

# BNDES

## 1Q23 Results

**Aloizio Mercadante** | President

**Alexandre Abreu** | Chief Financial and Digital Credit Officer for SMEs

**Nelson Barbosa** | Planning and Project Structuring Officer

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# Agenda

- > **Scenario at the end of 2022**
- > Financial and Operational **Results**
- > Current **scenario** and recent **deliveries**
- > **BNDES** and the **earmarked credit**
- > **Press Conference**

## In our 2022 Annual Results, we presented an overview of BNDES over the last few years, with the following findings...

- 1.** A large part of BNDES' accounting profit in 2022 came from non-recurring sources
- 2.** Over the last decade, BNDES' assets have been on a downward trend, mainly the loan portfolio
- 3.** BNDES' disbursements in the last few years accounted for 1% of GDP, compared to a historical average of around 2% of GDP
- 4.** From 2015 to 2022, BNDES' transfers to the National Treasury were BRL 227 billion higher than the bank's disbursements to the productive sector
- 5.** BNDES has very comfortable capital levels (Basel) and default rates well below those of the National Financial System

# Financial and Operational Results

# 1Q23 Financial Highlights



Recurring  
Net Income<sup>1/</sup>

**BRL 1.7 bi**

↘ 28.4% 1Q23 x 1Q22

↘ 51.0% 1Q23 x 4Q22



Recurring  
ROE

**5.3%**

↘ 2.7 p.p. 1Q23 x 1Q22

↘ 5.3 p.p. 1Q23 x 4Q22



Basel  
Ratio

**33.1%**

↘ 6.4 p.p. 1Q23 x 1Q22

↘ 1.5 p.p. 1Q23 x 4Q22



Expanded Loan  
Portfolio<sup>2/</sup>

**BRL 479.0 bi**

↗ 8.15% 1Q23 x 1Q22

↘ 0.10% 1Q23 x 4Q22



Total  
Disbursements

**BRL 19.1 bi**

↗ 29.1% 1Q23 x 1Q22

↘ 44.8% 1Q23 x 4Q22



Non Performing Loans  
(+90 days)

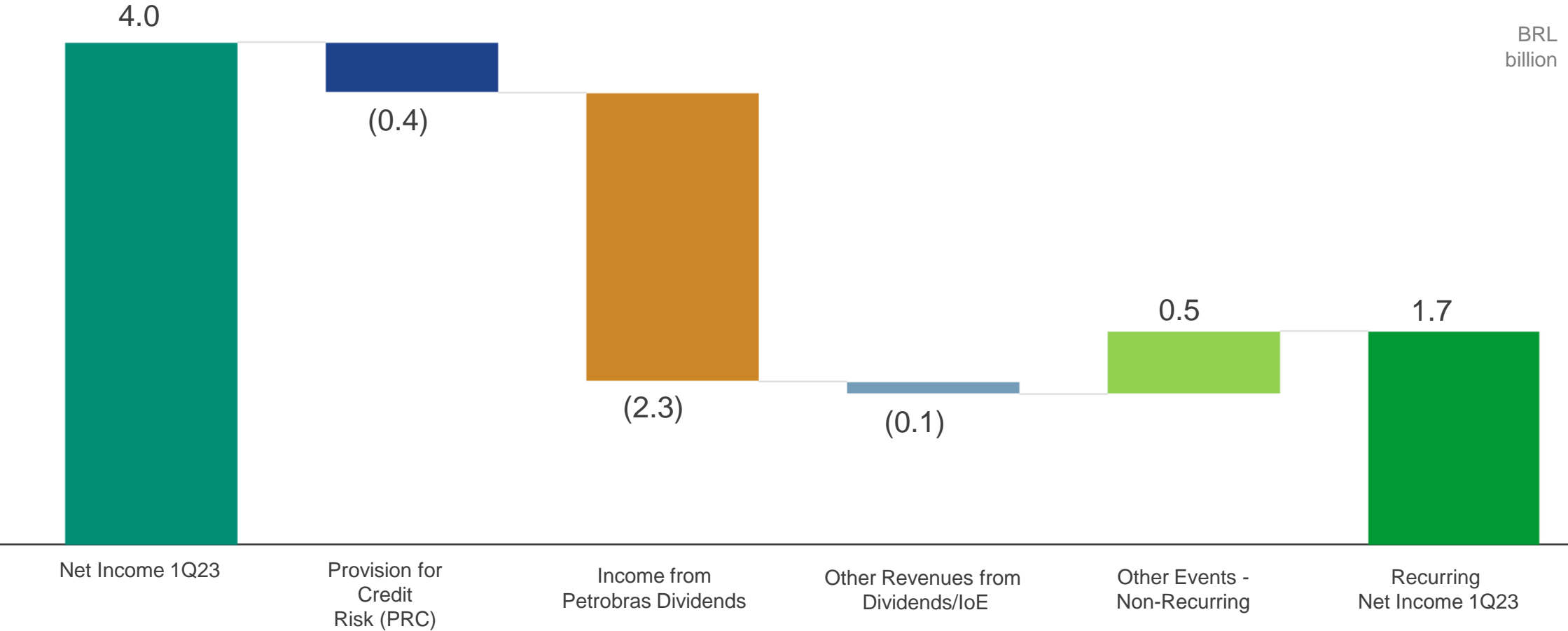
**0.06%**

↘ 0.15 p.p. 1Q23 x 1Q22

↘ 0.07 p.p. 1Q23 x 4Q22

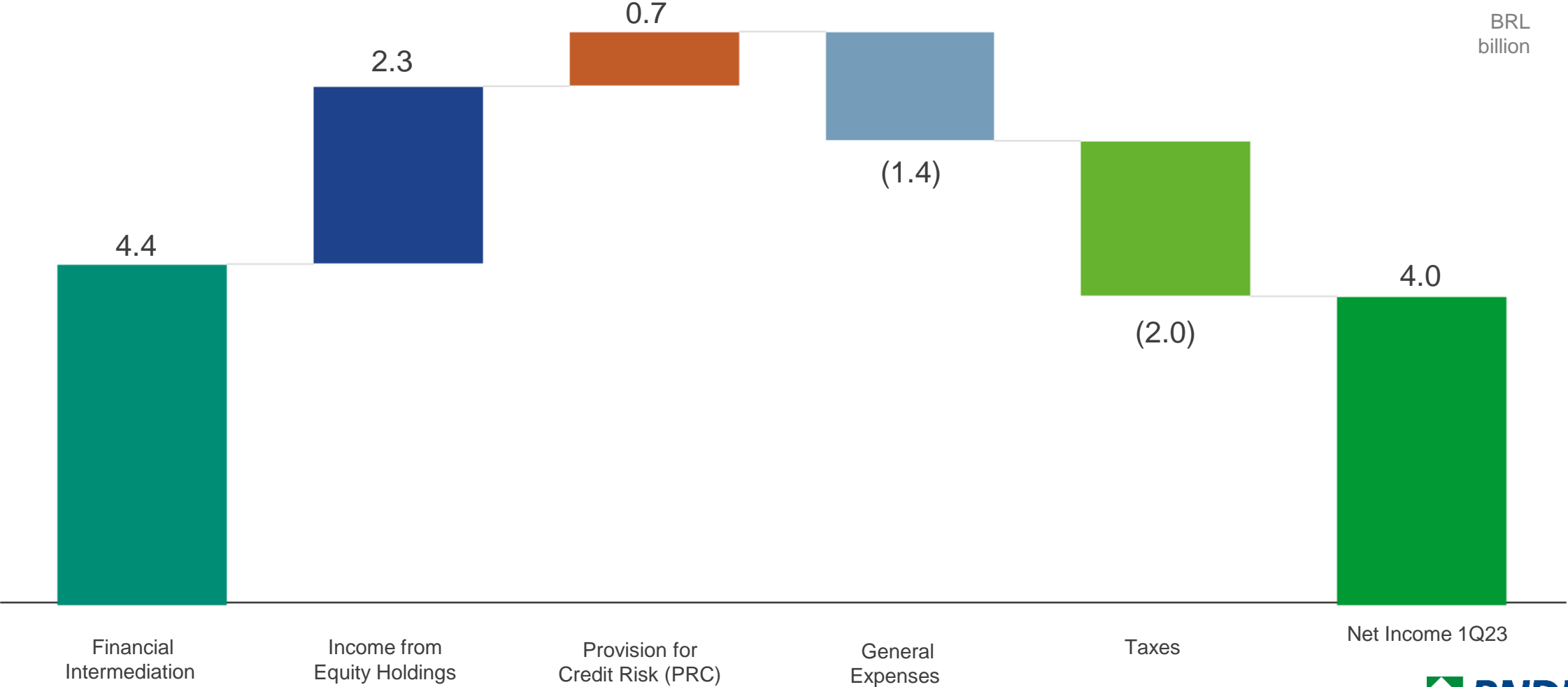
# Net income of BRL 4.0 billion in 1Q23

Dividends received from Petrobras account for most of the non-recurring effects



The total amounts may not correspond exactly to the sum of their portions due to rounding

