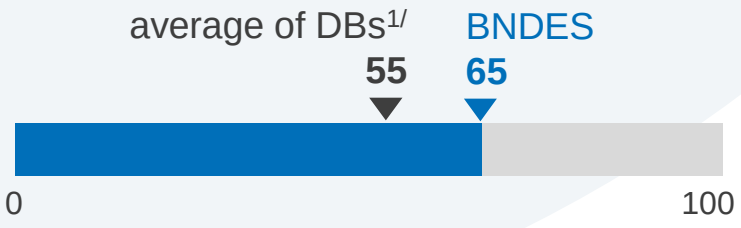
Moody's ESG reaffirms BNDES' ESG rating at the highest level of the scale

A1+

ESG reporting ratio: **96%**
(sector's average: 75%)

General ranking: **86** out of 4,890 companies

Top 2% in the world



Environmental Level

*"Comprehensive processes in place to **integrate environmental considerations in the selection and management of assets** may provide competitive advantage when raising investor´s funds"*

Social Level

*"State-of-the-art systems to **prevent discrimination and promote diversity**, may help ensuring talent attraction and retention"*

*"Strong **efforts to promote social and economic development**, can positively impact the company's reputation and widen its partner basis"*

Governance Level

*"A comprehensive commitment **towards corruption and money laundering prevention**, backed by efficient measures in controlling business ethics related risks"*

*"A **diversified composition** of the Advisory Board, which includes a specific committee on CSR issues"*

1/ Sector average of the "Development Banks" group in Moody's ESG Solutions (MESG) rating
Learn more about BNDES' ESG rating and access the complete report at https://ri.bndes.gov.br/sustentabilidade/rating-asg/

New solutions for MSMEs being expanded...

New FGI PEAC

Budget of **BRL2.5 bn**, BRL1.2 bn in the first tranche

Expectation to reach up to **50,000 customers**, guaranteeing loans of up to **BRL22 bn** (BRL10 bn in the first tranche)

Beginning of operations expected for September/2022

Leverage

8 to 10x

BNDES FGI Sebrae

Budget of **BRL1 bn**, BRL500 million from each partner

Expectation to reach up to **100,000 customers**, guaranteeing loans of up to **BRL15 bn**

Beginning of operations expected for 4Q22

Leverage

15x

...to strengthen BNDES' support to micro-, small-, and medium-sized companies

Disbursements for MSMEs in 2Q22
(37.2% of the total)

BRL6.8bn

21.7%

of BNDES' loan portfolio at the end of 2Q22 supported MSMEs, equivalent to BRL100.4 bn

BNDES will invest up to BRL450 million in impact investing

Public Notice selected three private equity funds aimed at enterprises focused on generating positive social and environmental impact and positive sustainable financial results

FIP MSME Impact[1/]

for companies with gross operating revenue of up to BRL90M

VOX Tech for Good Growth I

Althelia Biodiversity Fund Brazil

Target fundraising of **BRL200 million** in each Fund, up to 25% from BNDES

FIP Free Impact

for enterprises with no revenue limit

Lightrock Growth Equity Fund II Brasil

Target committed capital of BRL1 bn, up to 25% from BNDES
First payment of BNDES in May/22, of BRL123.5 million

1/ Funds currently undergoing pre-contract due diligence

BNDES Blended Finance will support the creation of financial structures to foster urban development, bioeconomy, and circular economy

up to **BRL90M**

to be invested by BNDES

4x

minimum leverage

50 proposals received, total demand of **BRL900M**

up to **12** proposals will be selected

Urban Development

- access to decent, suitable, and affordable housing
- encouraging local economic purposes
- GHG mitigation and adaptation to climate change

Forest Bioeconomy

- ecosystemic services
- sustainable wood and non-wood management
- agroforestry systems
- tourism and cultural
- infrastructure and industry

Circular Economy

- input recirculation
- recovery, treatment, and reinsertion of waste in the productive chain
- migration from product concept to service concept

BNDES continues to launch solutions for sustainable development...

Juntos pela Saúde

Matchfunding to expand access to health and improve service rendering

BRL100 million from BNDES + BRL100 million from partners in 4 years

Public Notice for the selection of the managing partner opened in June/2022

Projeto Raízes

Supporting sustainable development projects in INCRA settlements in the Amazon region

Investment of **up to BRL12 million, BRL6 million from BNDES**, for projects of land and environmental regularization, social infrastructure, and bioeconomy

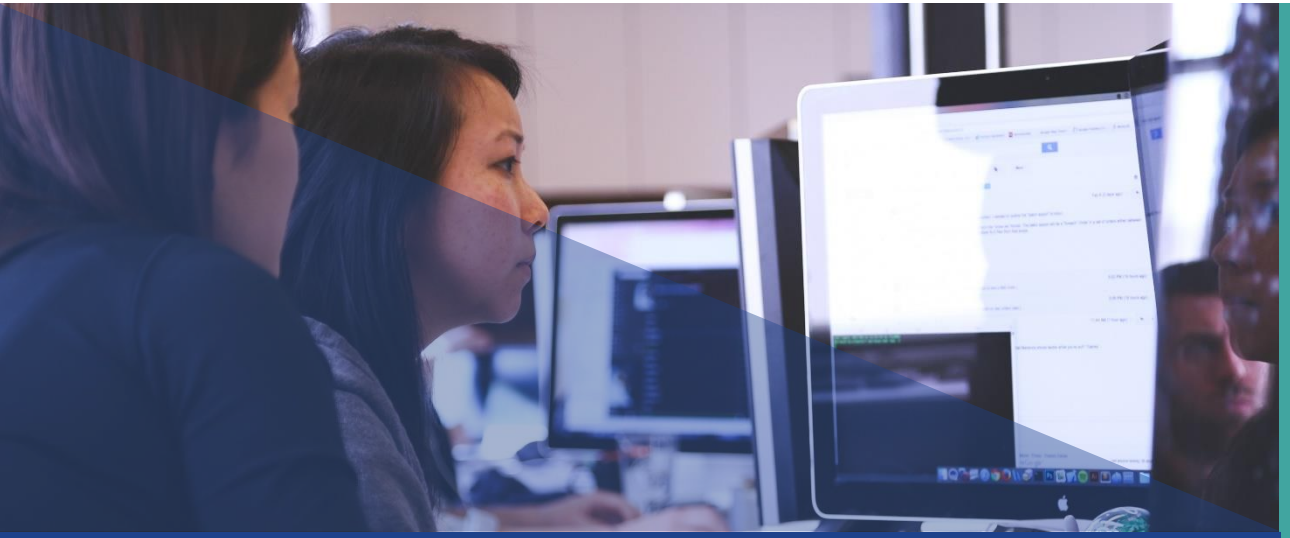
Garante Amazônia

Securing loans and technical assistance for bioeconomy chains in the Amazon region

BRL20 million from BNDES + BRL20 million from partners

Potential leverage of 5x, enabling over **BRL100 million in new loans in the region**

...expanding its role in education and professional recycling training



Novos Rumos

Matchfunding for professional training in industry 4.0, technology, and green economy aimed at people in social vulnerability or low income

BRL30 million from BNDES + BRL30 million from partners in 5 years

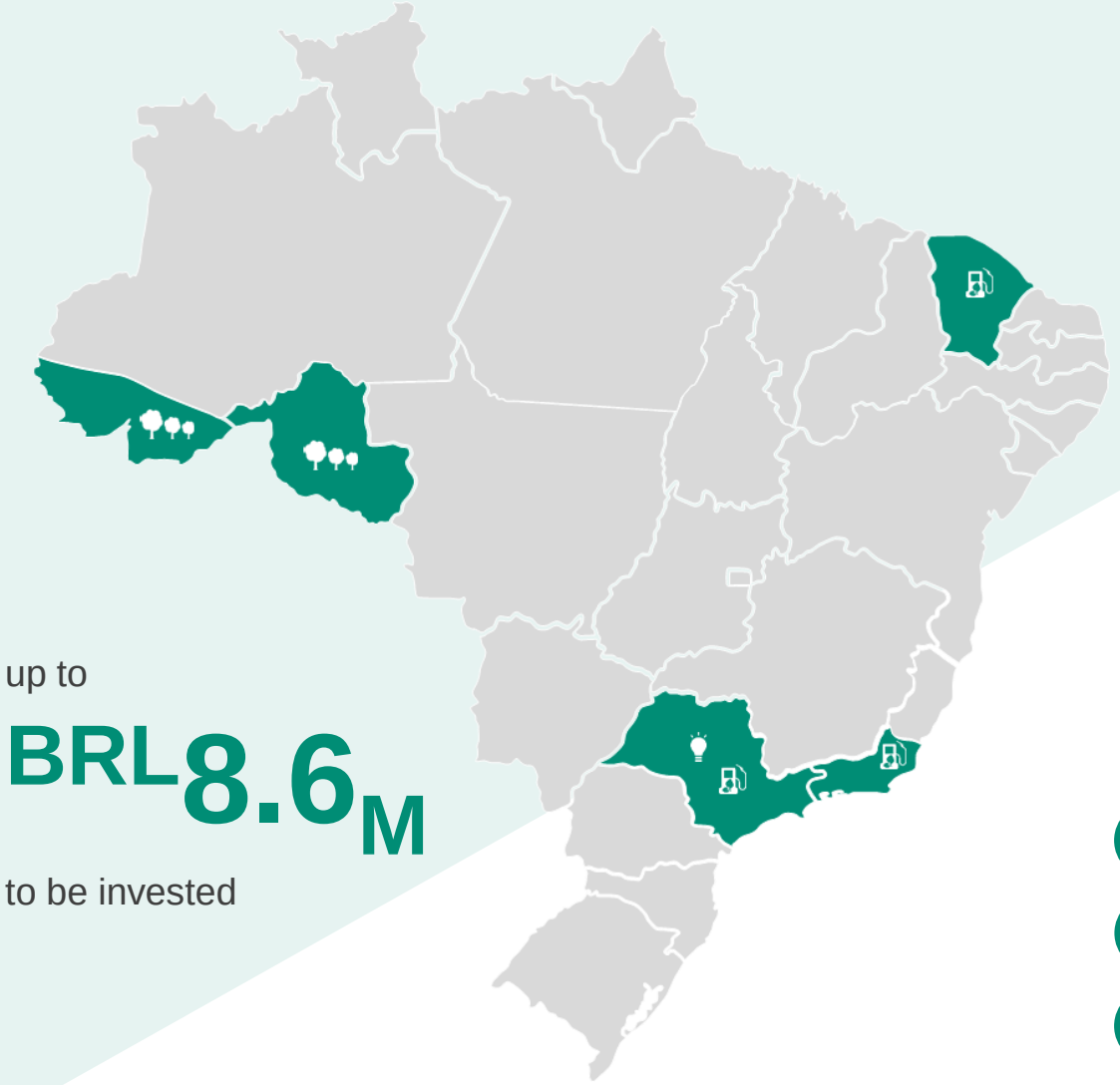
Public Notice for selection of the managing partner opened in August/2022

