BNDES

O banco nacional do desenvolvimento

BNDES
1Q22 Results

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May 12, 2022

Public Document

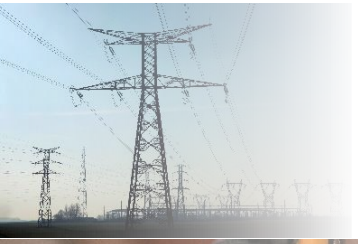
Since its foundation, **BNDES has been operating jointly with society to build a better future for generations of Brazilians**

Seven decades of supporting the evolution of the national economy and building bridges between several players

We remain focused on the challenges ahead, opening **new paths for sustainable development**

70 ANOS

A national future of sustainable development

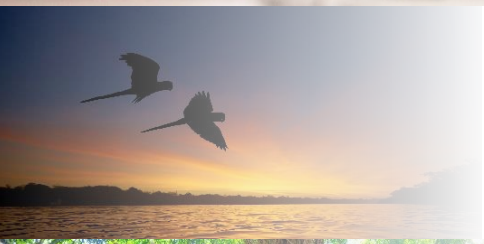


Infrastructure

we aim to reduce the investment deficit in urban mobility and urban solid waste

MSME

we work to expand the distribution network, and develop alternative instruments and guarantee funds



ESG

there is no divergence between social development and market economy, and that high standards of governance are a foundation for our reconstruction

Climate + Carbon

for BNDES, ecosystems are a component of economic systems, which explains why we invest in the energy transition towards a carbon-neutral economy

Education

we will work on basic education and professional qualification projects, contributing to the reduction of structural unemployment

> Quarter Highlights

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1Q22 Financial Highlights

Net Income

BRL12.9 bn

↗ 32% 1Q22/1Q21
↗ 68% 1Q22/4Q21

Treasury Balance

BRL143.2 bn

Payments to the National Treasury

BRL2.7 bn

Expanded Portfolio

BRL442.9 bn

↘ 3.7% 1Q22/1Q21
↘ 1.6% 1Q22/4Q21

Total Disbursements

BRL14.8 bn

↗ 31% 1Q22/1Q21

NPL (+90 days)

0.21%

Below that of the SFN (large companies) of 0.37%

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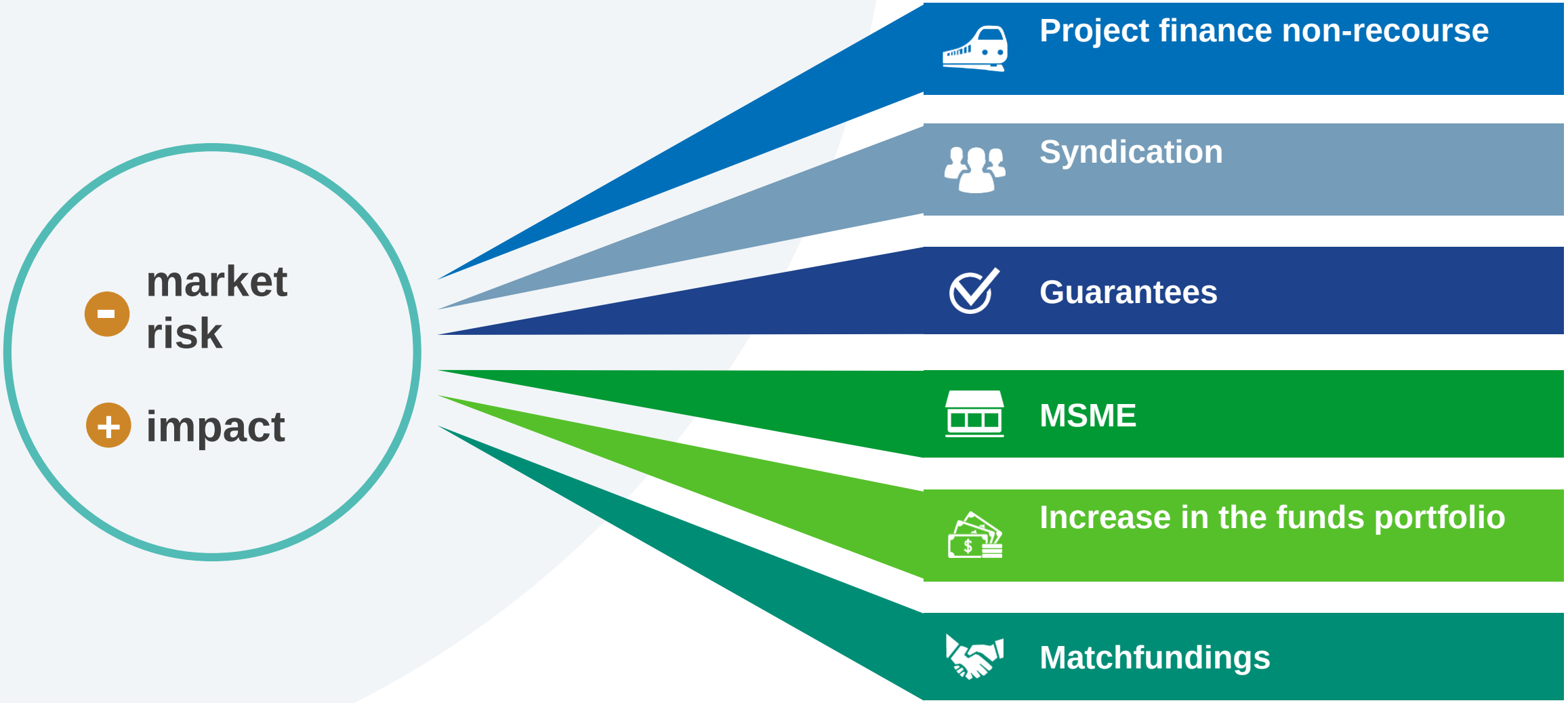
Recycling capital and risk



When supporting MSMEs, BNDES provides solutions that facilitate access to credit and promote banking decentralization, fostering entrepreneurship

BRL5.6bn BNDES' disbursements to MSMEs in the quarter, **38.1%** of the total

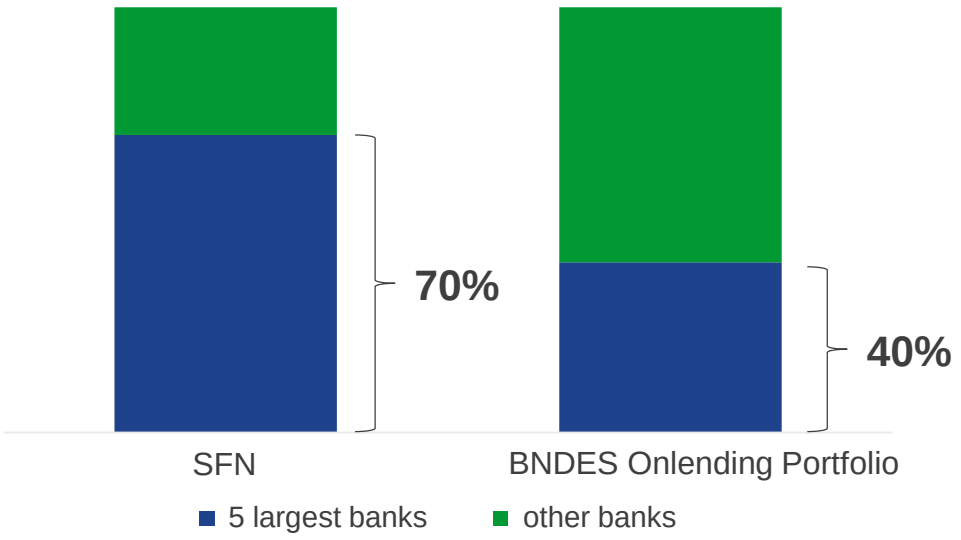
22.7% of BNDES' **credit portfolio** supporting MSMEs is equivalent to **BRL103 billion**