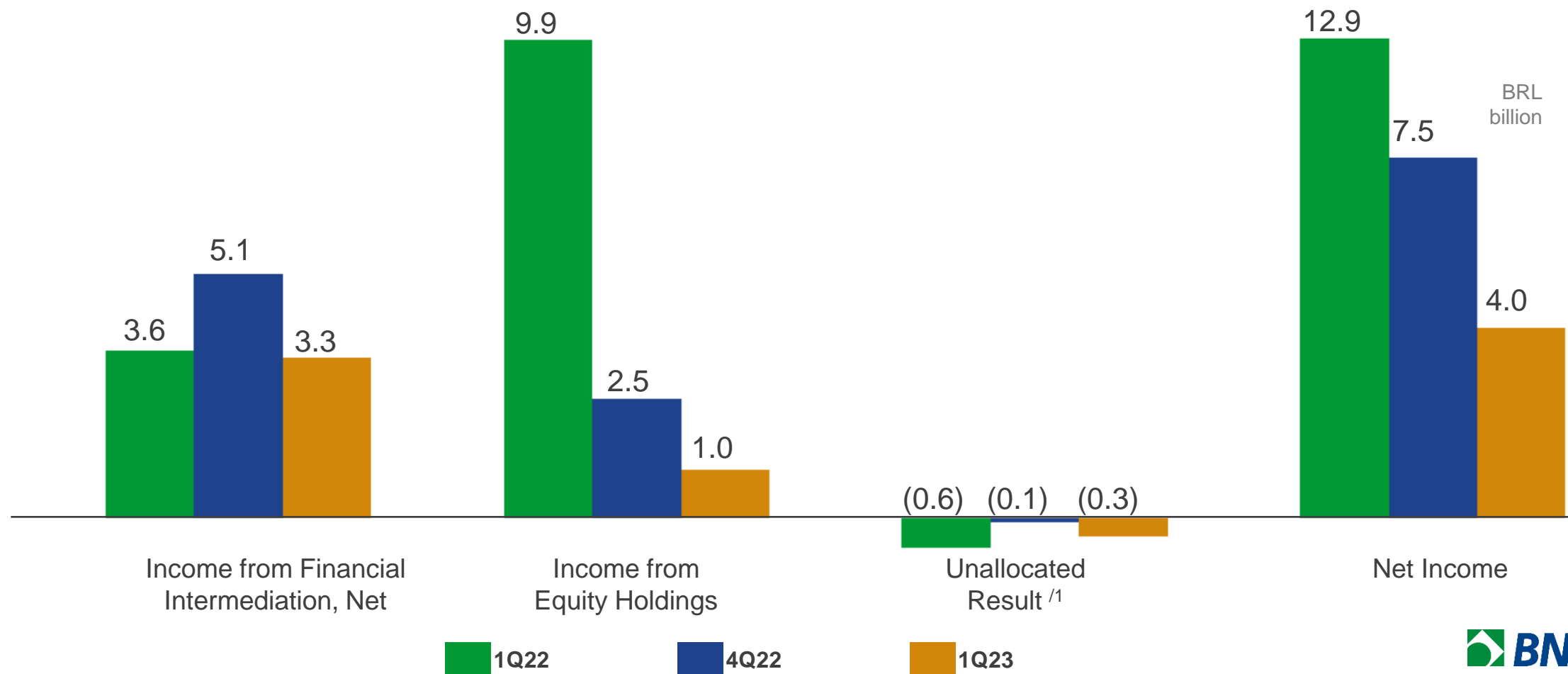
# Net income influenced by dividends and credit recovery



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# Net income by segments shows the fluctuation in equity holdings

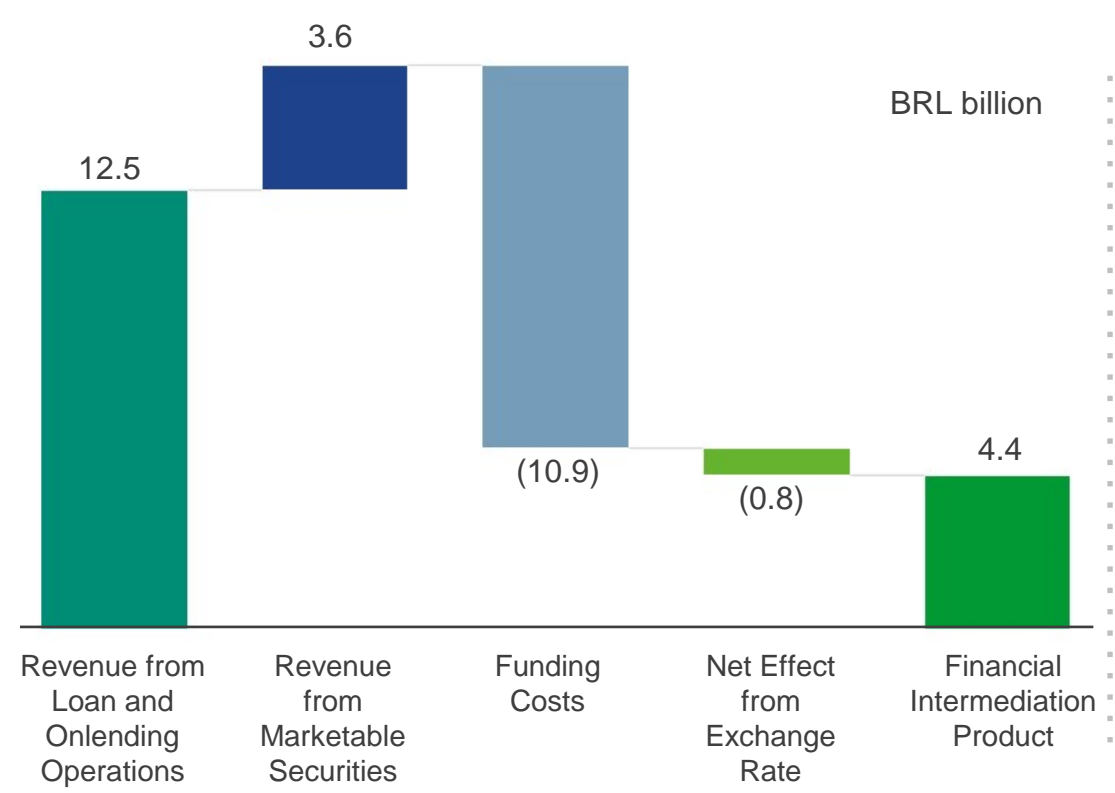
Results from financial intermediation in 1Q23 are similar to those reported in 1Q22. In 1Q22, the result of equity holdings was increased by the reclassification of JBS



1/ Unallocated result refers to temporary IR/CS differences and rate change effect  
The total amounts may not correspond exactly to the sum of their portions due to rounding



# Recurring result for 1Q23 impacted by the pre-payment of BRL 45 billion to the National Treasury in 4Q22 and the decrease in the value of the US dollar



	1Q23	4Q22	1Q22
Revenue from Loan and Onlending Operations	12.5	9.8	10.9
Revenue from Marketable Securities	3.6	4.4	4.7
Funding Costs	(10.9)	(8.5)	(10.3)
Net Effect from Exchange Rate	(0.8)	(0.08)	(0.4)
Financial Intermediation Product	4.4	5.6	4.9