Initiatives for Education

BNDES has been strengthening its actions on behalf of Brazilian education:

- *BNDES Educação Conectada* Initiative
- FEP Bioeconomy - technical and professional training in bioeconomy in the Amazon
- School sanitation (Marajó/Pará State)

Public tender for acquisition of carbon credits fosters the voluntary market in Brazil[1/]



up to

BRL 8.6 M

to be invested

***Biofílica*:** forest conservation (Rondônia State)

***Revita*:** energy generation from methane (São Paulo State)

***Sustainable Carbon*:** fuel replacement (Ceará State)

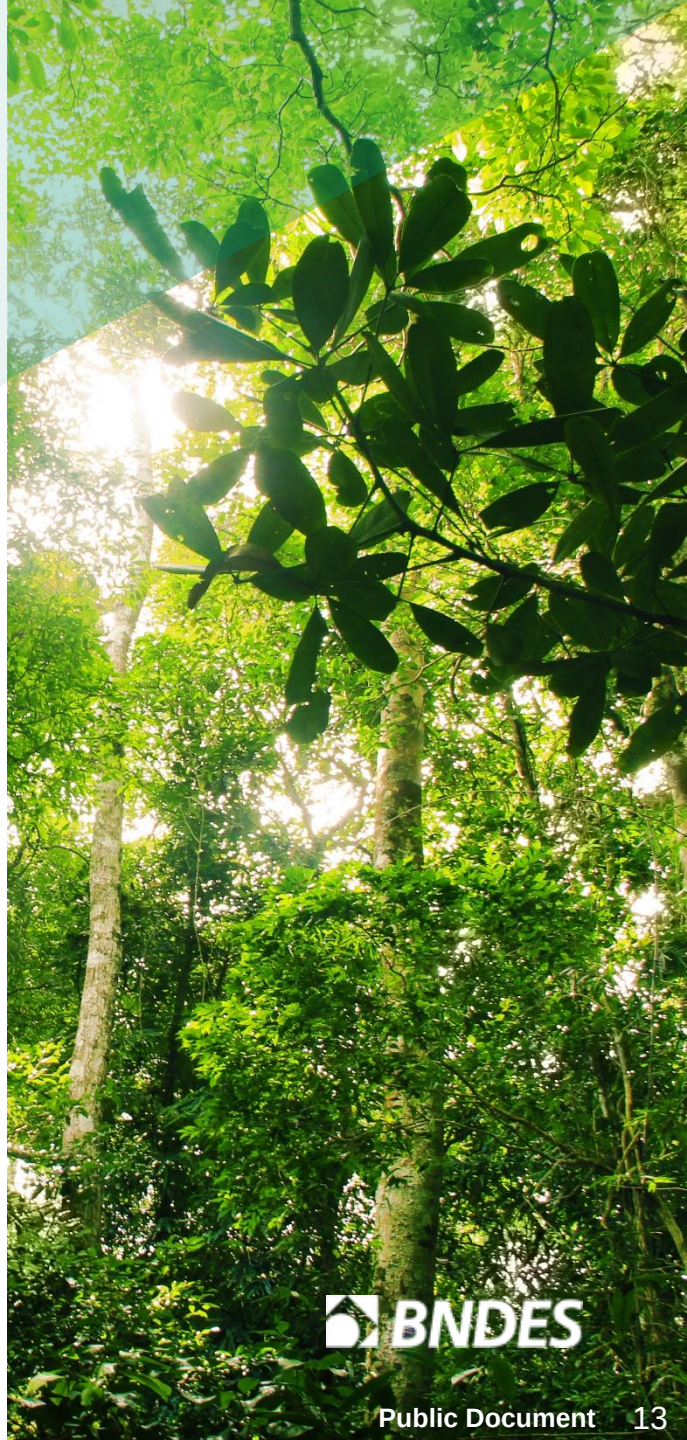
***Carbonext*:** forest conservation (Acre State)

***Tembici*:** fuel replacement (Rio de Janeiro and São Paulo States)

forest conservation

energy

fuel replacement

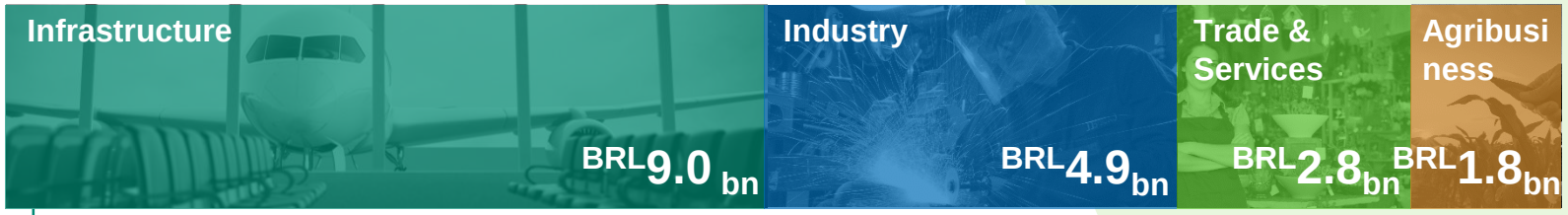


1/ Five proposals are currently undergoing pre-contract due diligence

Operational performance

Total disbursements[1/] in 2Q22: 46% higher than in 2Q21 and 24% higher than in 1Q22

BRL 18.4 bn



48.8% of the disbursements in the quarter

Total contracting[1/] in 2Q22

BRL 11.8 bn

Impacts of some of the operations approved in 2Q22[2/]

Solar generation distributed in the Amazon

BRL57M in debentures subscribed by BNDES (total investment of BRL60M)

GHG emissions avoided: **30,500 tCO_2e in 15 years**, equivalent to the emission of **1,017 vehicles per year**

FIDC Padtec

up to BRL100M, **BRL80M from BNDES** to foster technological innovation, human resources training, and job creation, and to promote SMEs access to capital

Support of the Social and Environmental Fund for Education

BRL23M allocated by BNDES to **5 projects** (total investment of BRL46.6M)

3.4M students benefitted in **15,600 schools**

53,600 teachers trained

1/ Includes non-refundable operations, equities and debentures.
2/ Considers the expected impacts after the project is completed.
The total amounts indicated in graphs and tables may not correspond to the exact sum of the parts due to rounding.

Co-funding, guarantee and non-recourse project finance stand out in the support to infrastructure

Airports

Financing of **BRL1.3 bn** and guarantee of **BRL0.4 bn** to revamp and expand airport infrastructure in the Northeast and Mid-West regions

co-funding
guarantee
non-recourse project finance

Renewable energy

BRL377M allocated to two new wind farms that together will generate **340MW**

co-funding
subscription of debentures

Highways

BRL3.9 bn will be invested in the improvement of **1,700 km** of highways

co-funding
subscription of debentures

Energy transmission

Support of **BRL940M** to implement **1,100 km** of transmission lines and reinforcements in substations

backstop
co-funding
non-recourse project finance

Our mission is to foster sustainable development

68% of BNDES' loan portfolio[1/] is linked to projects that support **Green Economy** and **Social Development**[2/]

equivalent to[1/] **BRL 238 bn**

Disbursements in 2Q22

BRL 3.7 bn
Green Economy

BRL 7.3 bn
Social Development

Disbursements linked to SDG in 2Q22

BRL 15.3 bn

equivalent to **91%** of the total

Disbursements linked to NDC in 2Q22

BRL 3.4 bn

total emissions avoided through BNDES operations[3/]

78.2 million tCO2e

equivalent to around **30 years with no cars in the city of São Paulo**

1/ Considers only the loan portfolio for non-automatic direct and indirect operations
2/ BNDES' Sustainability Taxonomy was reviewed to align to the best market practices. Learn more at https://www.bndes.gov.br/wps/portal/site/home/desenvolvimento-sustentavel/resultados/desembolsos-em-economia-verde-e-desenvolvimento-social/
3/ Total emissions avoided throughout the useful life of projects approved by BNDES in these sectors, from 2015 to 2022.