93.2% of Brazilian municipalities with approved BNDES operations

16 partner fintechs, which offer management or credit solutions[1/]

BNDES performs an important role in **banking decentralization** and in **the distribution of credit to MSMEs**

Shares of the 5 largest banks in credit to MSMEs
SFN x BNDES Onlending Portfolio



Source: Central Bank/BNDES

1/ Through its own credit lines

Our investments in funds are catalyzing BNDES' operations in infrastructure, credit for MSMEs, and the ESG agenda

Amount paid into Investment Funds

BRL3.3bn

+

Amount committed to Investment Funds

BRL6.5bn

Multiplier effect of BNDES' investments

3.5x

Impact Funds

Equity investment funds aimed at impact businesses, in which BNDES plans to invest up to 25% of the equity of each fund

Three funds were selected

Estimated investments of BRL450 million, with a potential impact of BRL1.8 billion

Infrastructure Investment Funds

Up to **five funds** aimed at infrastructure projects in logistics and transportation, energy, urban mobility, basic sanitation and telecommunications, **totaling up to BRL2.5 billion in investments by BNDES**, with a potential impact of BRL8 billion

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Operational performance – disbursements and approvals promote development in several sectors

Total disbursements[1/] 1Q22 **BRL14.8 billion**, 31% higher than 1Q21

39.2% of the disbursements in the quarter

Impacts of some operations approved in 1Q22[2/]

Credit and collateral for the modernization and expansion of airports in the states of AL, CE, PE, PB, and SE: **19 million passengers per year** and **271,000 m²** of aircraft courtyards expanded or renovated

Investment for manufacturing **1,500 pieces of clean energy equipment**

Credit for energy efficiency initiatives with expected savings of **5,587 MWh/year**

Modernization of Public Security in the municipality of Guarulhos, including the **implementation of a women's service center** and an **integrated command and control center**

6,727 family farmers supported by Pronaf, of which 474 were women

167,000 tons of increasing grain storage capacity

1/ Amounts include non-refundable equities operations and debentures
2/ Consider the expected impacts after the project is completed

Matchfundings BNDES – leveraging the transformational power of partnerships and society for the development of Brazil

Experience with **Salvando Vidas**, which mobilized more than BRL140 million to provide support to frontline Covid-19, as an opportunity for new initiatives

Resgatando a História, for supporting projects for recovering the Brazilian historical and documental heritage – for each BRL1 donated, **BNDES invests up to more BRL3**[1/]

BRL 200 million

total potential investment

The first contracted operation will support the preservation of the **cultural heritage of Mariana** (MG)

Floresta Viva, aimed at the ecological restoration of Brazilian biomes – for every BRL1 donated, **BNDES invests an additional BRL1**

BRL 670 million

contracted investment up to April/2022

that will enable **restoration of 21,000 to 44,000 hectares**, allowing the capture of **12 million tons of CO_2e**

1/ Depending on the location of the selected projects, with the North, Northeast, and Center-West regions receiving the greatest counterpart

Our operations foster the improvement of social and environmental conditions

55% of BNDES' credit portfolio[1/] is linked to projects that support **Green Economy** and **Social Development**

equivalent to[1/] **BRL 188 bn**

Disbursements in 1Q22

BRL 1.9 bn & **BRL 2.4 bn**

Green Economy | **Social Development**

1/ Considers only the credit portfolio for non-automatic direct and indirect operations
Some transactions raise sensitivity for both indicators, and it is not appropriate to combine contributions

> Financial Results

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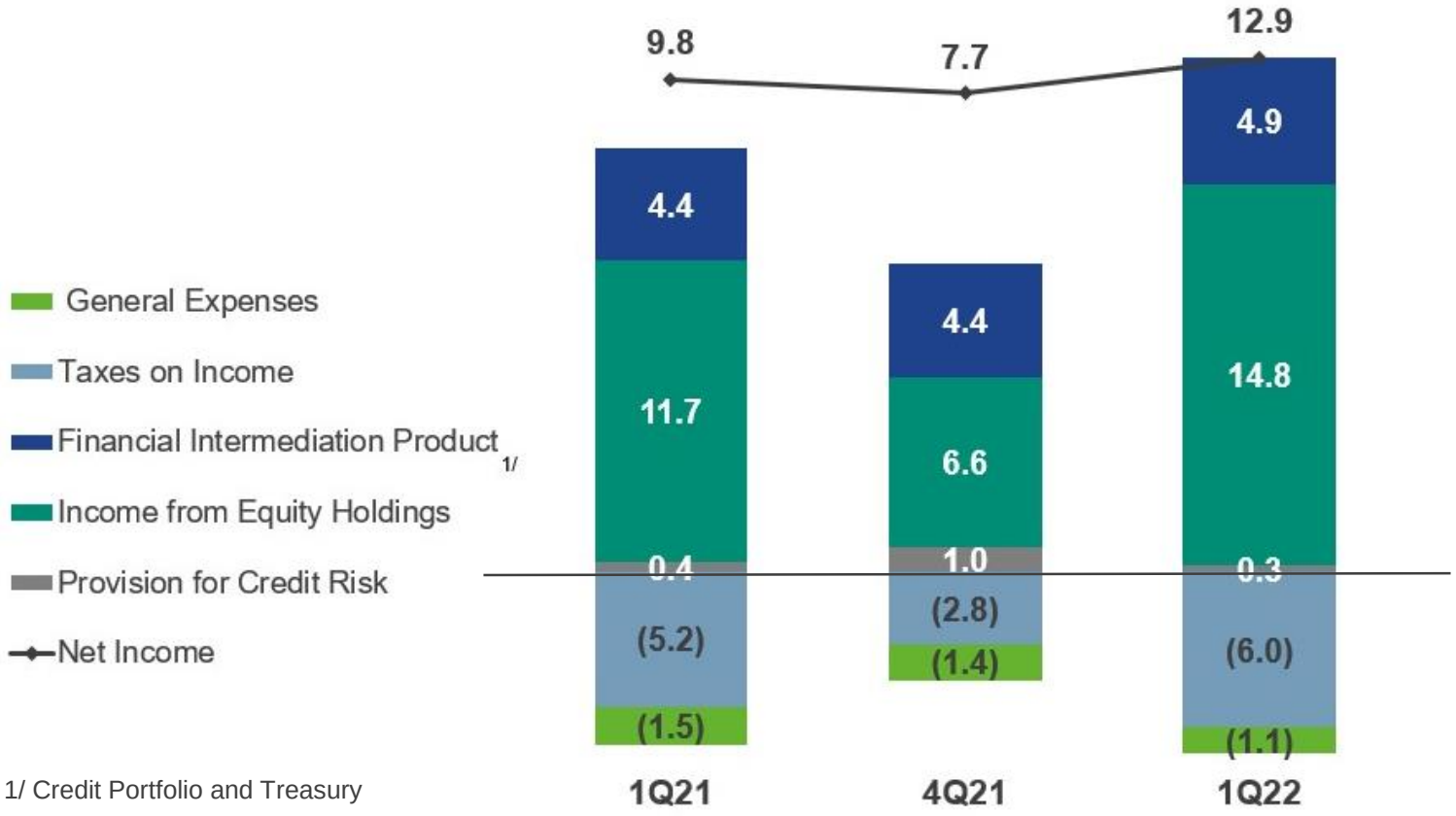
1Q22 Net Income