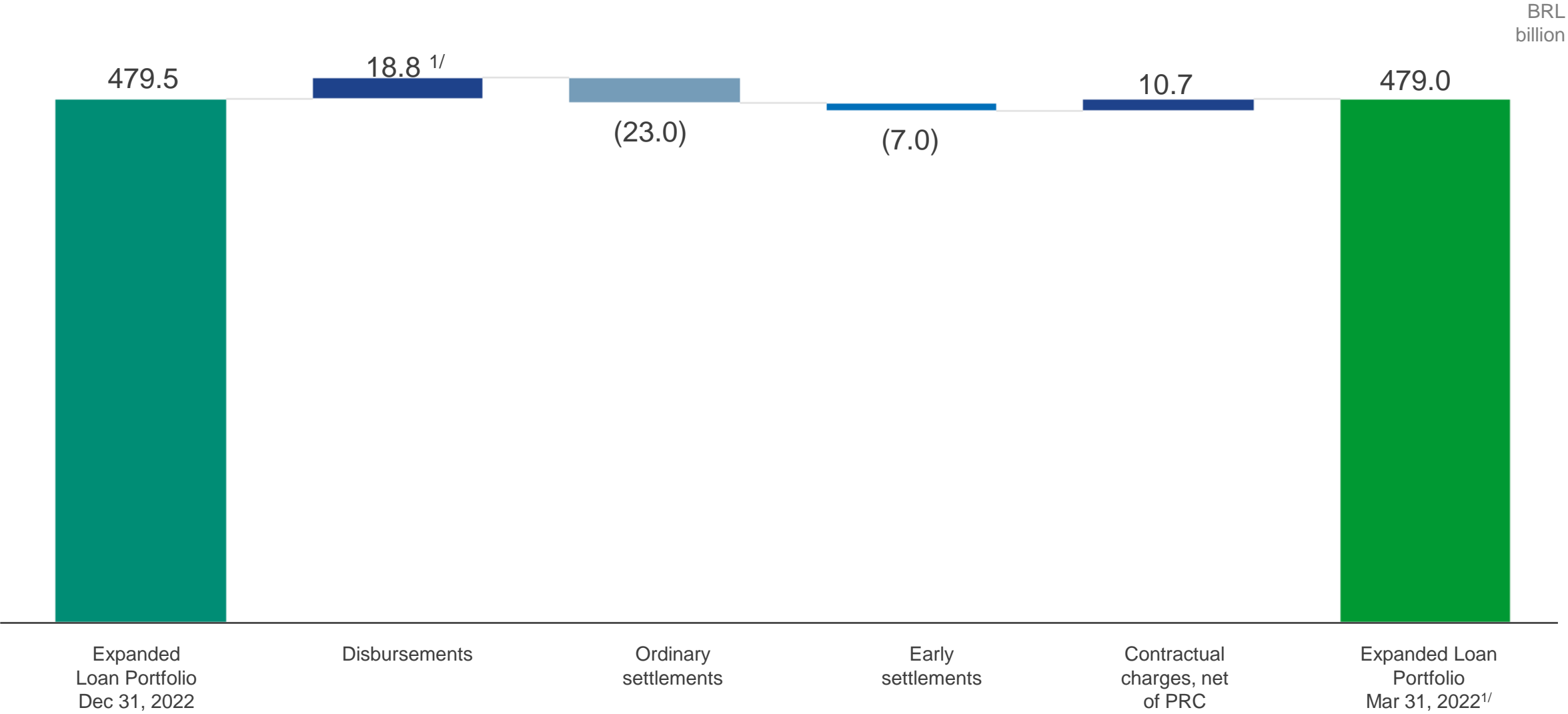
-22%

-11%



The total amounts shown in graphs and tables may not correspond exactly to the sum of their portions due to rounding

# Loan portfolio remained stable from 4Q22

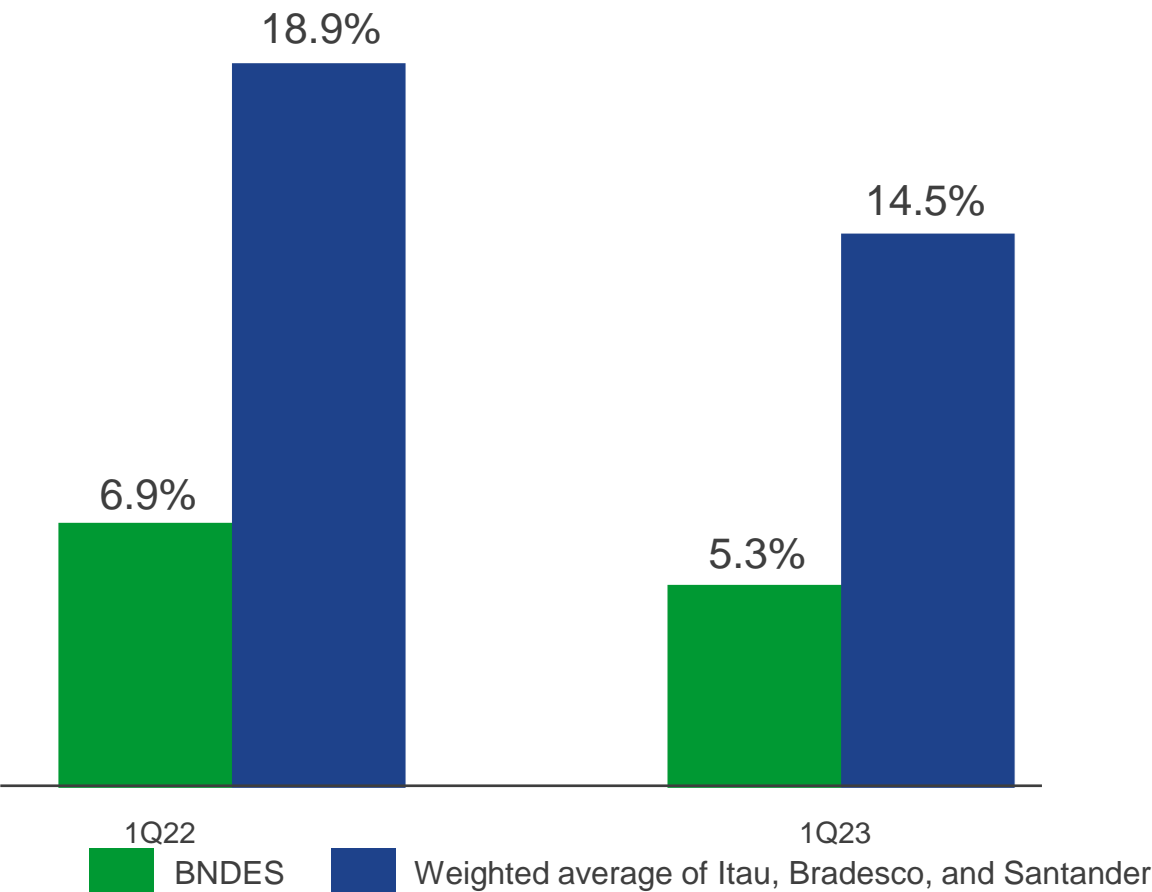


1/ Excludes disbursements from non-refundable operations and equity transactions  
The total amounts shown in graphs and tables may not correspond exactly to the sum of their portions due to rounding

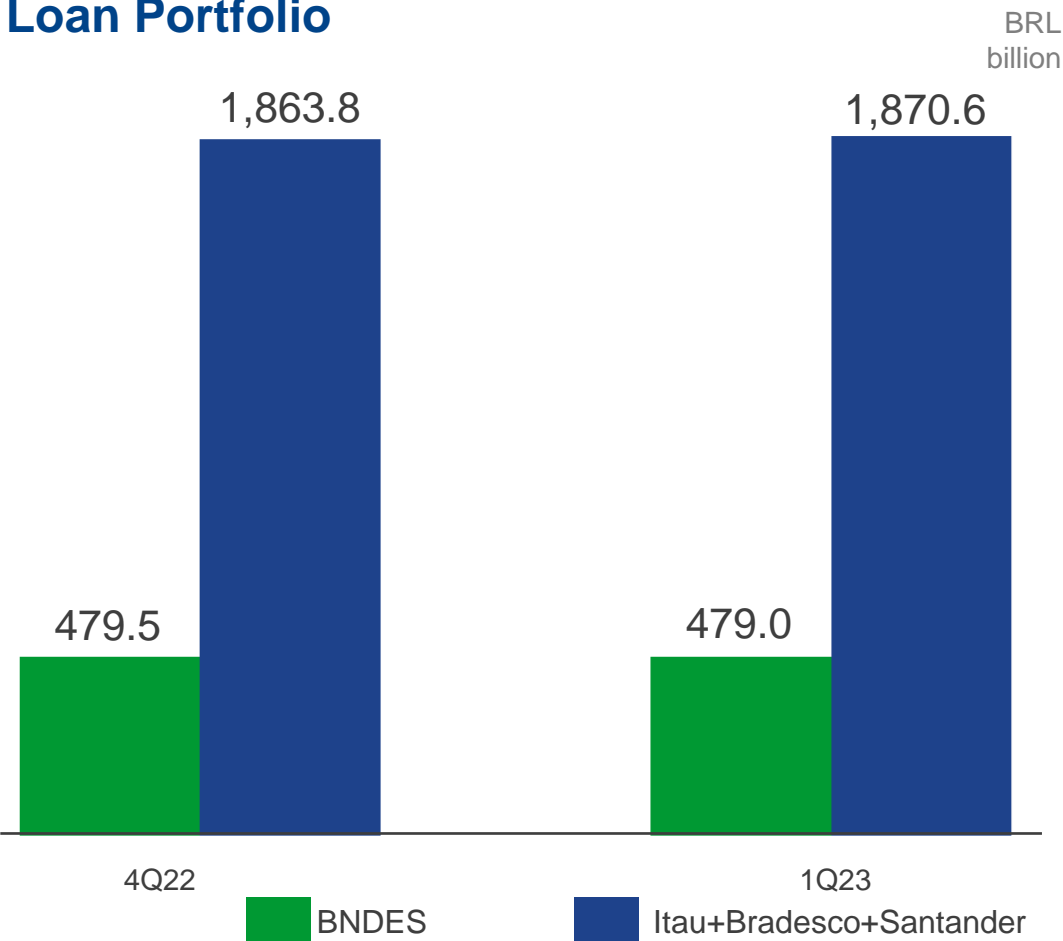
# Stability of the loan portfolio and decrease in ROE in private banks

ROE performance and the evolution of the loan portfolio were similar in both BNDES and the three largest Brazilian private banks