> Financial Results

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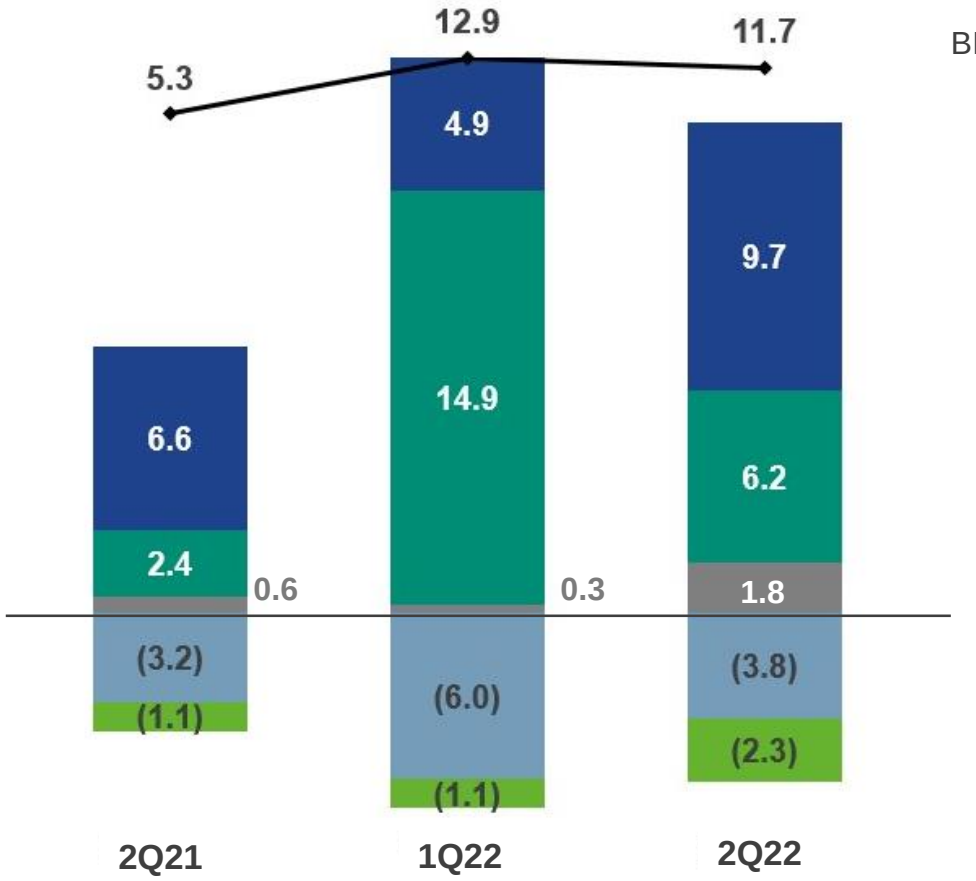
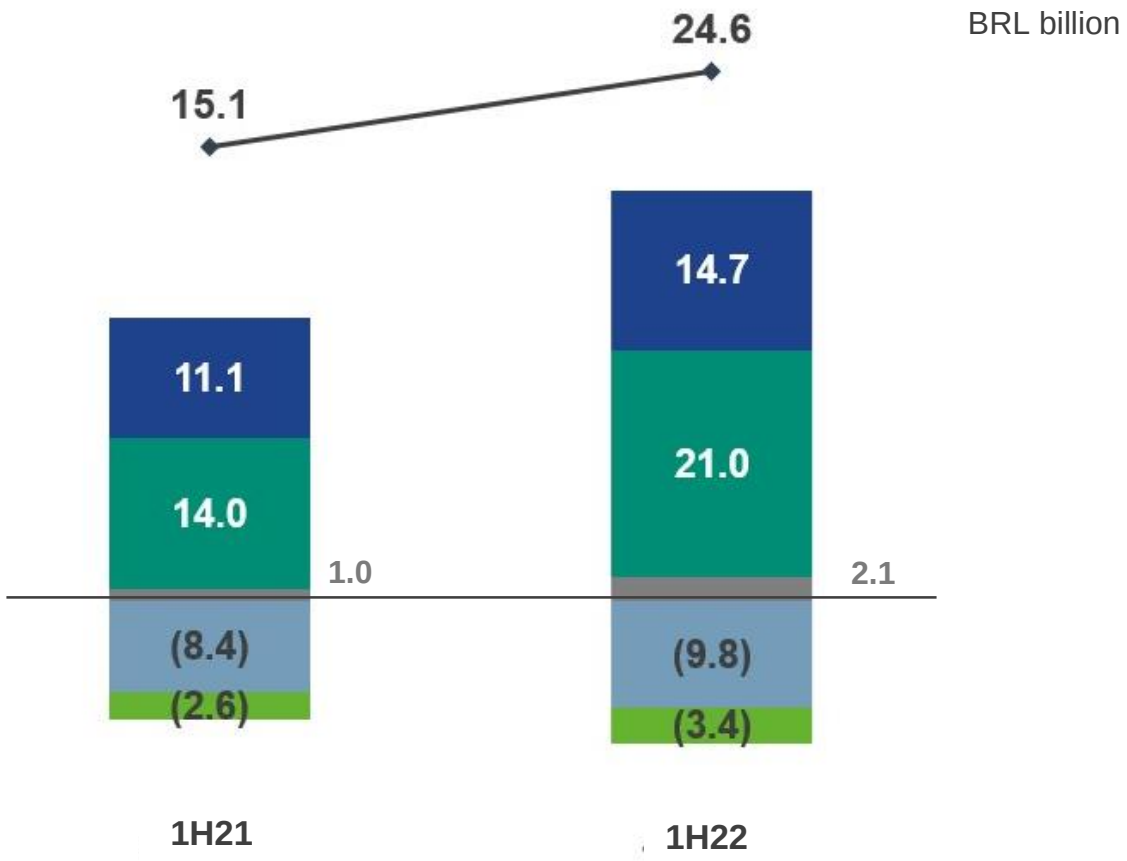
2Q22 and 1H22 Net Income

In 2Q22, we highlight the revenue from dividends of Petrobras (+ BRL3.8 bn), the net result from the sale of Eletrobras shares (+ BRL1.0 bn), and the reversal of the provision for credit risk (+ BRL1.8 bn)





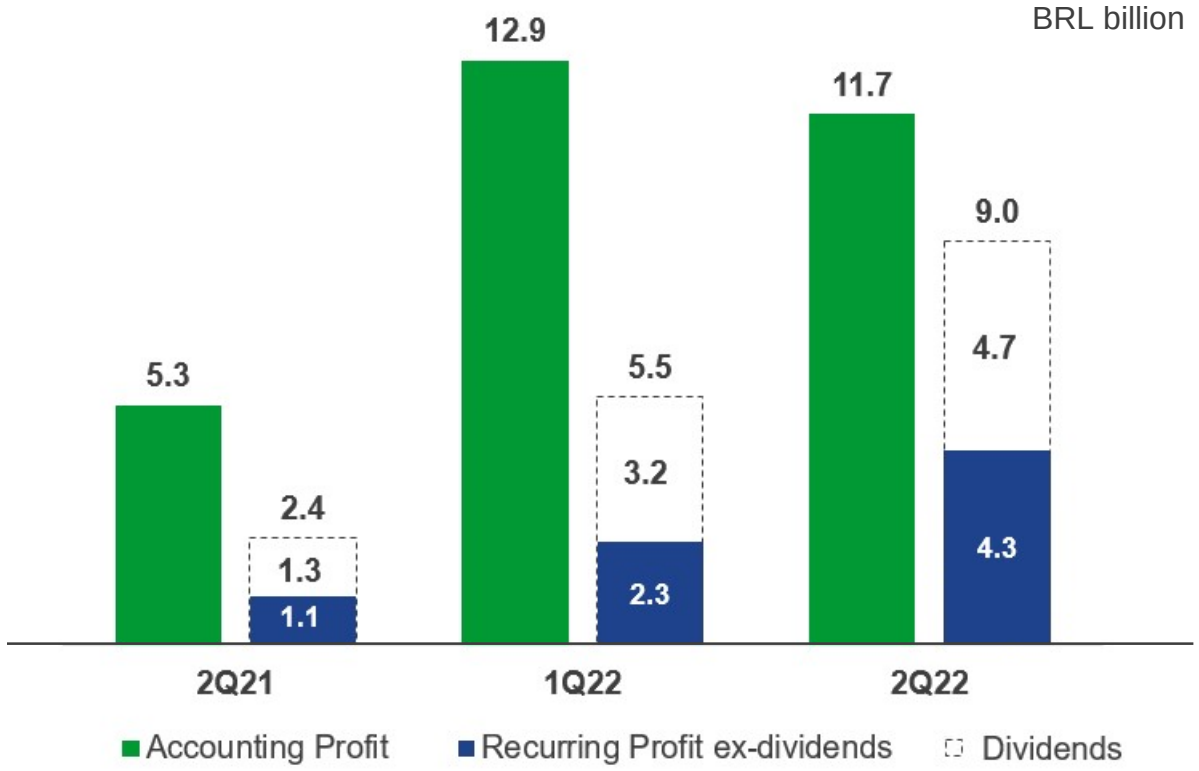
Provision for Credit Risk (PCR) | Income from Equity Holdings | Financial Intermediation Product /1
Taxes on Income | General Expenses | Net Income