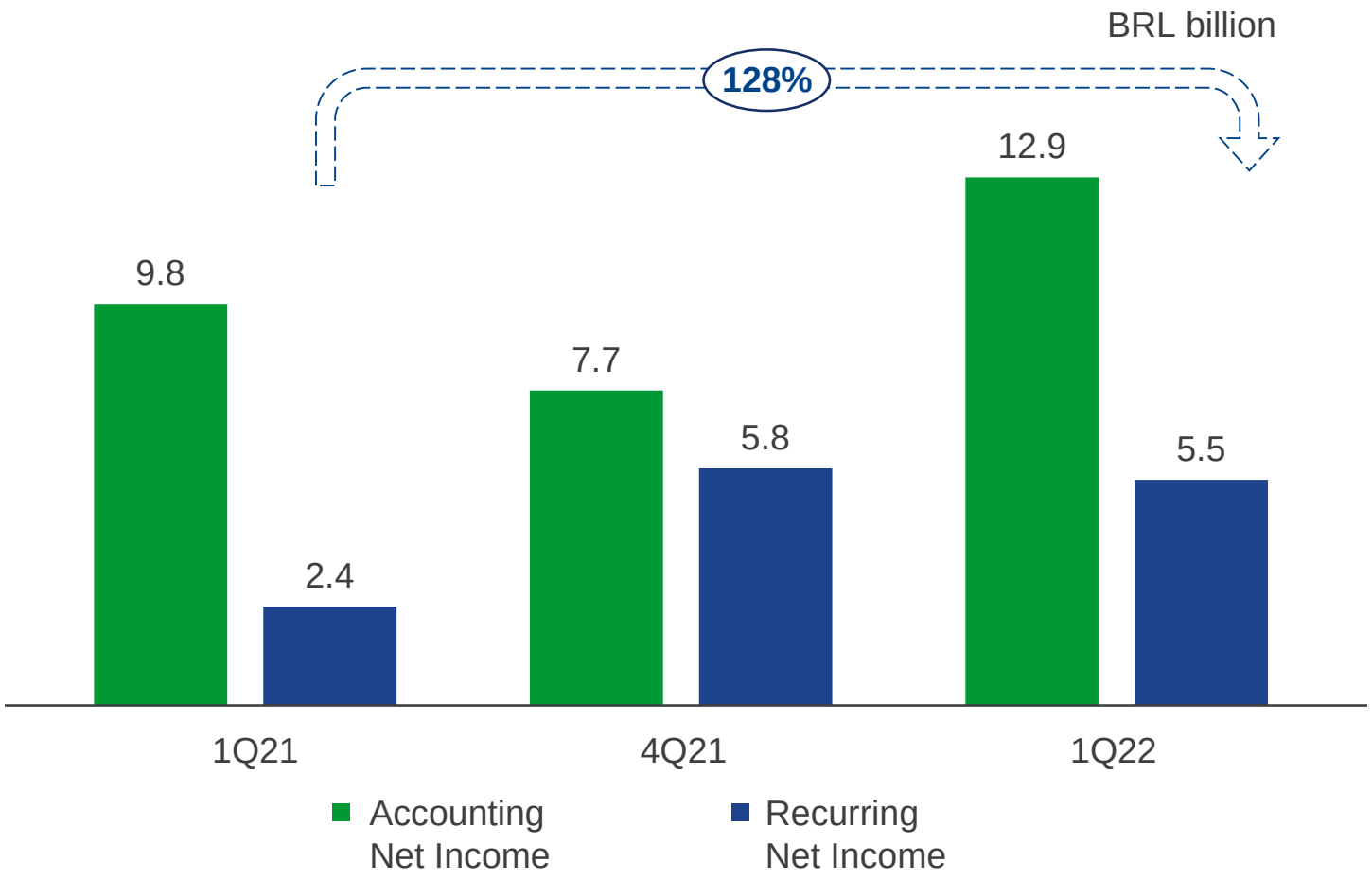
Highlight for JBS reclassification (+ BRL5.8 billion), Petrobras dividends (+ BRL3.0 billion), sale of JBS shares (+ BRL0.7 billion) and a positive equity-accounted investment from JBS (+ BRL0.8 billion)

BRL billion



1/ Credit Portfolio and Treasury

1Q22 Recurring Result



Recurring result: 1Q22 vs. 1Q21

↗ revenue from dividends/interest on own capital (+ BRL 2.5 billion)

↗ financial intermediation product

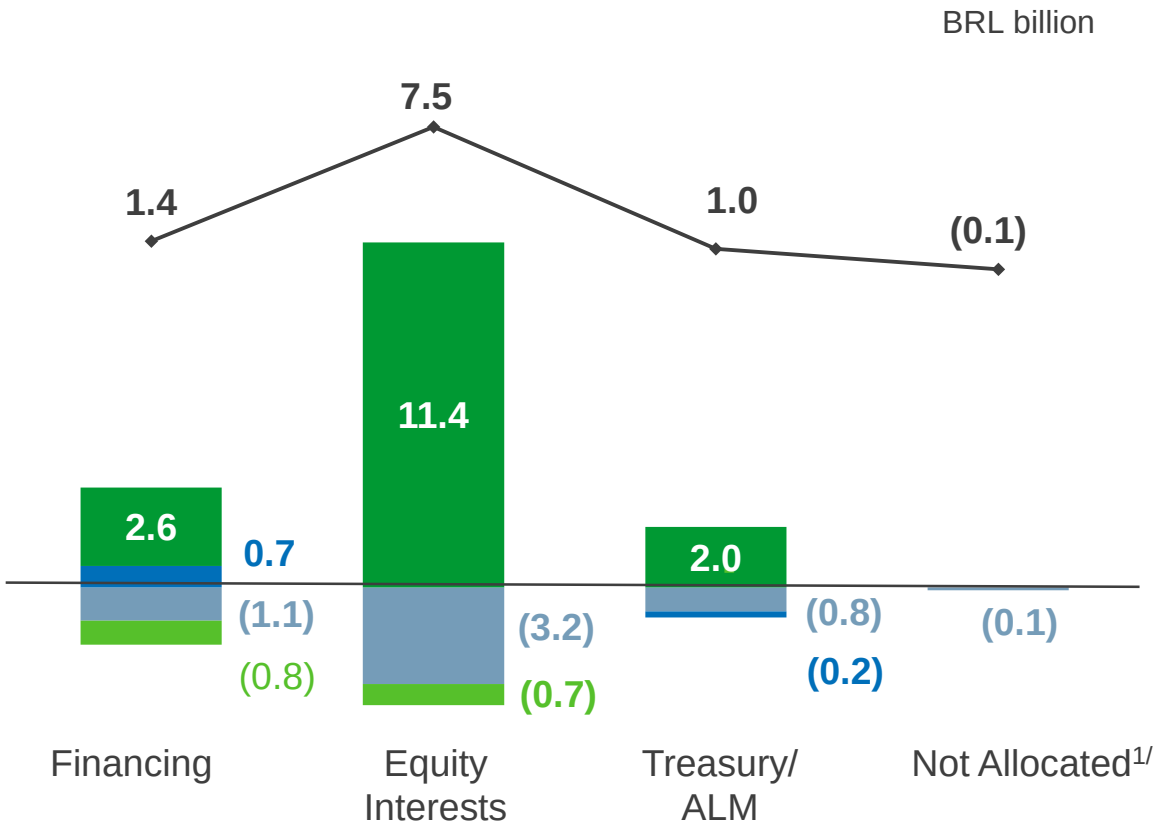
Non-recurring effects: represented basically by equity income, highlighting the effect of the divestment of JBS and PCR[1/]