Recurring ROE

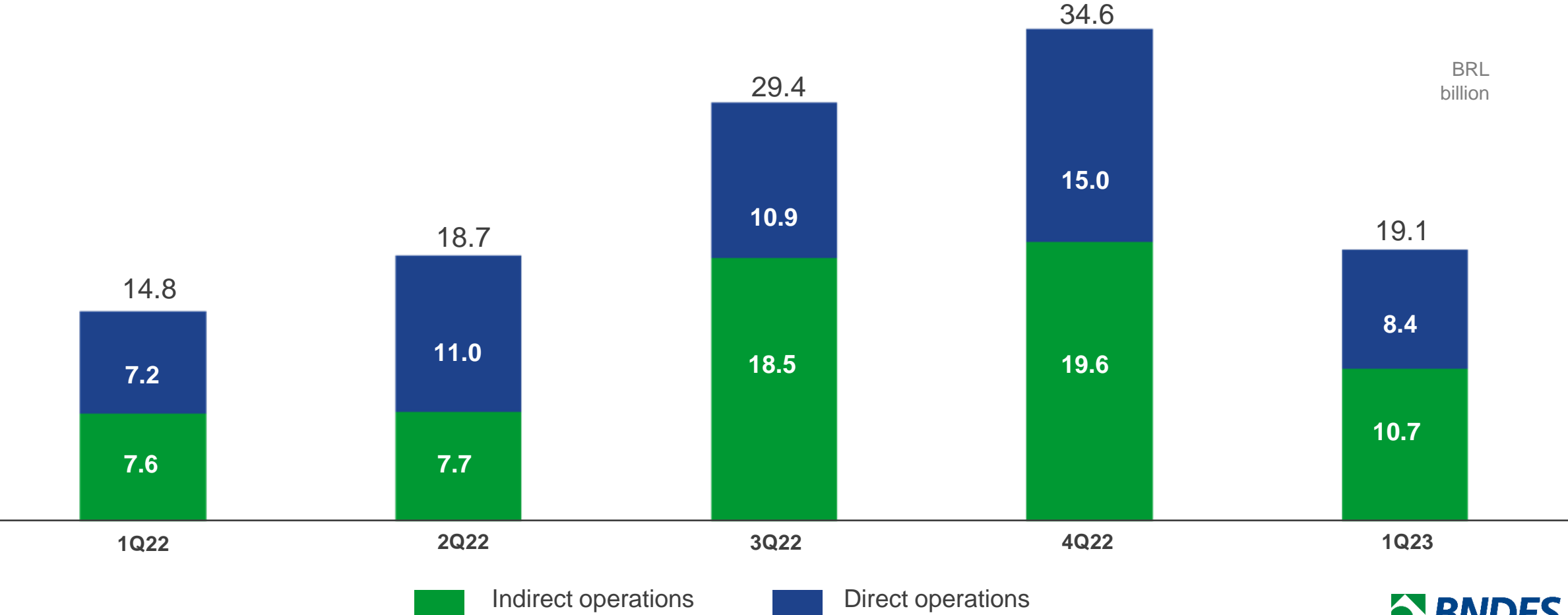


Loan Portfolio



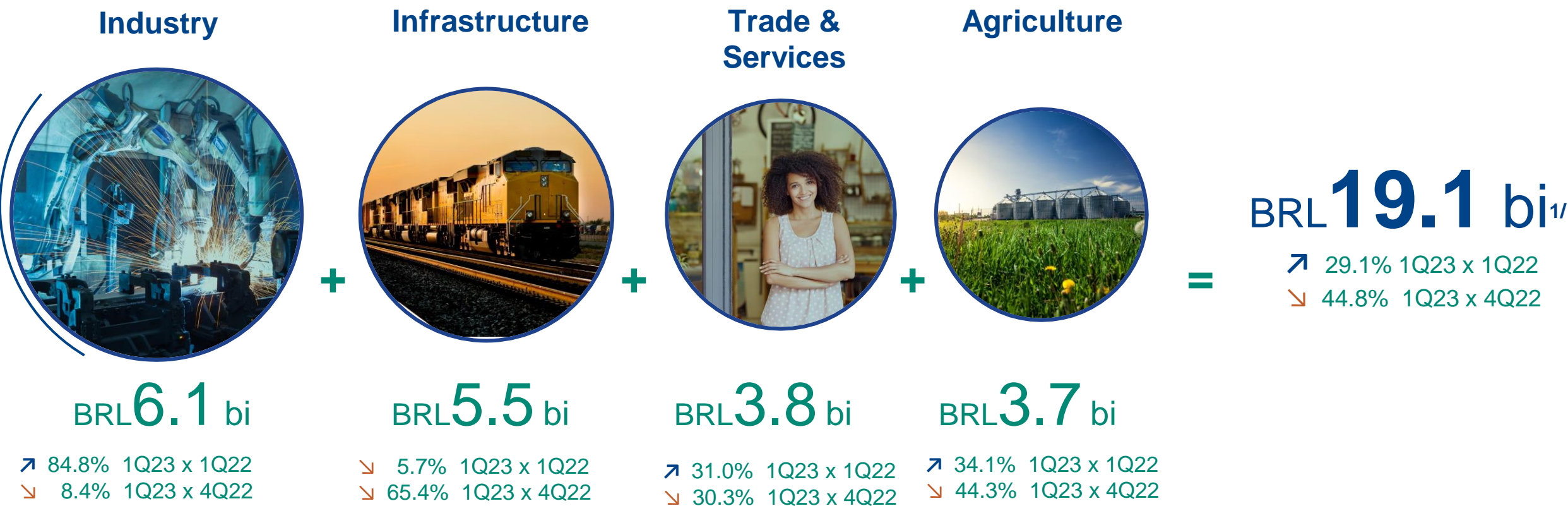
# Disbursements fell by 44.8% in 1Q23 from 4Q22

Last year of the TLP (alpha) reduction factor and change in category of Moderfrota explain the growth recorded in 2022. In 1Q23, indirect operations continue accounting for most of the disbursement



# In a view by sectors, disbursements to the industry stood out in 1Q23

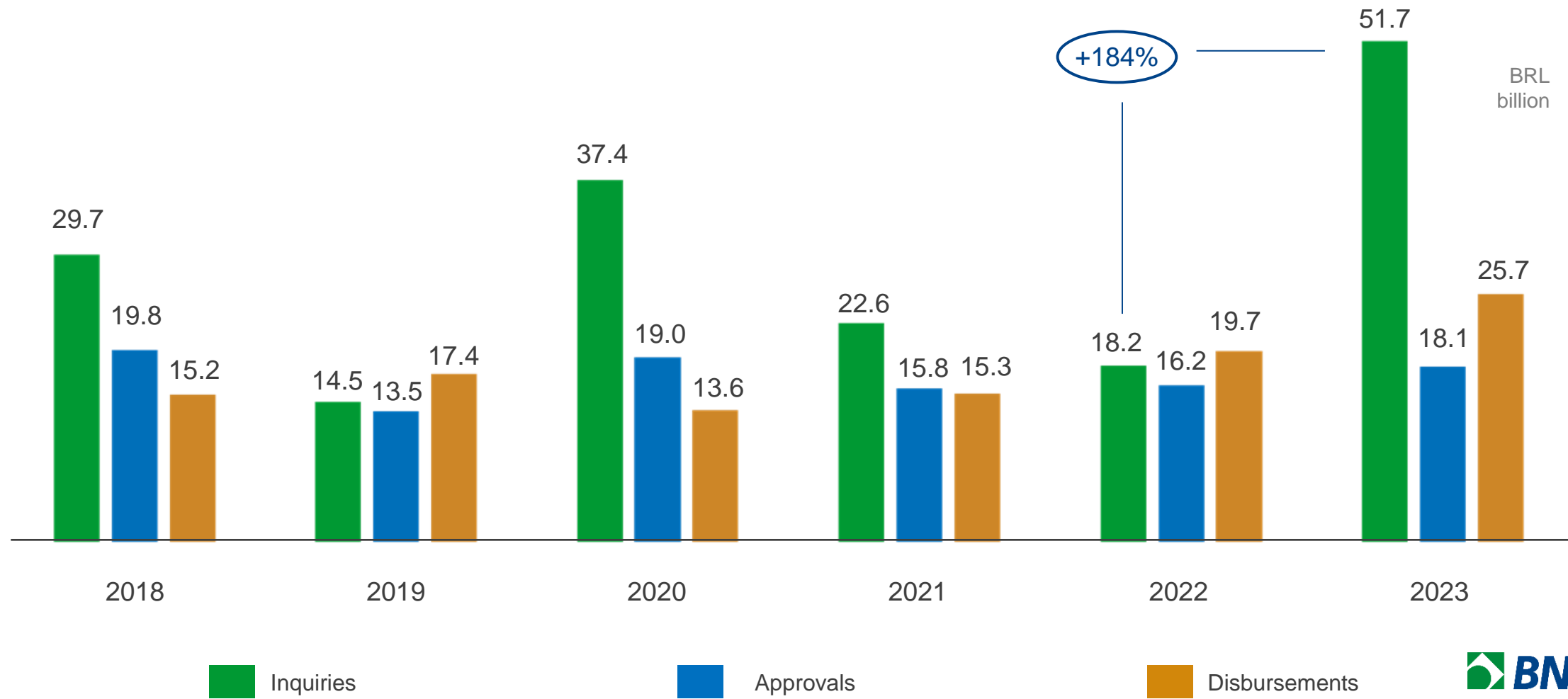
Increase in disbursements to the industry, influenced by export credits, contrasts with the decline in disbursements to infrastructure