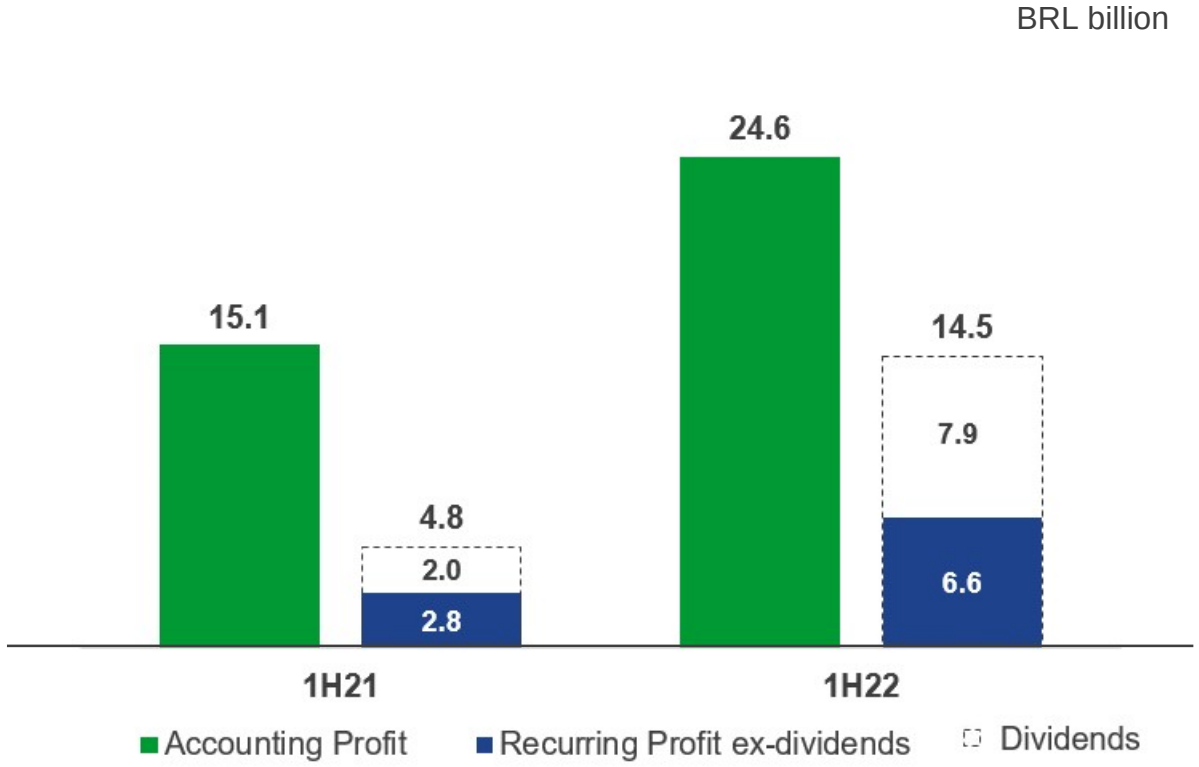
1/ On Loan Portfolio and Treasury

The total amounts indicated in graphs and tables may not correspond to the exact sum of the parts due to rounding.

2Q22 and 1H22 Recurring Results

Excluding net revenue from dividends/IoE from the result of Equity Interests, the recurring profit would be BRL4.3 bn in 2Q22 (BRL1.1 bn in 2Q21) and BRL6.6 bn in 1H22 (BRL2.8 bn in 1H21)





Recurring result: 2Q22 vs. 2Q21

↗ revenue from dividends/IoE (+ BRL3.4 bn)

↗ as a result of financial intermediation

Recurring result: 1H22 vs. 1H21

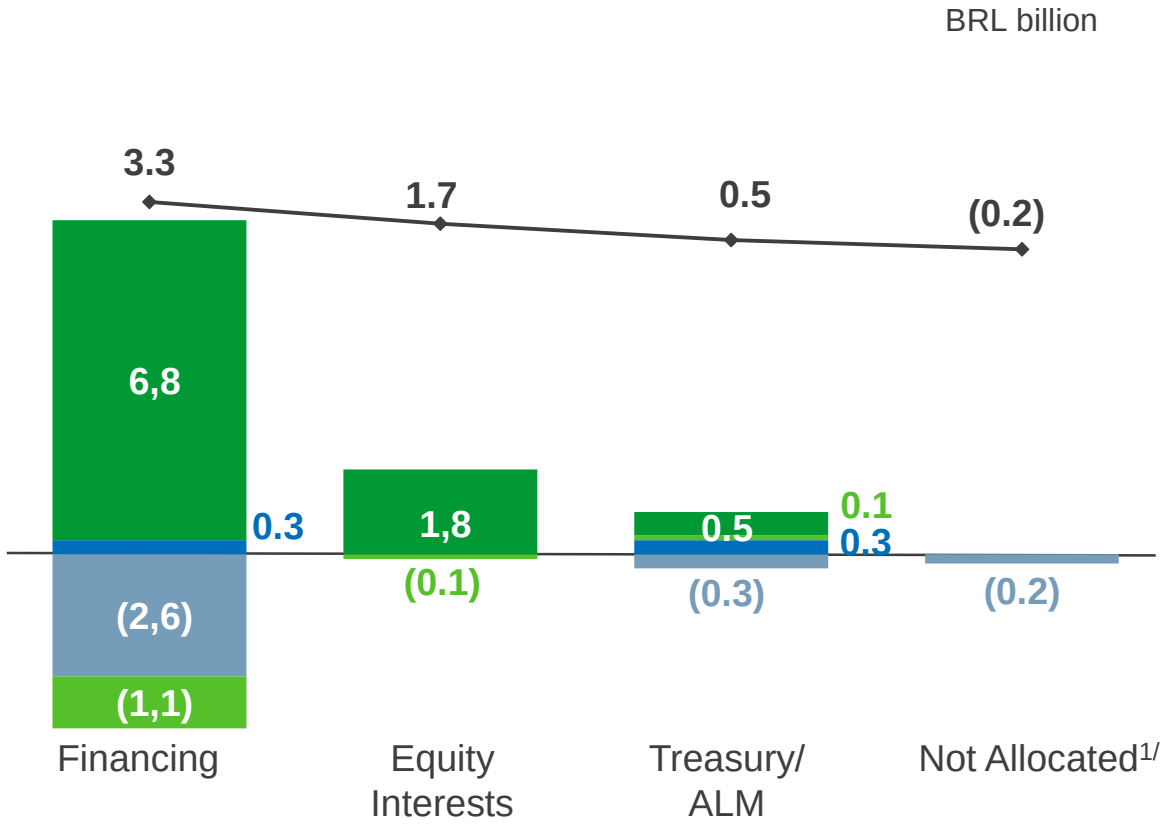
↗ revenue from dividends/IoE (+ BRL5.9 bn)