1/ PCR – Provision for Credit Risk

Results by Segment in 1Q22

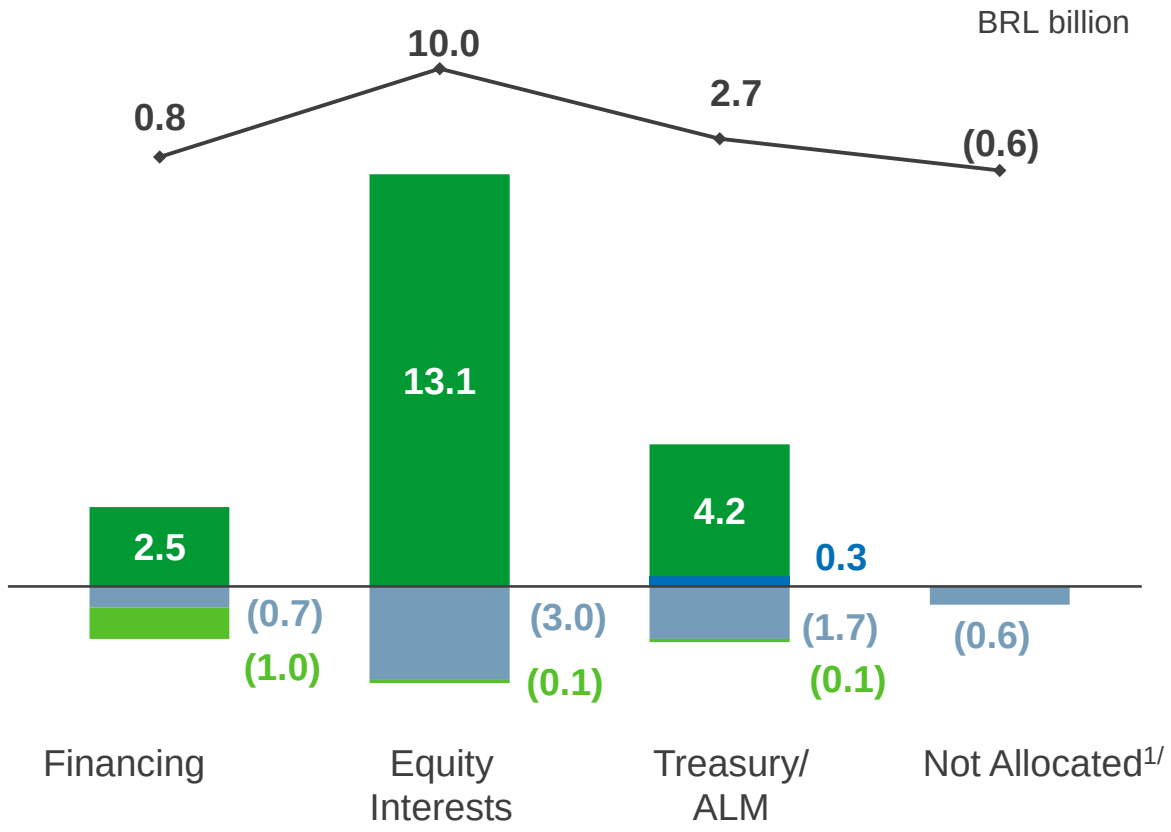
1Q21

Net Income: BRL9.8 billion



1Q22

Net Income: BRL12.9 billion

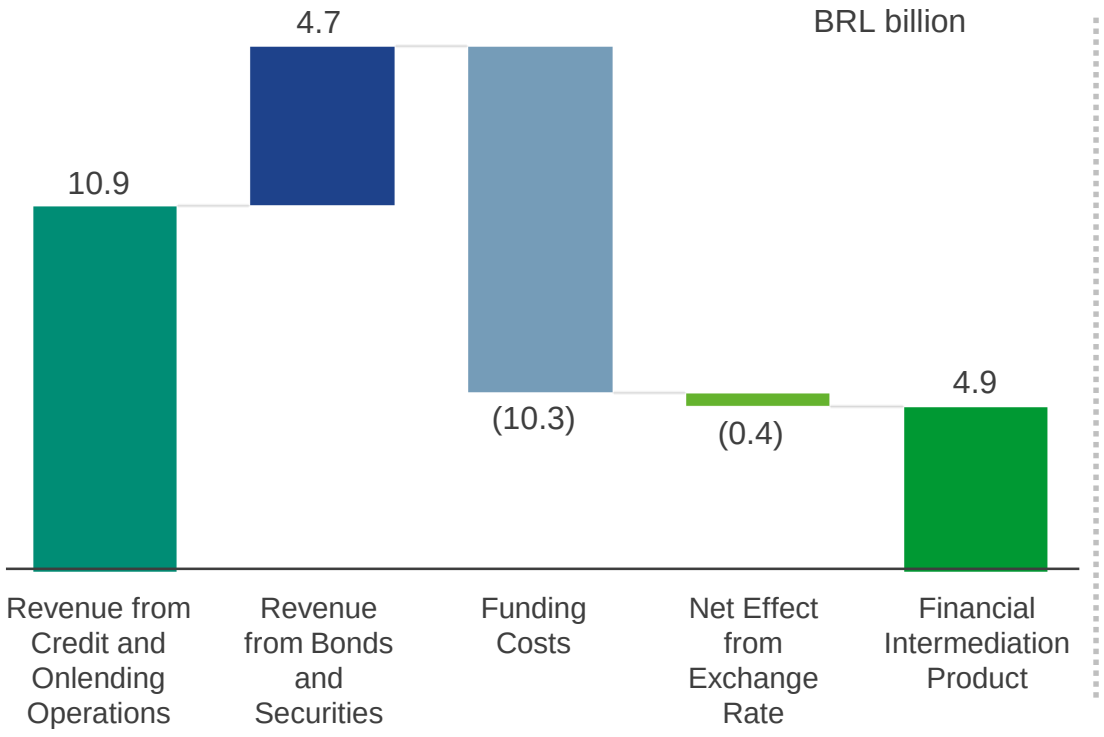


Gross Profit 2/ | PCR | Taxes on Income | Operating Expenses | Net Income

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

Financial intermediation – contribution to the results in 1Q22

Higher revenues with securities due to the increase in the SELIC rate, including interest rate derivatives, mitigated by expenses with provision for payment of IECP[1/] of BRL0.3 billion



BRL billion

	1Q22	4Q21	1Q21
Revenue from Credit and Onlending Operations	10.9	11.6	9.2
Revenue from Bonds and Securities	4.7	3.7	2.3
Funding Costs	(10.3)	(10.5)	(7.2)
Net Effect from Exchange Rate	(0.4)	(0.4)	0.1
Financial Intermediation Product	**4.9**	**4.5**	**4.4**

+9%

+12%

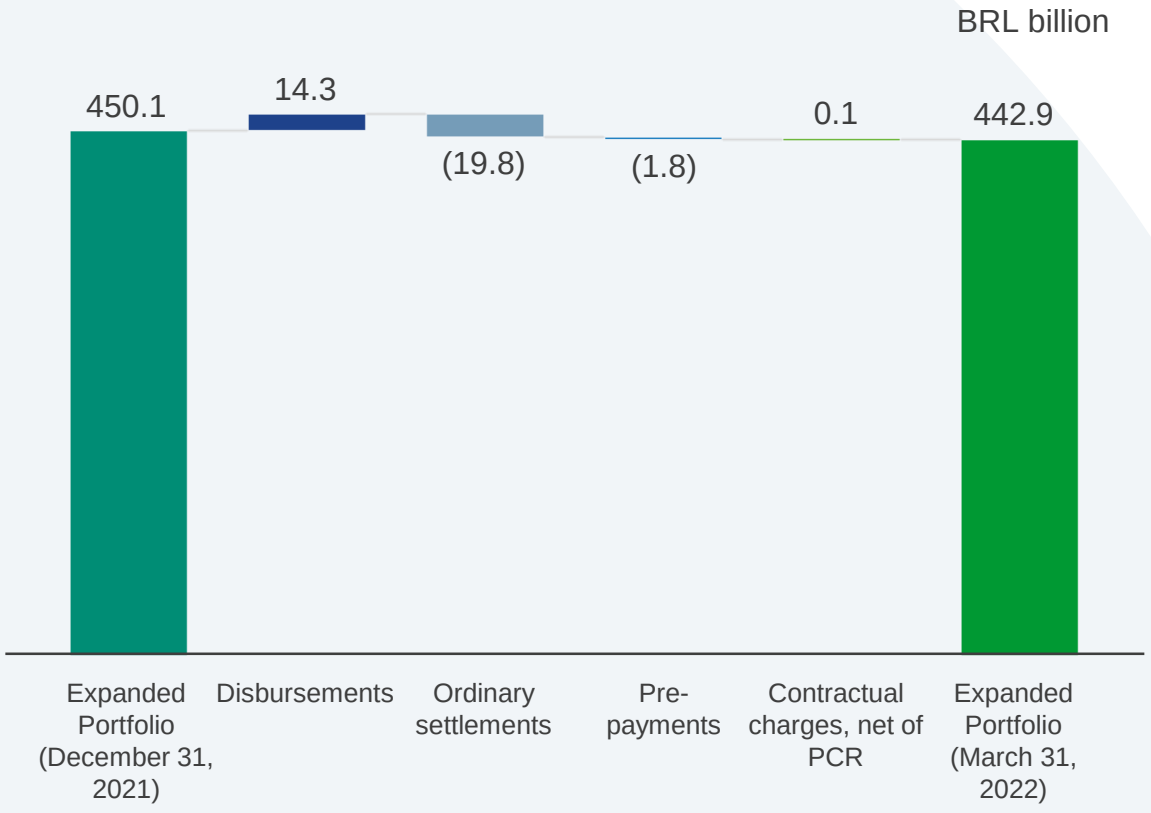
1/ IECP – Instruments Eligible for Principal Capital