1/ Includes non-refundable variable income operations and debentures

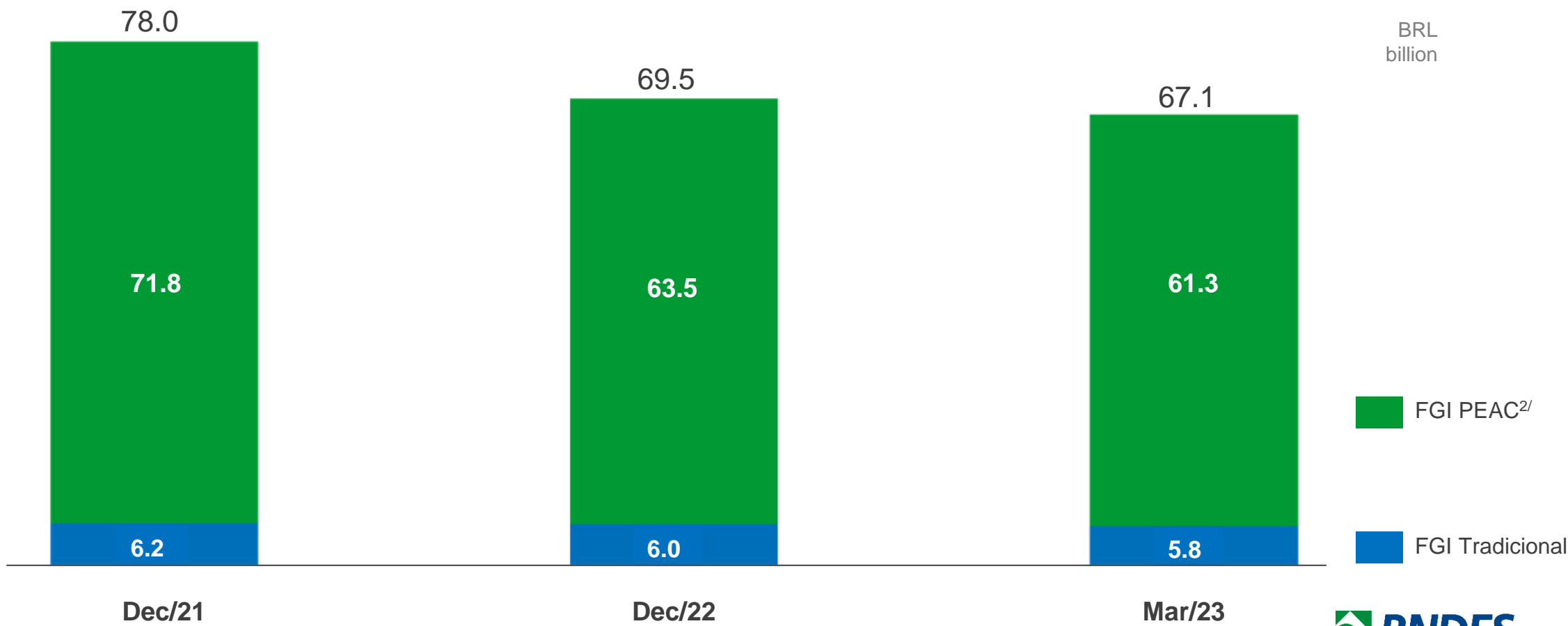
# Credit demand from January to April indicates an acceleration in operational performance

Growths of 184% in inquiries and 30% in disbursements in the first four months compared to 2022



# The loan portfolio funded with guarantees from BNDES shows a slight decrease

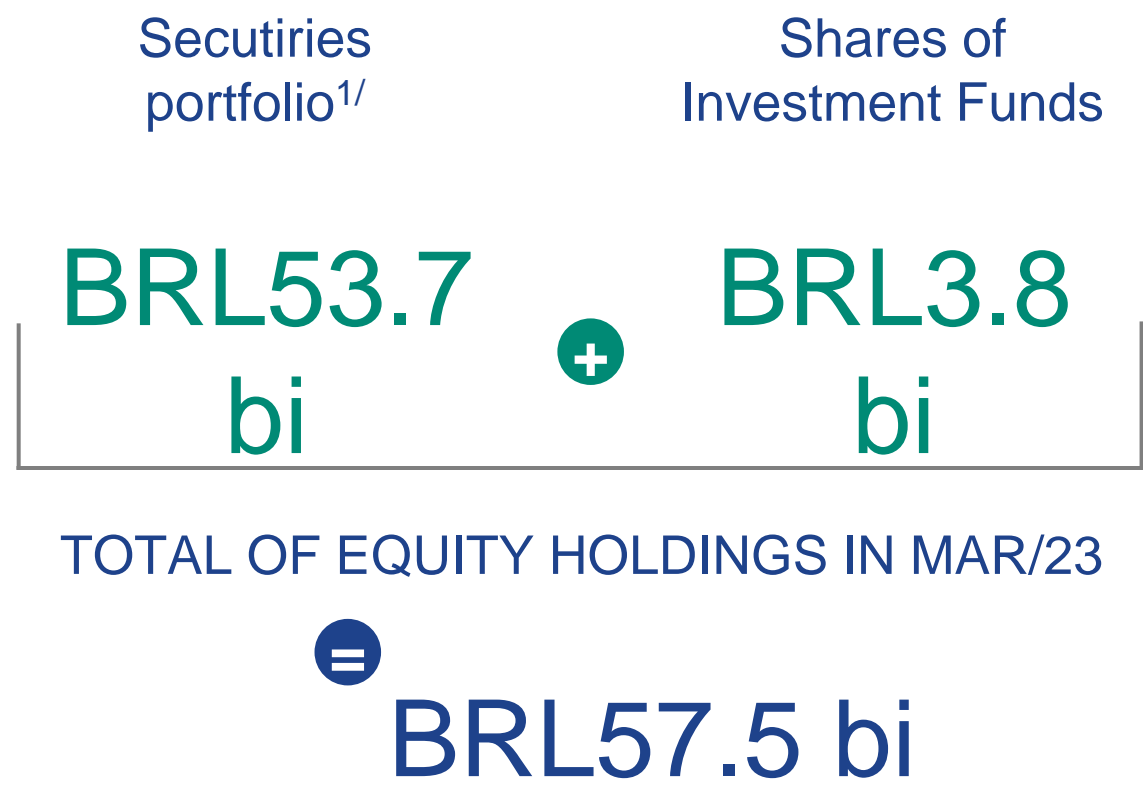
The trend led to a change in FGI PEAC aiming at increasing SMEs access to credit



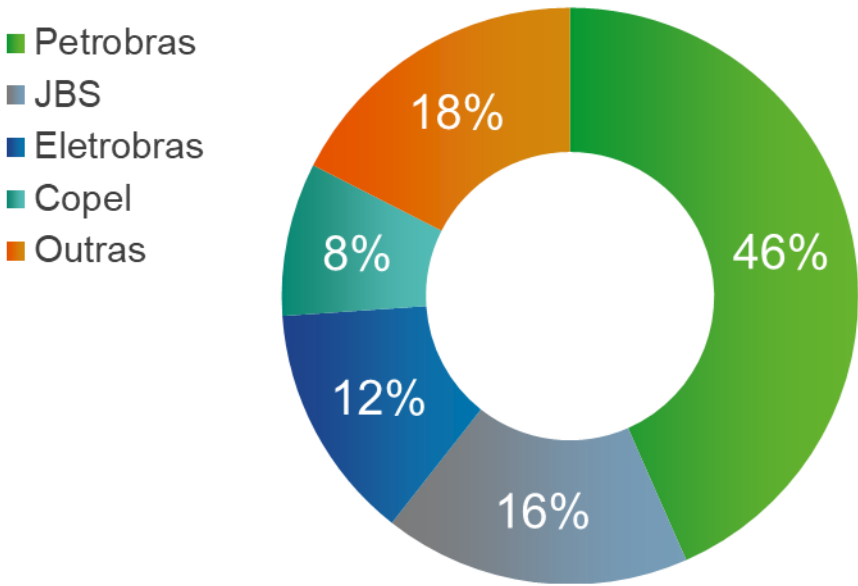
1/ The financed portfolio is calculated based on estimated balances originating from the registered parameters of the operations covered by the guarantee. This practice has been adopted for FGI Tradicional since 2022

2/ In the case of FGI PEAC, the guaranteed portfolio inventory always accounts for 80% of the financed portfolio. For FGI Tradicional, a 70% index was used