↗ as a result of financial intermediation

Results by Segment in 2Q22

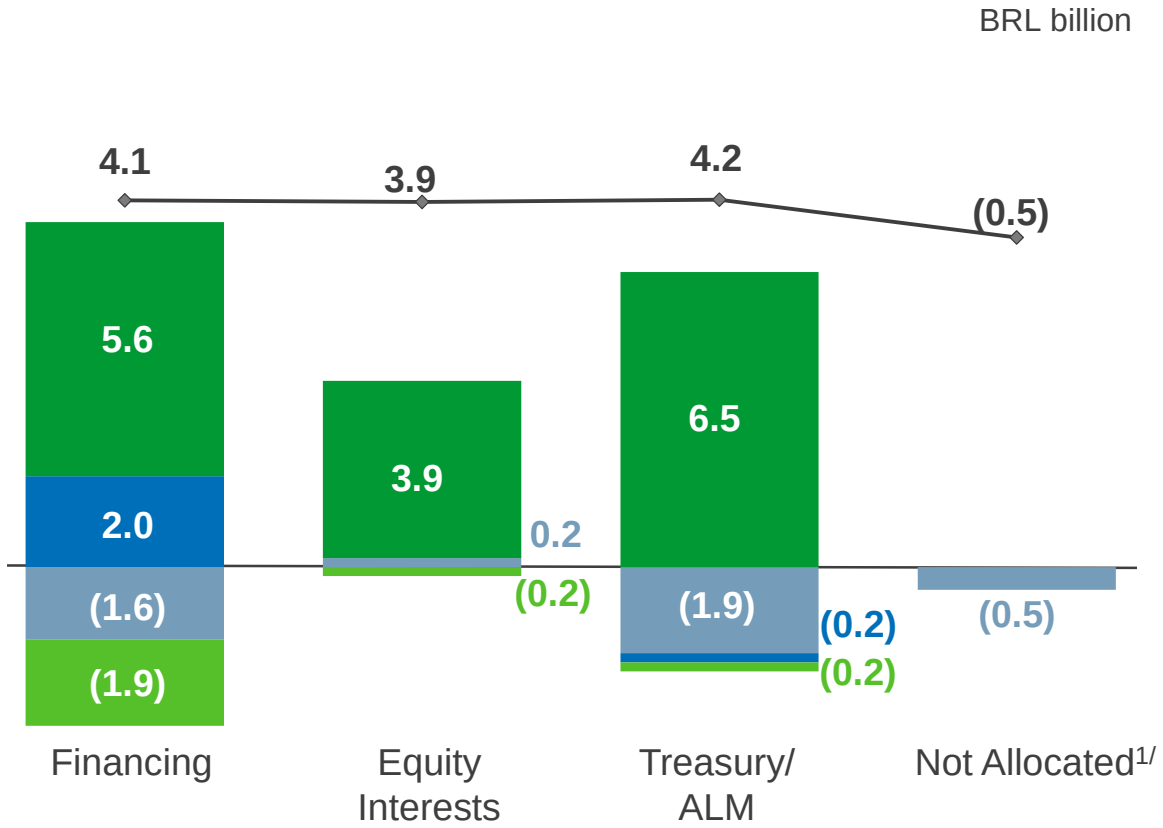
2Q21

Net Income: BRL5.3 billion



2Q22

Net Income: BRL11.7 billion

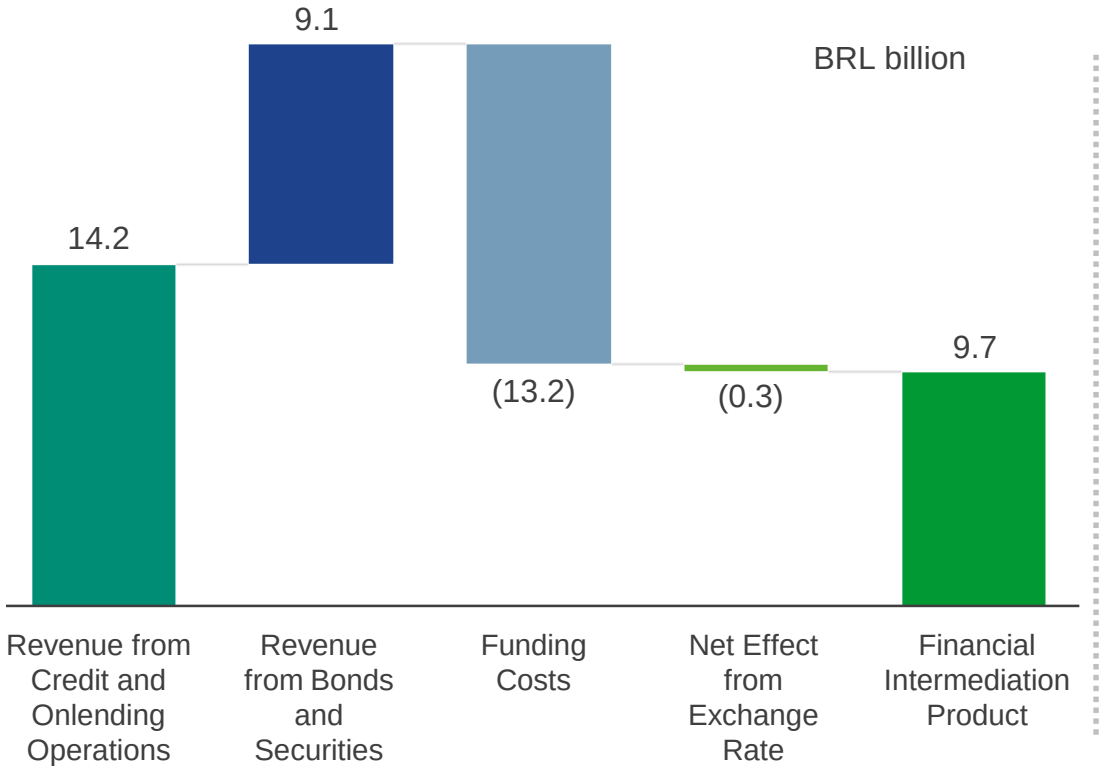


Gross Profit 2/ | PCR | Taxes on Income | Operating Expenses | Net Income

1/ Unallocated result refers to temporary IR/CS differences and rate change effect
2/ Revenues (-) funding costs

Financial intermediation – contribution to 2Q22 results

Higher revenue from securities due to the reversal of impairment of debentures (BRL2.9 bn), in addition to the positive effect of derivatives from interest rates (BRL0.9 bn)



BRL billion

	2Q22	1Q22	2Q21
Revenue from Credit and Onlending Operations	14.2	10.9	8.9
Revenue from Bonds and Securities	9.1	4.7	5.7
Funding Costs	(13.2)	(10.3)	(7.7)
Net Effect from Exchange Rate	(0.3)	(0.4)	(0.2)
Financial Intermediation Product	**9.7**	**4.9**	**6.6**

+98%

+47%

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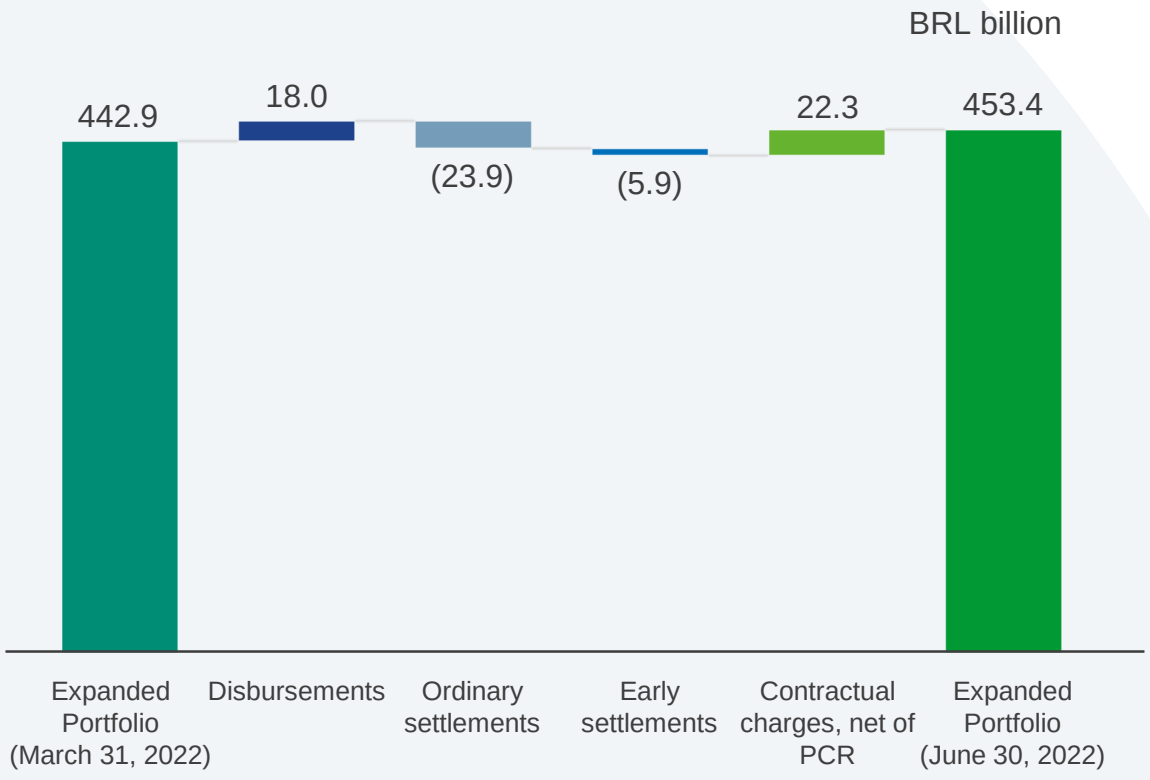
Loan portfolio, provisioning, and delinquency

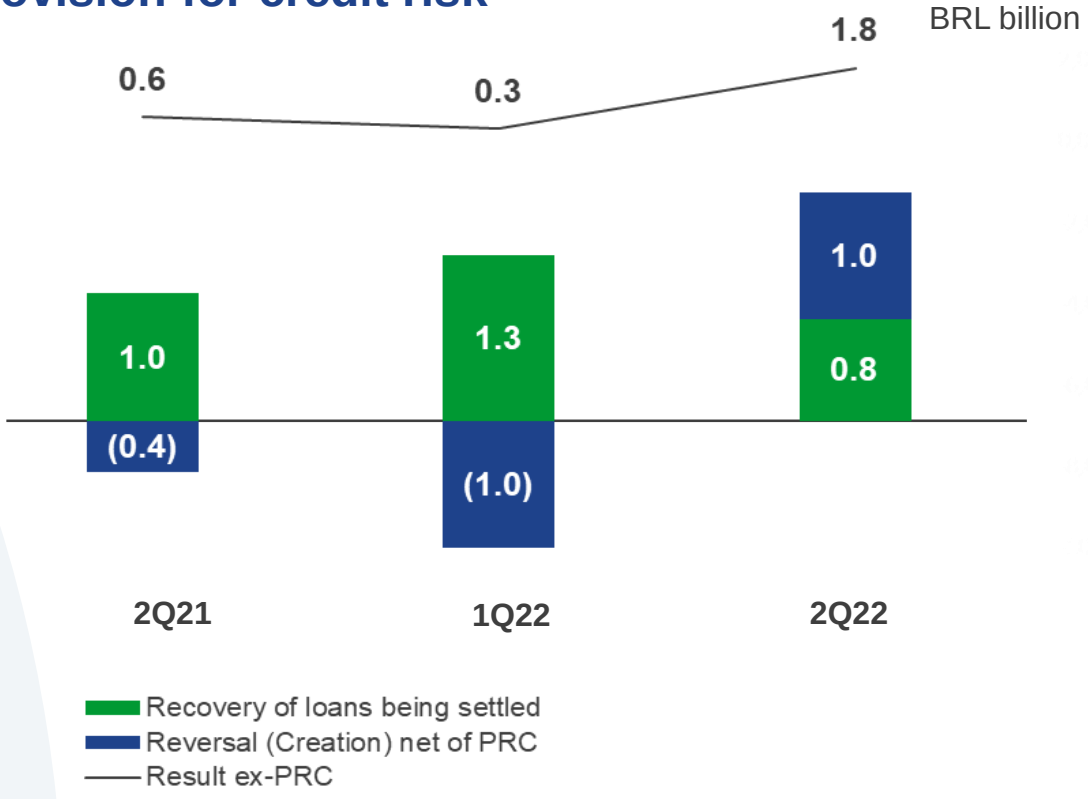
Expanded Portfolio[1/]