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

Loan portfolio, provisioning and default

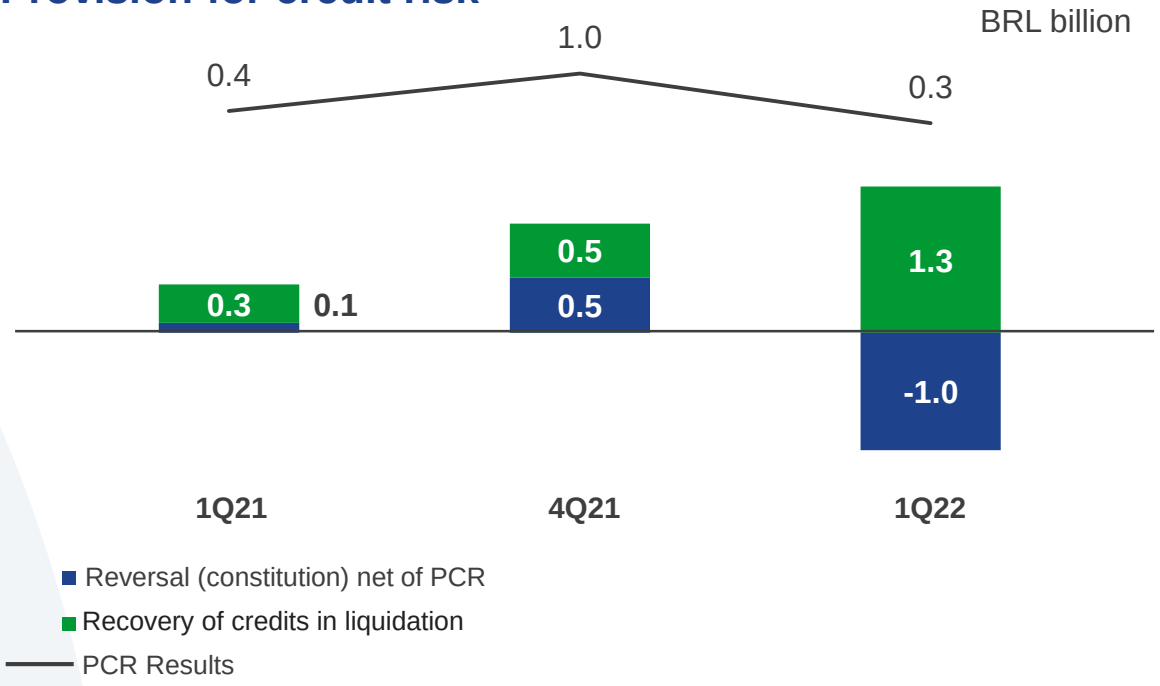
Expanded Portfolio[1/]

Slight decrease of 1.6% in relation to the closing of the previous quarter



NPL (+90 days), of **0.21% in 1Q22**, remains lower than the SFN, 0.37% for large companies and 2.52% overall

Provision for credit risk

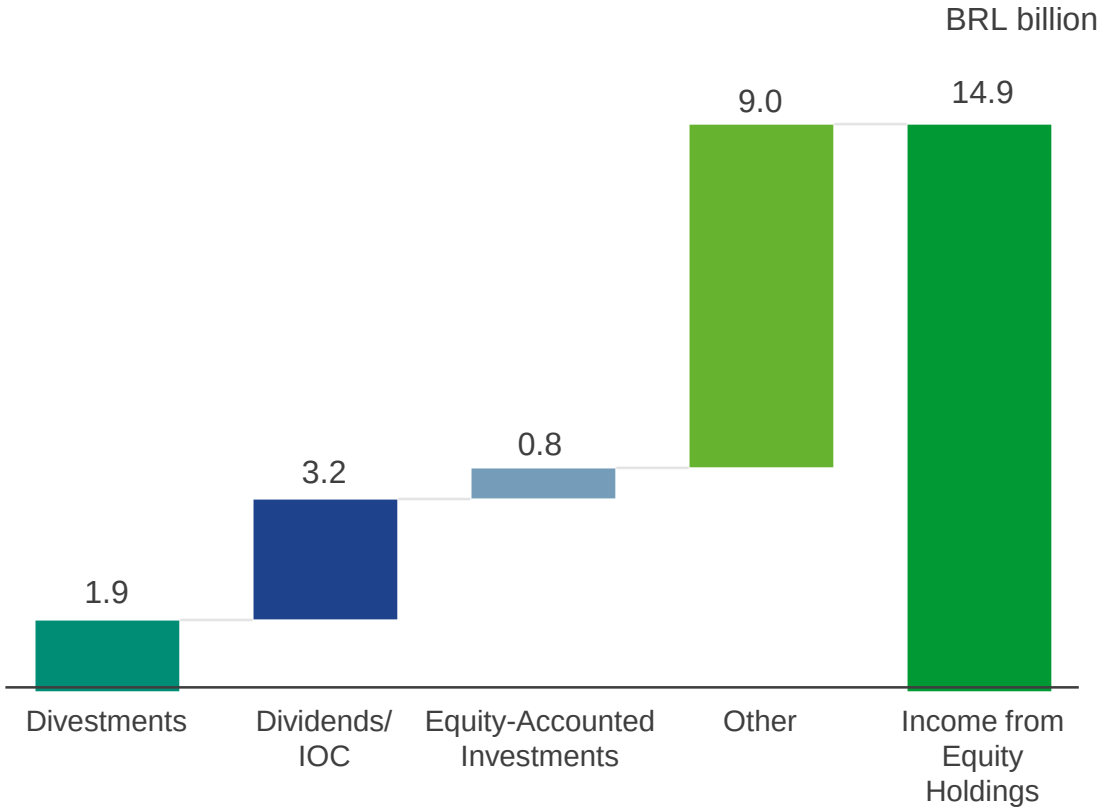


Subsequent event: after closing the quarter, BNDES received BRL 4.6 billion related to the full settlement of Oi Group's outstanding balance, one of the most relevant renegotiations ever performed by BNDES

1/ Amounts include debentures (BRL7.0 billion) and other credit assets (BRL2.2 billion)
The total amounts indicated in graphs and tables may not correspond to the exact sum of the parts due to rounding

Equity holdings – contribution to the results in 1Q22

Highlights were reclassification of JBS (BRL8.8 billion in “Others”), Petrobras dividends (BRL3.0 billion), and sales of shares (JBS and Petrobras), in addition equity-accounted investment from JBS (BRL0.8 billion)



BRL billion

	1Q22	4Q21	1Q21
Divestments	1.9	1.6	10.6
Dividends / Interest on Own Capital	3.2	3.7	0.7
Equity-Accounted Investments	0.8	1.1	1.0
Other	9.0	0.2	(0.7)
Income from Equity Holdings	**14.9**	**6.6**	**11.7**

+126%

+27%

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

Equity holdings – portfolio breakdown

Securities portfolio[1/]