# Equity holdings continue concentrated in four major companies



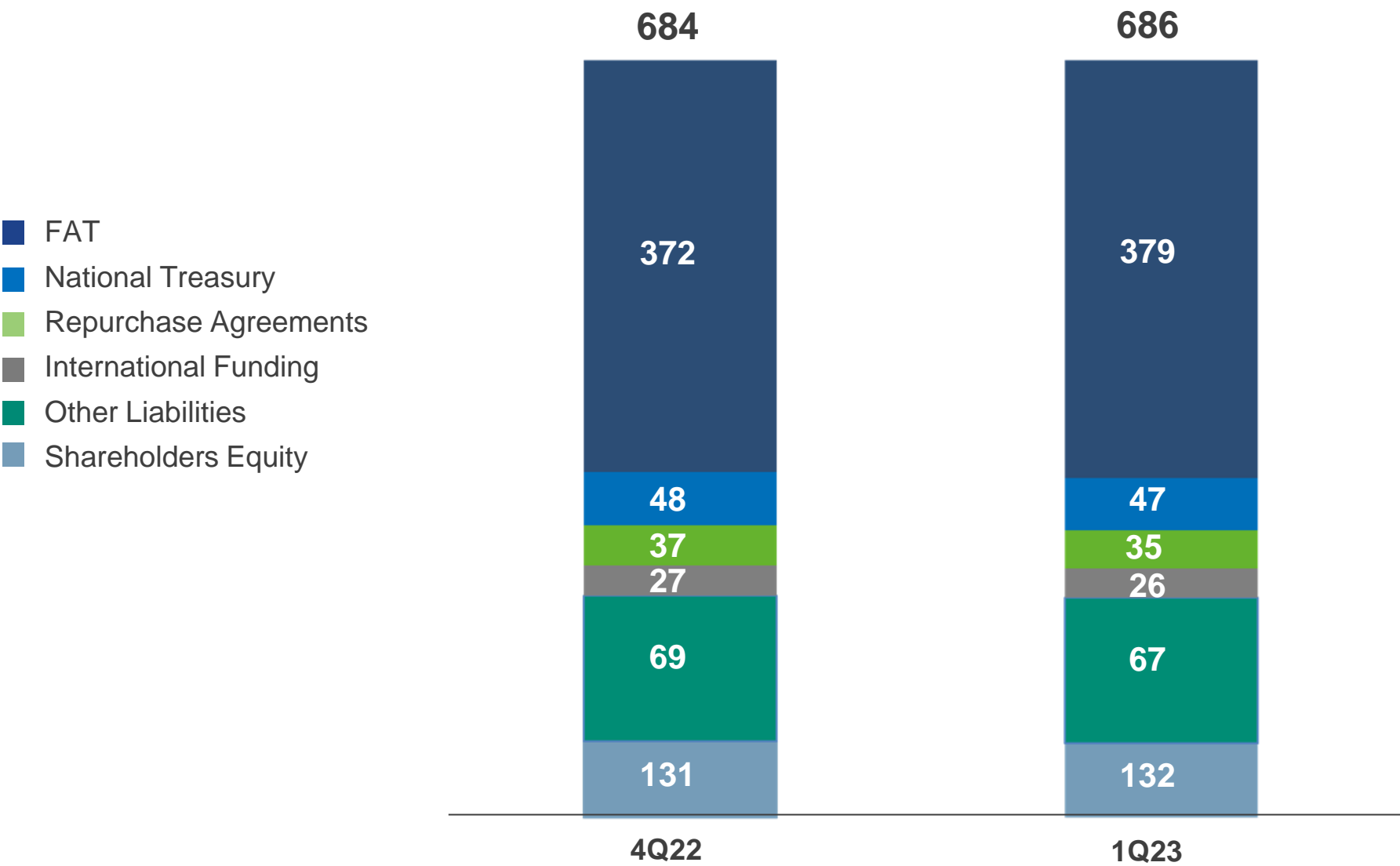
Breakdown of the Equity Holdings portfolio<sup>1/</sup>



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

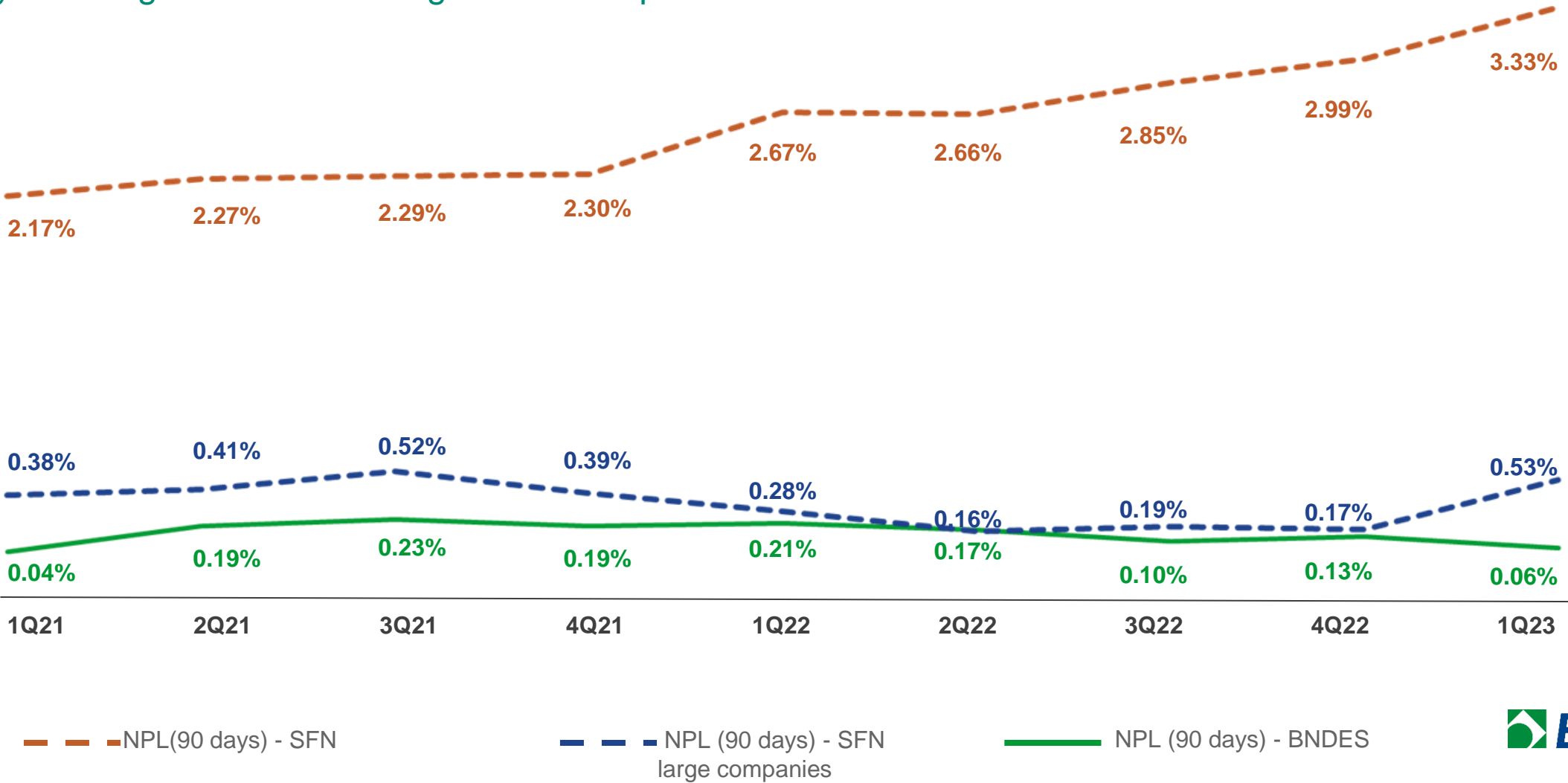


# In 1Q23, we observed a stability in BNDES' sources of funding



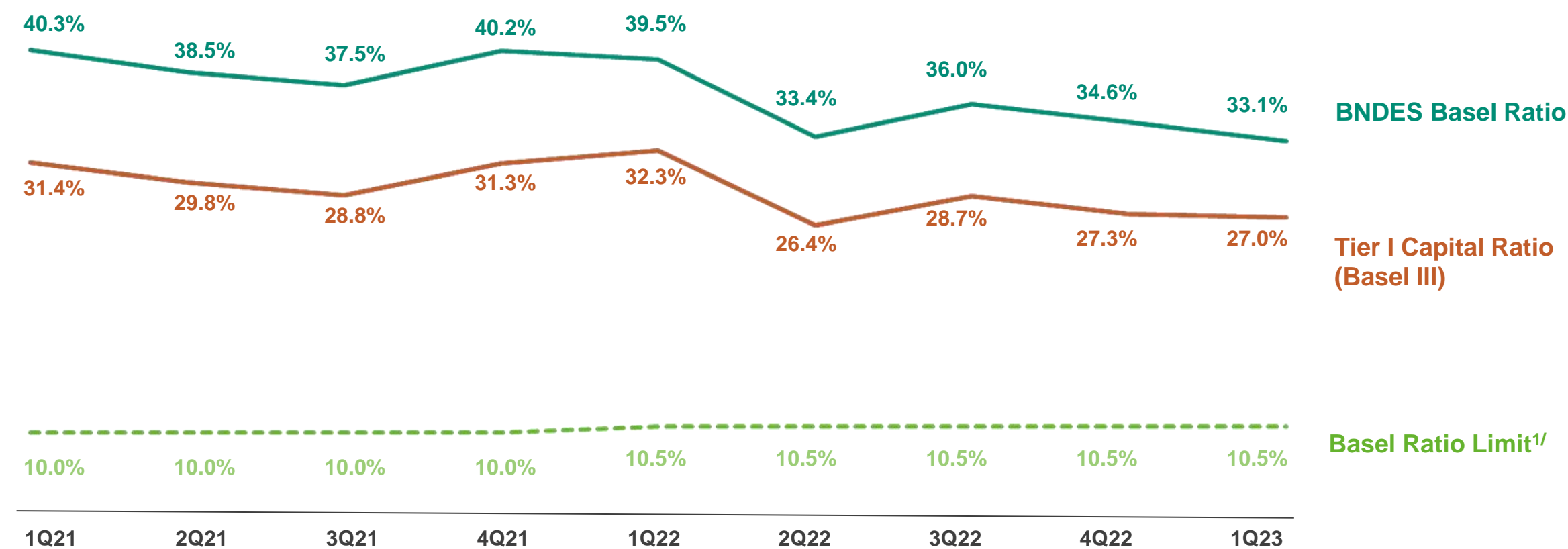
# NPL rate is substantially lower than the National Financial System