Increase of 2.4% compared to the previous quarter



NPL (+90 days), of **0.17%** in **2Q22**, remains lower than that of the National Financial System (SFN), of 0.28% for large companies and 2.67% in general[2/]

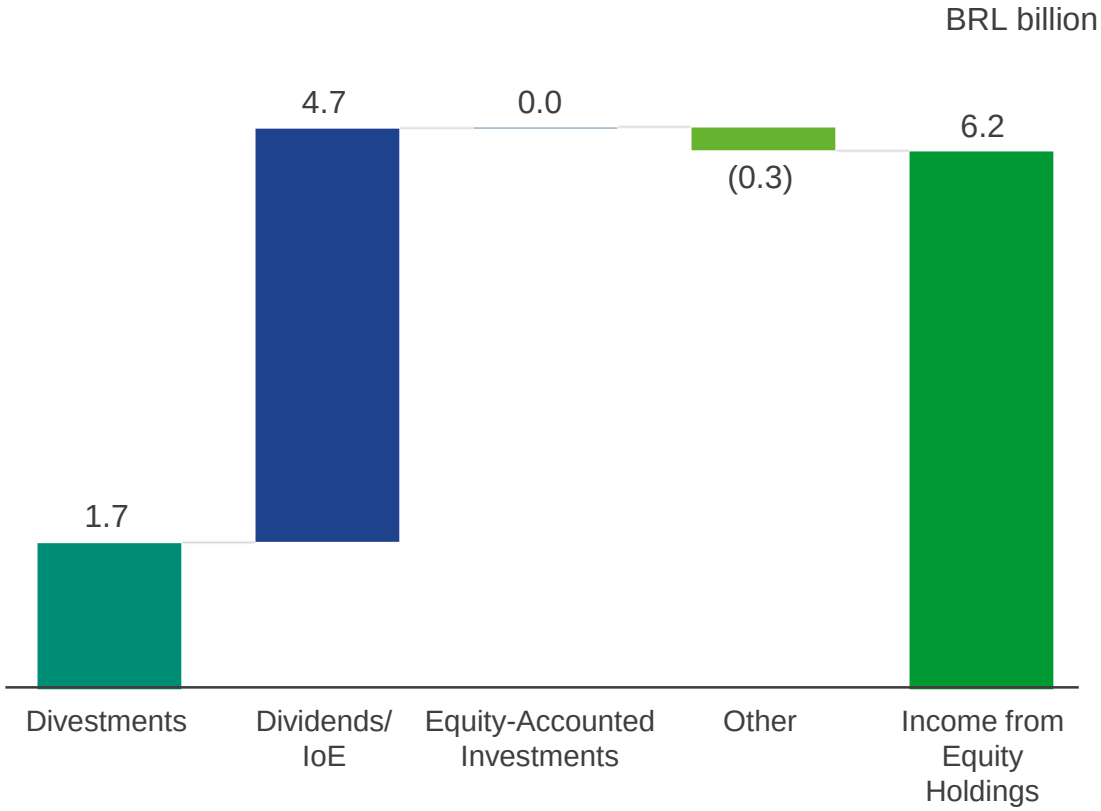
Provision for credit risk



1/ Includes debentures (BRL7.1 bn) and other loan assets (BRL2.9 bn), does not consider stock loans of BRL4.8 bn, carried out in 2Q22
2/ SFN data in 04/2022, BACEN latest publication
The total amounts indicated in graphs and tables may not correspond to the exact sum of the parts due to rounding.

Equity holdings – contributions to 2Q22 results

The highlights were dividends/IoE of Petrobras (BRL3.9 bn) and divestments in Eletrobras shares (BRL1.5 bn)



BRL billion

	2Q22	1Q22	2Q21
Divestments	1.7	1.9	0.5
Dividends / IoE	4.7	3.2	1.3
Equity-Accounted Investments	0.0	0.8	0.4
Other	(0.3)	9.0	0.2
Income from Equity Holdings	**6.2**	**14.9**	**2.4**

-58%

+158%

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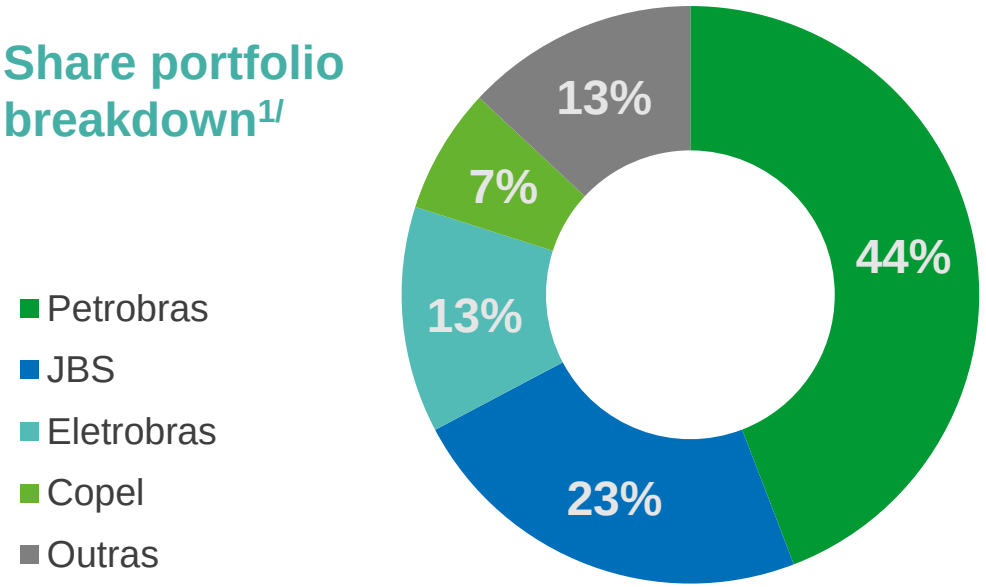
Equity holdings – portfolio breakdown

Securities portfolio[1/ 2/]		Shares of Investment Funds[3/]		TOTAL EQUITY HOLDINGS – JUN/22
BRL64.9 bn	+	**BRL3.7 bn**	=	**BRL68.6 bn**

Share portfolio breakdown[1/]



Latest divestments

Jun/2022

Partial divestment in **Eletrobras**, corresponding to **4.5% of the company's share capital,** through adhesion to the Global Public Offering

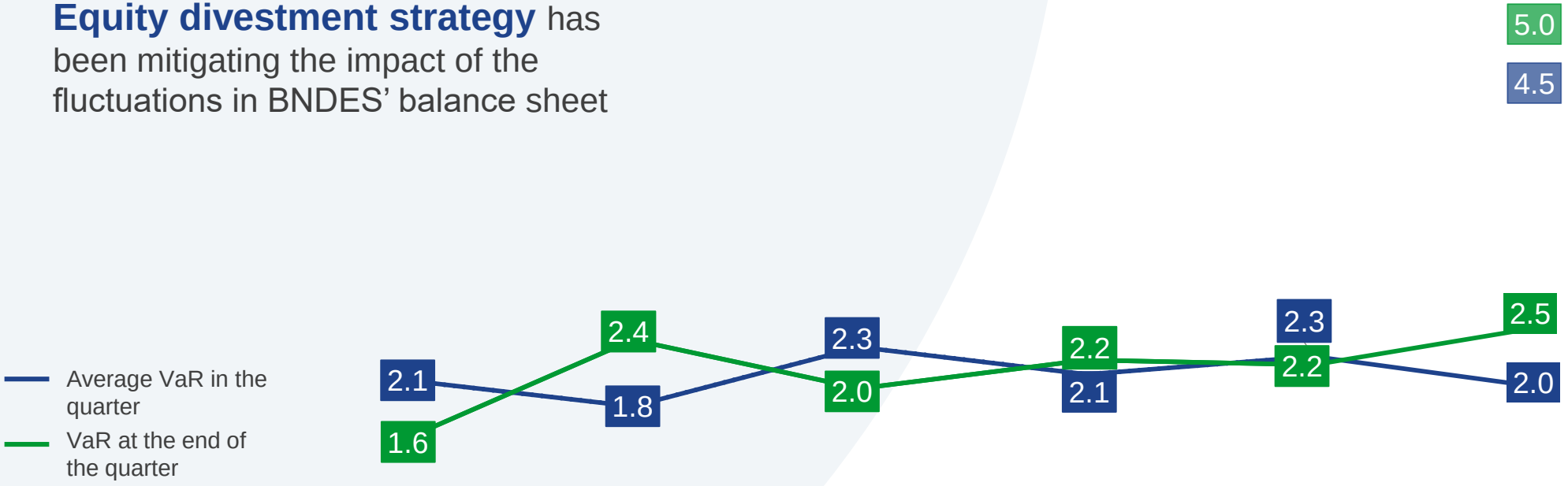
Sale price: **BRL2.9 bn**

1/ Investments in non-affiliated companies recorded at fair value, and in affiliated companies recorded by equity accounting
2/ Managerial evaluation, does not consider stock loan of BRL4.8 bn, carried out in 2Q22
3/ Capital committed to funds: BRL10 bn (includes BRL3.7 bn)
The total amounts indicated in graphs and tables may not correspond exactly to the sum of their portions due to rounding.