BRL75.9 bn

+

Investment Funds Quotas

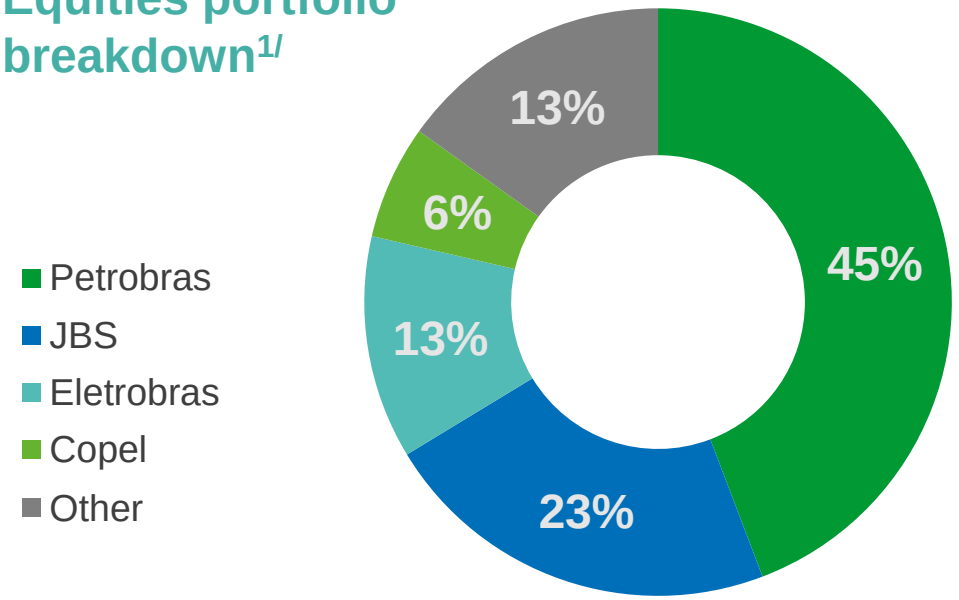
BRL3.3 bn

=

TOTAL EQUITY HOLDINGS IN MARCH 2022

BRL 79.2 bn

Equities portfolio breakdown[1/]



Latest divestments

Feb 2022

Sale of **JBS**, corresponding to **2.1% of the company's share capital**, through a block trade transaction

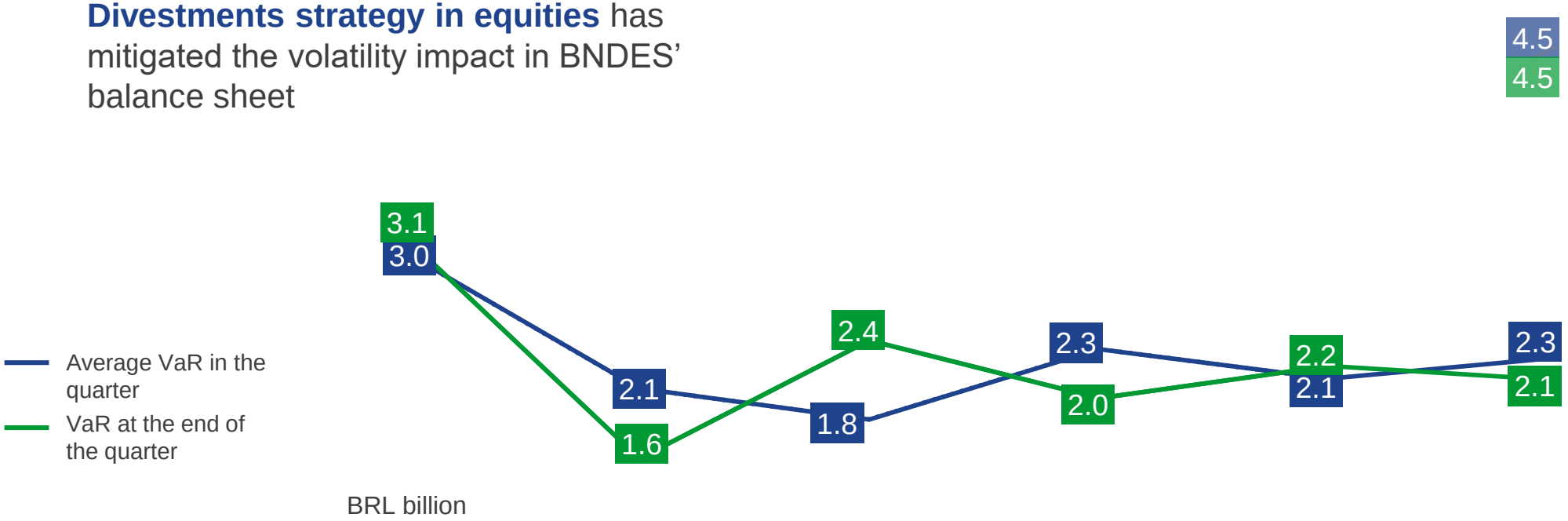
Sale price: **BRL1.9 bn**

1/ Investments in non-affiliated companies recorded at fair value, and in affiliated companies recorded by equity accounting
The total amounts indicated in graphs and tables may not correspond exactly to the sum of their portions due to rounding

Equity investments – risk exposure is still high

Divestments strategy in equities has mitigated the volatility impact in BNDES' balance sheet

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



	1Q21	2Q21	3Q21	4Q21	1Q22	Apr 2022	Jan/22-Apr/22 pre-sales
1-day maximum gain	2.5	1.9	2.0	2.4	2.0	1.9	6.4
1-day maximum loss	(6.9)	(1.3)	(2.5)	(2.5)	(1.7)	(2.4)	(5.3)
Equity stake affected by maximum loss	6.1%	1.1%	2.1%	1.9%	1.2%	1.7%	3.7%

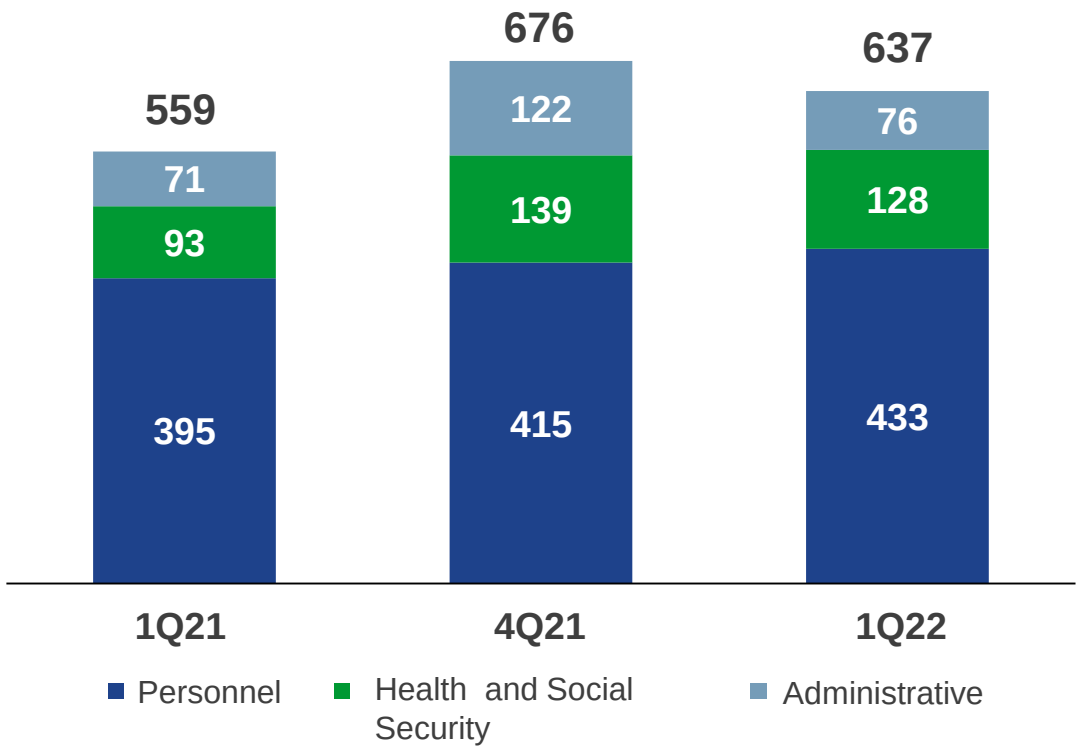
Personnel and administrative Expenses

BRL million

	1Q22	4Q21	Δ	1Q21	Δ
Personnel	433	415	4.3%	395	9.6%
Personnel and Private Pension 2/	128	139	-7.9%	93	37.6%
Administrative	76	122	-37.7%	71	7.0%
Actuarial Provisions 3/	128	286	-55.2%	231	-44.7%
Expenses	**765**	**962**	**-20.5%**	**790**	**-3.2%**