Delinquency (+90 days) fell by 0.06% in 1Q23 contrasts with the upward trend of the National Financial System in general and for large-sized companies



# Basel ratio remains well above the minimum required levels

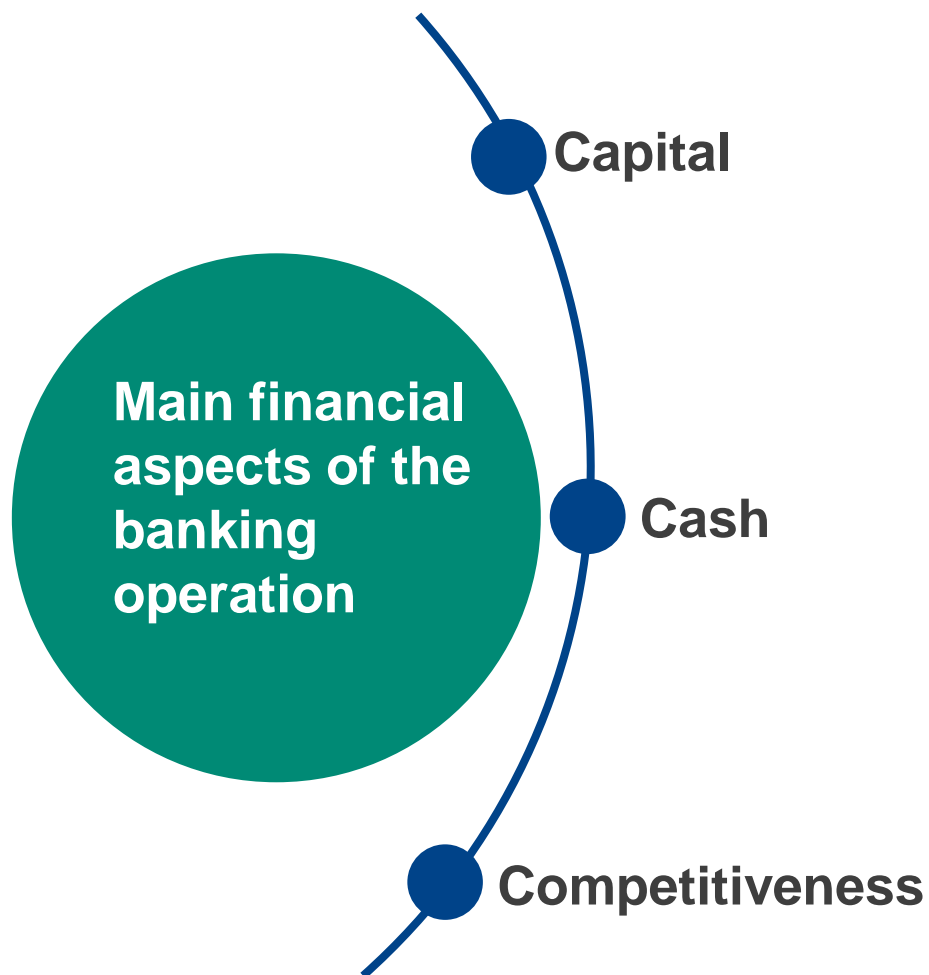
The decrease in 1Q23 was impacted by the reduction in Tier 2 Capital (CVM Resolution 4,679/2018) and negative equity valuation adjustment, mitigated by the net income of BRL4.0 billion



1/ Capital limits defined according to BACEN/DEREG Resolution 4783/2020, of 03/16/2020, and previous Resolutions

# Current scenario and recent deliveries

## Our assessment of BNDES' current financial capacity considers main three points...



### View on the current scenario



Basel Ratio of 33.1% allows BNDES to sustainably expand its loan portfolio in line with the long-term planning



Foreign funding and an adjustment of the percentage of payout of dividends and prepayments to the National Treasury to the new liquidity scenario



Diversification of interest rates paid to FAT (pre, post, and SELIC), incentivized domestic bond issue (LCD), possibility of interest rate reduction on part of FAT funds, and expansion of the Climate Fund

# ...and we have already performed initial measures for the implementation of our planning



## BRL 2.9 billion in PAGF

Reopening of protocols and contracting of new loan operations from **PAGF**, totaling **BRL 2.9 billion**



## Dollar-denominated credit line for rural loans

Creation of a fixed rate in **U.D. dollars** for BNDES Rural Loan operations. Expectation of a potential loan of over **BRL 2 billion**



## Rearrangement in FGI PEAC

The program has become **permanent**, the management methodology has been changed to increase efficiency, and an additional **BRL1.75 billion** in guarantees has been made available, which will generate **BRL 21 billion** in new loan operations for MEIs and SMEs



## Institutional Actions

BNDES has become a member of **FEBRABAN** and held, in March 2023, the **“Strategies for Sustainable Development”** seminar (two upcoming seminars schedule for May)

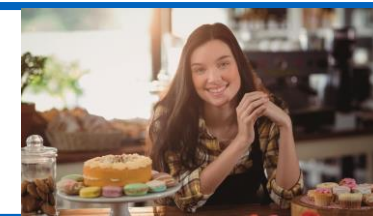


## ...and we have already performed initial measures for the implementation of our planning



### FGI SEBRAE

**New** type of FGI, with guarantees for loans granted to microentrepreneurs and micro and small businesses, with **resources, technical support, and reach** provided by **SEBRAE**



### TR for innovation and digitalization

The conversion into law of Provisional Measure 1,147/22, which has already been approved by the House of Representatives, guarantees that up to **1.5% of the balance** of FAT resources at BNDES used for **innovation and digitalization** operations will be remunerated at the **TR**



### Foreign funding

Approval of a **USD750 million** operation with **IDB** in the Senate, agreement for a future fundraising of **USD1.3 billion** with **CDB**, fundraising of **USD129.5 million** with **FIDA**, and negotiations with other institutions, such as **JICA**, **NDB**, and **KfW**



# Portfolio of 171 projects, with 56 federal, 80 state, and 35 municipal projects



1/ Position on April 25, 2023. Number of projects 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 and the earmarked credit

## Where do earmarked credit resources come from?

**30% of demand deposits must be used in rural loans and 2% in microcredit**

**65% of the savings deposits must be aimed at real estate loans**

**35% of LCA - Agricultural Bank Notes - funding must be used in rural loans**

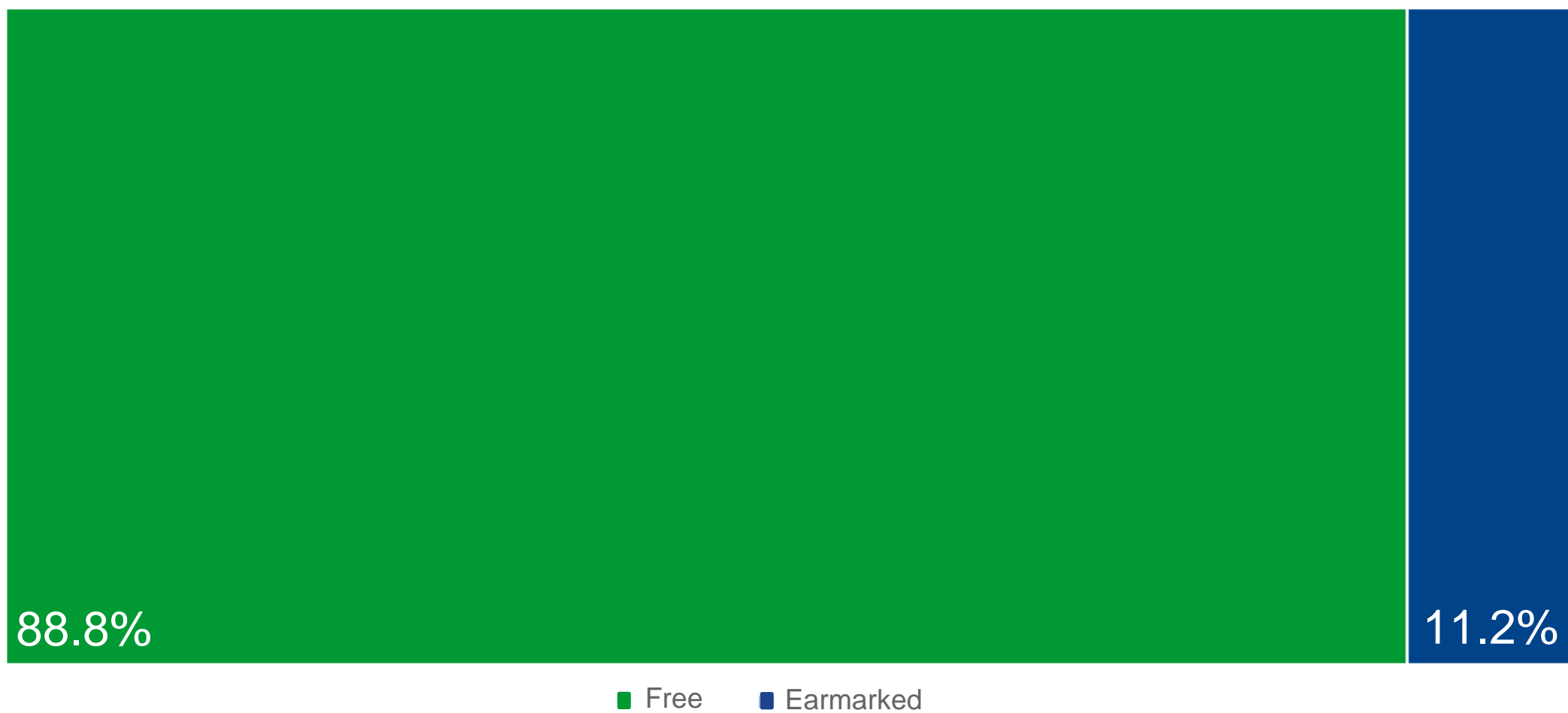
**100% of LCI - Real Estate Bank Notes - funding must be aimed at real estate loans**