Equity holdings – risk exposure is still high

Equity divestment strategy has been mitigating the impact of the fluctuations in BNDES' balance sheet

Pre-sales portfolio: Average and closing VaR including the positions divested since Dec/19



BRL billion

	2Q21	3Q21	4Q21	1Q22	2Q22	07.2022	Jan/22-Jul/22 pre-sales
1-day maximum gain	1.9	2.0	2.4	2.0	1.9	1.8	6.4
1-day maximum loss	(1.3)	(2.5)	(2.5)	(1.7)	(3.3)	(1.6)	(8.0)
Equity stake affected by maximum loss	1.1%	2.1%	1.9%	1.2%	2.5%	1.2%	6.2%

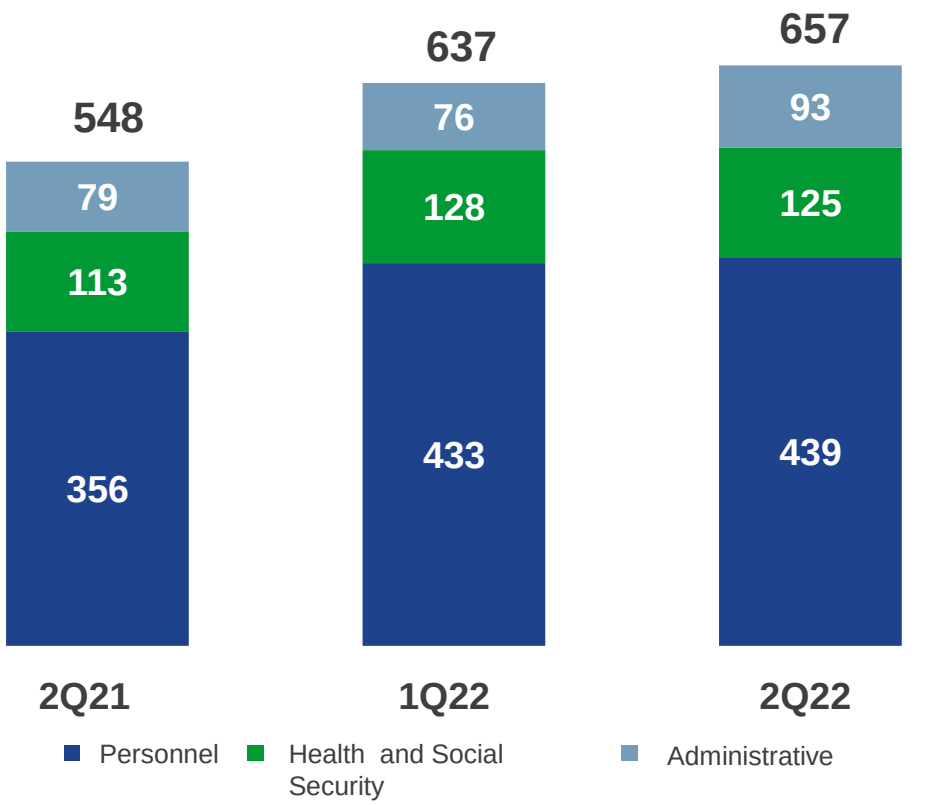
Personnel and administrative expenses

BRL million

	2Q22	1Q22	Δ	2Q21	Δ
Personnel	439	433	1.4%	356	23.3%
Health and Social Security 2/	125	128	-2.3%	113	10.6%
Administrative	93	76	22.4%	79	17.7%
Actuarial Provisions 3/	(96)	128	-175.0%	252	-138.1%
Expenses	**561**	**765**	**-26.7%**	**800**	**-29.9%**

Manageable expenses[1/]

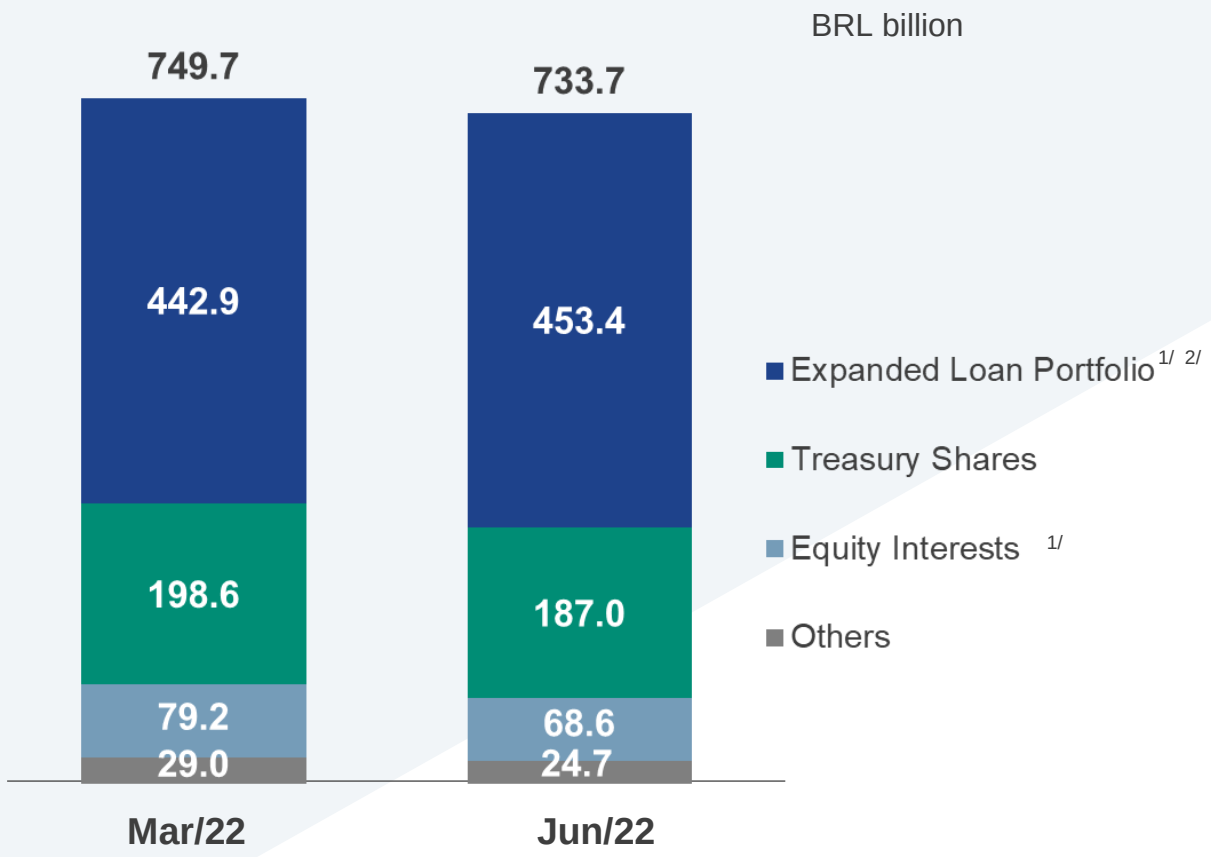
BRL million



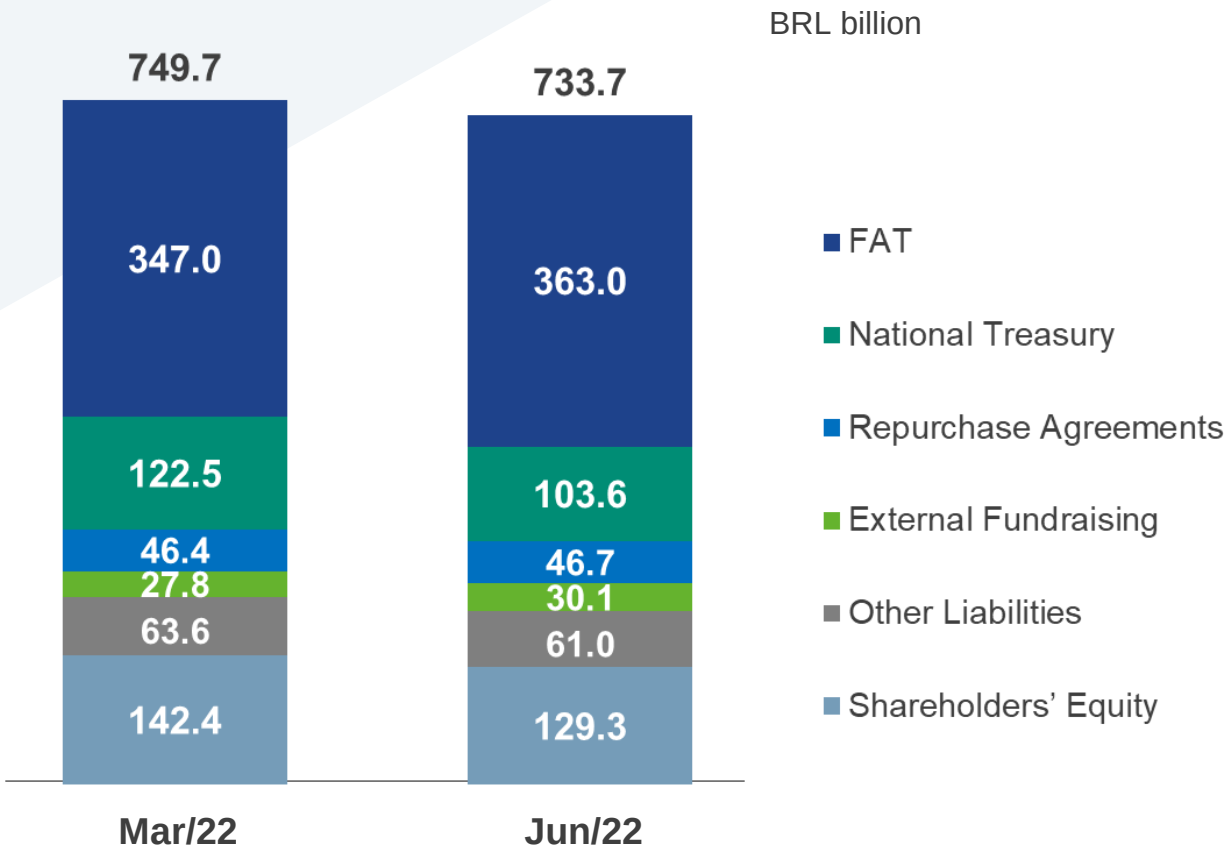
1/ Chart does not consider the actuarial provisions illustrated in the table on the side.
2/ Refers to expenses effectively incurred with health insurance (FAMS) and private pension (FAPES).
3/ Refers to actuarial provisions with health insurance (FAMS) and private pension (FAPES).