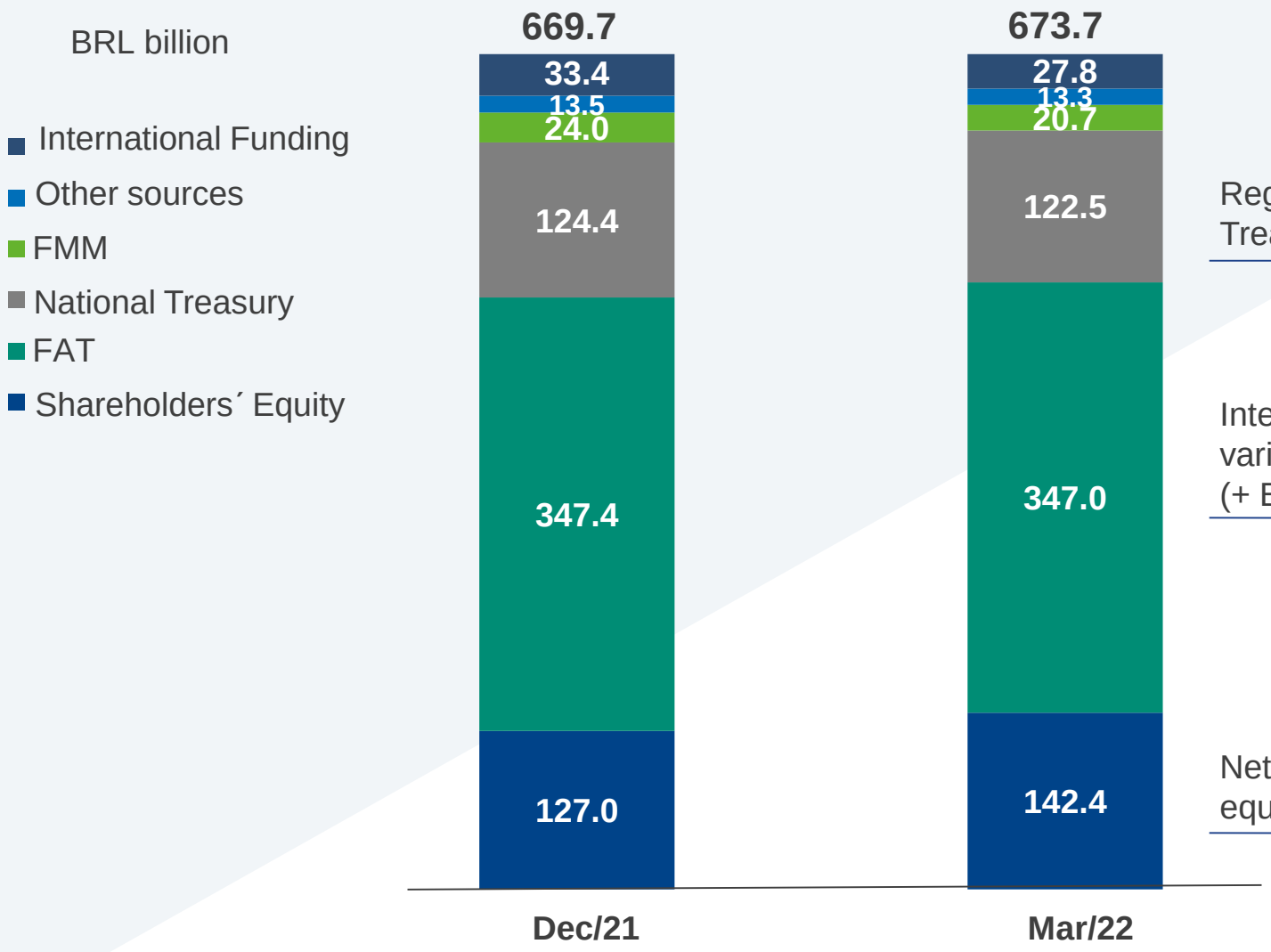
Manageable Expenses 1/

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 social security (FAPES)
3/ Refers to actuarial provisions with health insurance (FAMS) and social security (FAPES)

Our funding sources[1/]



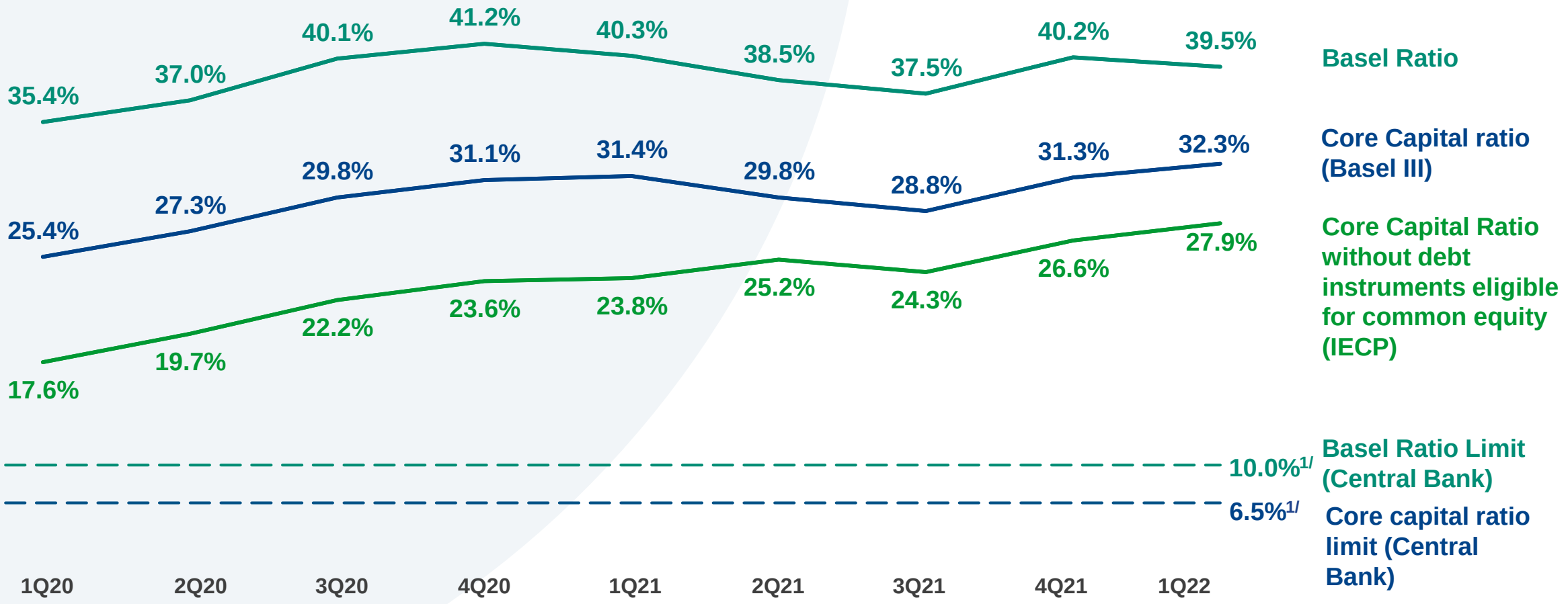
Regular payments of BRL2.7 billion to the National Treasury