Equity and financial position

Assets



Liabilities



1/ Managerial evaluation, does not consider stock lending operations, totaling BRL4.8 bn, carried out in 2Q22
2/ Includes debentures (BRL7.1 bn) and other loan assets (BRL2.9 bn)
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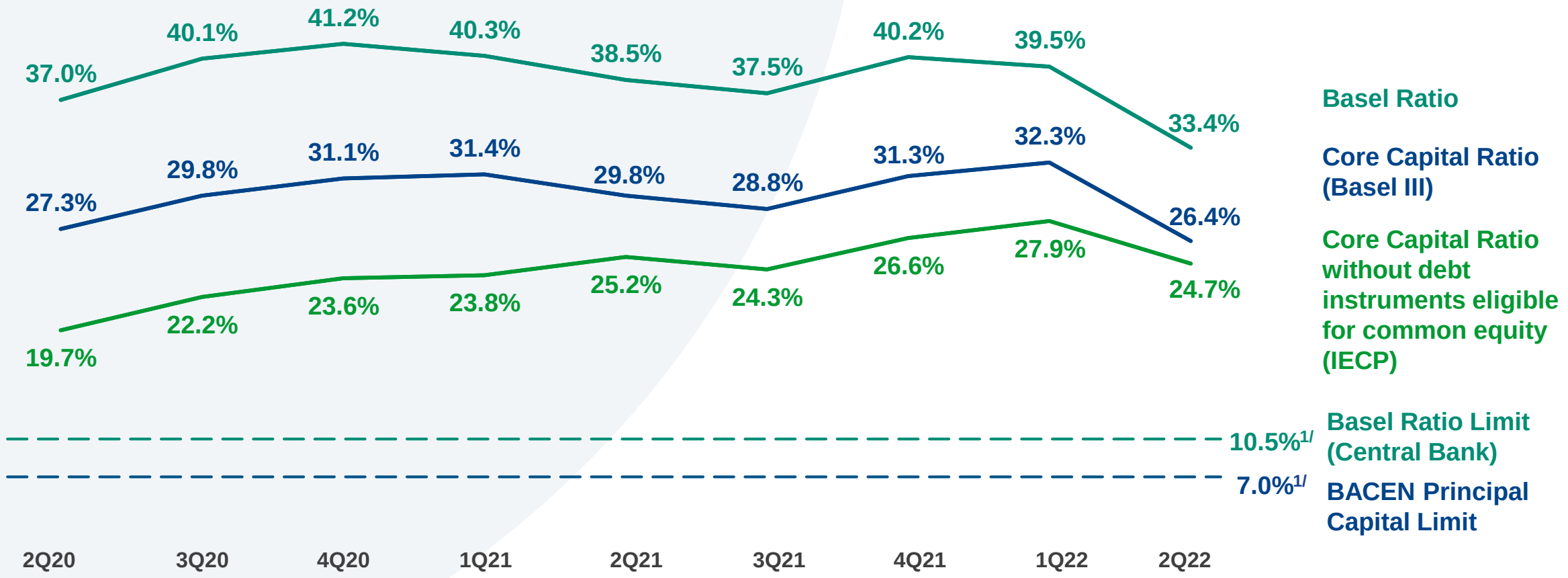
BNDES maintains a strong Basel Ratio beyond minimum required levels



Prepayment of BRL13.3 bn of IECP to the National Treasury and allocation of additional dividends/IoE on the results of 2020 and 2021, in the amount of BRL17.6 bn in 2Q22

1/ Capital limits defined according to BACEN/DEREG Resolution 4783/2020, of March 16, 2020, and valid as of April 1, 2022
2/ IECP – Instruments Eligible for Principal Capital

Loans with the Brazilian Treasury

In 2Q22, BNDES pre paid BRL13.3 billion of IECP and paid loans totaling BRL4 billion, within the return schedule

	Contracts – Ruling Agreements TCU 56 / 2021		Other Contracts		Total
Payments made until June/22	BRL 19.2 bn [1/]	+	BRL 4.6 bn	=	BRL 23.8 bn [2/]
Balance in June/22 [3/]	BRL 79.5 bn	+	BRL 23.3 bn	=	BRL 102.8 bn
Payments expected until December/22	BRL 11.2 bn	+	BRL 2.5 bn	=	BRL 13.7 bn

1/ Ordinary and extraordinary amortization until June/22 (excluding payment of interest)
2/ Total payment includes BRL17.3 bn of early settlements, BRL5.4 bn of ordinary payments (principal + interest), and BRL1.1 bn of interest payment of IECPs, referring to December 2021; of the total BRL23.8 bn, BRL19.9 bn refers to amortization and BRL3.9 bn to interest
3/ Balance of principal on 12/31/2021: BRL122.7 bn

> Project Factory

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BNDES' Projects Factory at the end of 2Q22

Auctions already held (since 2019) — **24** auctioned projects[1/] — BRL **234** bn Allocated capex [2/]

Active Portfolio — **174** mandated projects[1/] — BRL **215** bn capex to be invested[2/]

Environmental Assets (85)

Parks	49
Forests	36

Social Infrastructure (12)

Health	5
Education	4
Safety	3

Energy Infrastructure (9)

Electricity	7
Natural Gas	2

Logistics Infrastructure (35)

Highways	31
Ports	4

Urban Infrastructure (36)

Sanitation	19	Public lighting	12
Mobility	4	Solid Waste	1

Technology and Communications (4)

Communications	2
Technology	2

Others (17)

Properties	15
Supply	1
Industry	1

1/ Position on 06/30/2022. 2/ Total projects number does not include sale of equity interests.
2/ Concessions and PPPs: CAPEX for the entire concession period and concessions already committed or estimated / Privatizations: divestments, private debt assumption, and investment commitments from completed or planned operations

Eletrobras public offering

Privatization of **Latin America's largest energy company** will also bring related benefits:

- **BRL9 billion** in mandatory investments, which include the revitalization of watershed resources
- **BRL32 billion** in benefits to energy consumers through the Energy Development Account - CDE
- **BRL25.4 billion** in grants to the National Treasury and expansion of the investment capacity

BRL33.68 bn

in the public offering

400 thousand

individuals allocated in the offering

Project Factory – highway auctions

Rio Grande do Sul State - Lot 3

- 272 km of highways granted in Lot 3 of state highways
- Includes municipalities of the Rio Grande do Sul Mountain Area (Serra Gaúcha) and Metropolitan Region of Porto Alegre
- BRL3.4 billion expected in investments

Minas Gerais State – Lot 1

- 627.4 km de of highways in the Minas Gerais Triângulo Mineiro area, between the municipalities of Uberlândia, Uberaba, Patrocínio, and Araxá
- BRL3.2 billion expected in investments

Minas Gerais State – Lot 2

- 454.3 km of highways in the South of Minas Gerais
- Municipalities of Poços de Caldas, Pouso Alegre, and Itajubá, among others
- BRL2.3 billion expected in investments
- **Auction on August 12**

Learn more on the BNDES' Project Hub at: **https://hubdeprojetos.bndes.gov.br/en/**

Project Factory – other recent auctions

Parks

Caracol and Tainhas (Rio Grande do Sul State)

- Caracol state park in the city of Canela
- Tainhas state park, located 30km from Tangará do Sul
- BRL465 million expected in investments

Properties

Furnas

- Sale of a 9,000 m2-property of Furnas Centrais Elétricas S.A.
- Sale value of BRL75.4 million
- The project also includes the structuring of a Real Estate Investment Fund with properties of the rest of the portfolio

Energy

CEEE-G

- Disposal of interest held by the Rio Grande do Sul State, which accounted for 66.23% of the share capital, for BRL928 million
- Company responsible for 1,270.7 MW of granted power (13.3% of the Rio Grande do Sul State)
- Grant of BRL1.84 billion to the Federal Government for the 30-year contract

Learn more on the BNDES' Project Hub at: **https://hubdeprojetos.bndes.gov.br//**

> Press Conference

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