Interest payments (- BRL8.5 billion) and exchange variation (- BRL4.4 billion), offset by interest payments (+ BRL7.3 billion) and regular income (+ BRL5.5 billion)

Net income of BRL12.9 billion in 1Q22, plus positive equity valuation adjustment of BRL2.5 billion

1/ Total Liabilities – Dec/21: BRL737.2 billion / Mar/22: BRL749.7 billion
The total amounts indicated in graphs and tables may not correspond exactly to the sum of their portions due to rounding

BNDES maintains a strong Basel Ratio beyond minimum required levels



Considering the BRL13.3 billion prepayment of IECP to the National Treasury, which is pending BACEN's authorization, the Basel Index would be 36.9% in Mar/22

1/ Capital limits defined according to BACEN/DEREG Resolution 4783/2020, of March 16, 2020, and valid as of October 1, 2021

BNDES and the National Treasury

In April 2022, BNDES approved the early settlement of BRL13.3 billion in IECP, whose effective payment is expected to be authorized by BACEN, and the payment of BRL 4 billion of loans, on schedule return

Ruling Agreements 26 / 2021 / TCU	BRL **1.6** bn 1/	**Ordinary payments up to April 2022**	BRL **28.9** bn	**Expected payments on schedule return by December 2022**
Other contracts	BRL **2.0** bn 2/	**Ordinary payments up to April 2022**	BRL **5.4** bn	**Scheduled regular payments until December/2022**
TOTAL	BRL **3.6** bn	**Ordinary payments up to April 2022**	BRL **34.3** bn	**Scheduled payments until December/2022**

1/ Regular payments of BRL1.2 billion until March 2022 and BRL0.4 billion in April 2022
2/ Regular payments of BRL1.5 billion until March 2022 and BRL0.5 billion in April 2022

> Projects Factory

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BNDES' Projects Factory[1/] was accredited as the largest developer of concession/privatization projects in the world

Auctions already held (since 2019)	**23**	auctioned projects[1/]	BRL **115** bn	allocated capex [2/]
Active Portfolio	**153**	mandated projects[1/]	BRL **267** bn	capex to be invested [2/]

Environmental Assets (65)

Parks	46
Forests	19

Social Infrastructure (10)

Healthcare	5
Education	2
Safety	3

Energetic Infrastructure (9)

Energy	7
Natural Gas	2

Logistics Infrastructure (36)

Highways	32
Ports	4

Urban Infrastructure (36)

Sanitation	19	Street lighting	12
Mobility	4	Solid Waste	1

Technology and Communications (4)

Communications	2
Technology	2

Other (16)

Properties	14
Supply	1
Manufacturing	1

1/ Position on May 5, 2022. 2/ Total project 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: Disposals, private debt assumption, and investment commitments from completed or planned operations

BNDES holds the largest portfolio of environmental assets in the world

The Parks and Forests concession agenda promotes the **bioeconomy** and **sustainable development**

- Park Concessions
- Forestry Concessions
- Payment for Environmental Services (PES) Concessions / Forest Carbon

46 Parks

Federal, state and local government in 14 states

+

19 Forests

Sustainable forest management and recovery of native vegetation

totaling over **8 million hectares**, equivalent to **Austria's territory**

Projects Factory – auctions held in 1Q22

In addition to improving services, the recent auctions will also contribute to **improving the energy efficiencies** of Brazilian municipalities and **environmental conservation**

Street Lighting

Jaboatão

- 710,000 people benefited
- BRL 84 million in expected investments

Caruaru

- 365,000 people benefited
- BRL105 million in expected investments

Ports

CODESA

- Brazil's first privatization of port authority
- accounts for 4% of trade
- BRL106 million for the grant + BRL326 million for share purchases
- BRL 855 million in expected investments

Parks

Iguaçu National Park

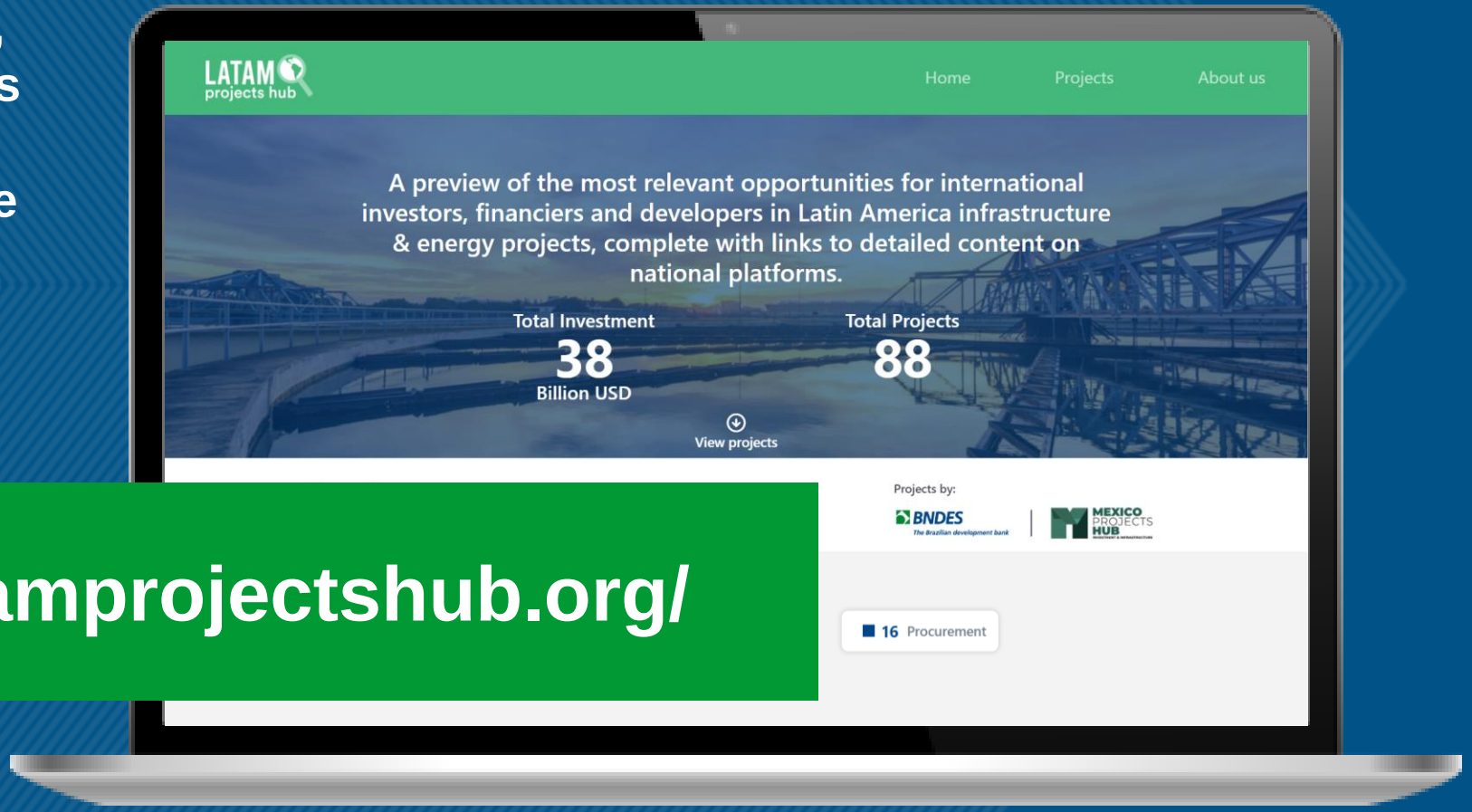
Expected investments of

- BRL 500 million in new infrastructure
- Over BRL3 billion in the operation of the park during the entire concession

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

Latam Projects Hub

Partnership between BNDES, IDB, Banobras and Alide aims to ease foreign investors' access to opportunities in the region



Go to: https://latamprojectshub.org/

> Press Conference

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