**FAT resources (28% aimed at BNDES) come from PIS/PASEP**

**Regional Fund Resources (FNE, FNO, FCO) come from taxes (IPI and IR) - at least 30% must be lent to SMEs**

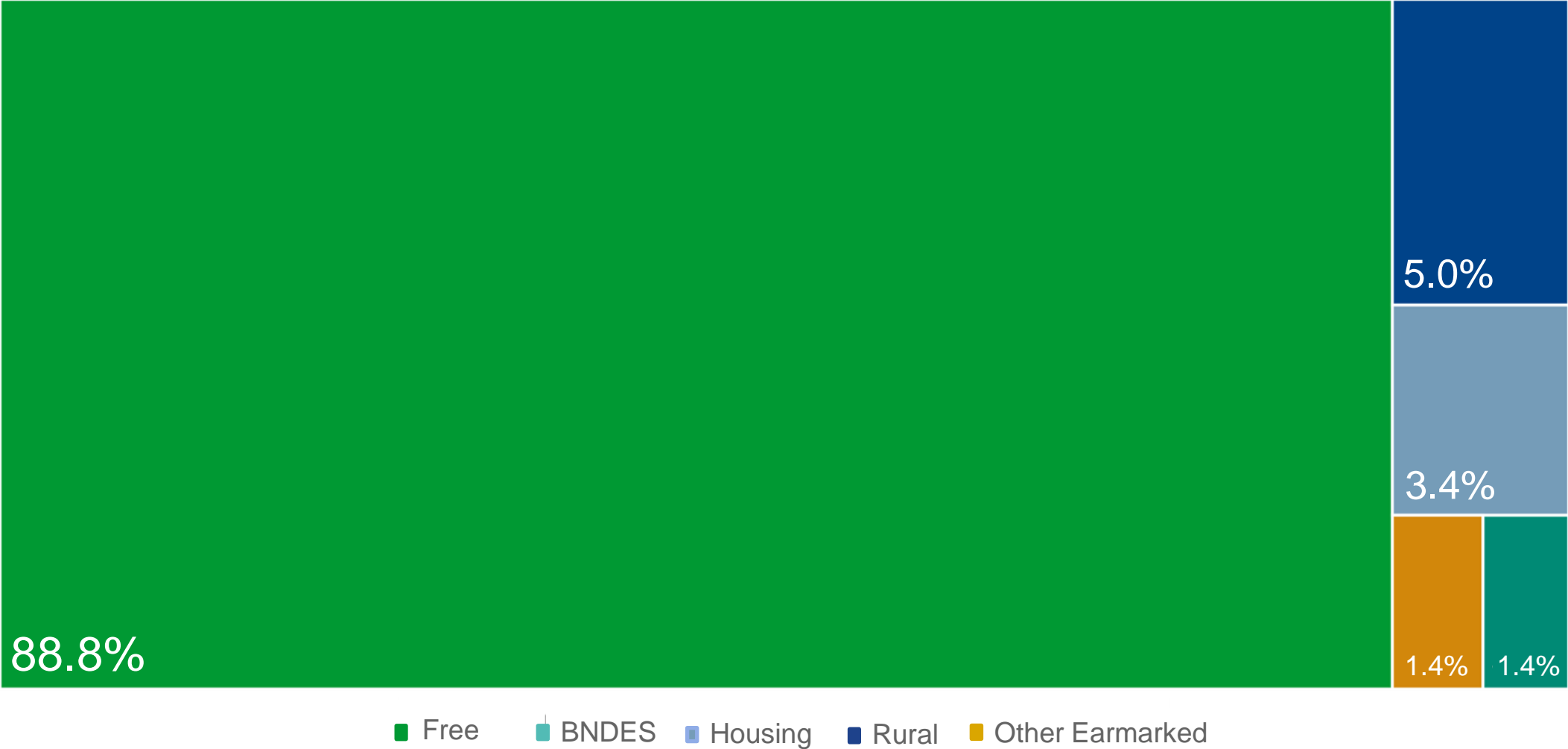
## Earmarked credit accounts for 11.2% of new resource granting in the economy

Percentage of the flow of new grants: free resources and earmarked resources (accumulated data for the 12-month period until Mar/23)



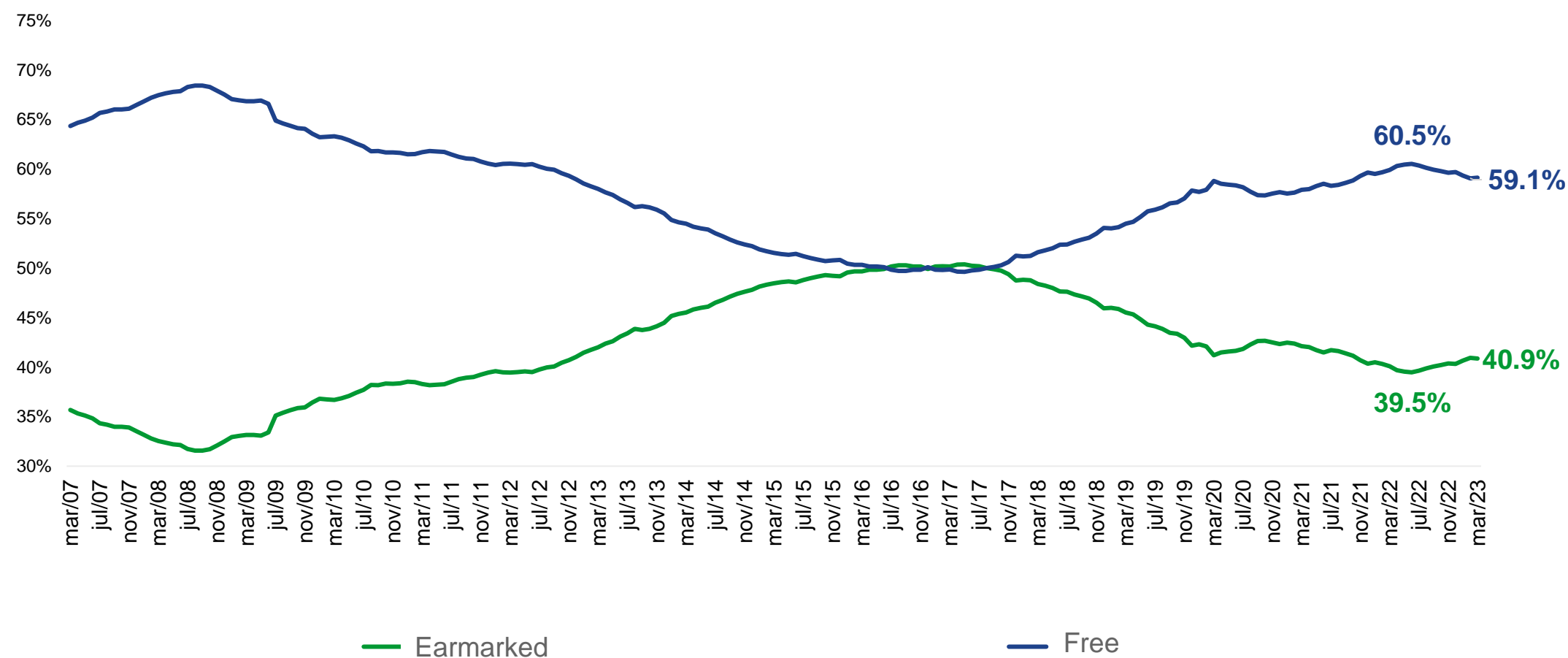
# Earmarked grants come from the rural and housing segments

Percentage of the flow of new grants: free resources and earmarked resources, by segment (accumulated data for the 12-month period until Mar/23)



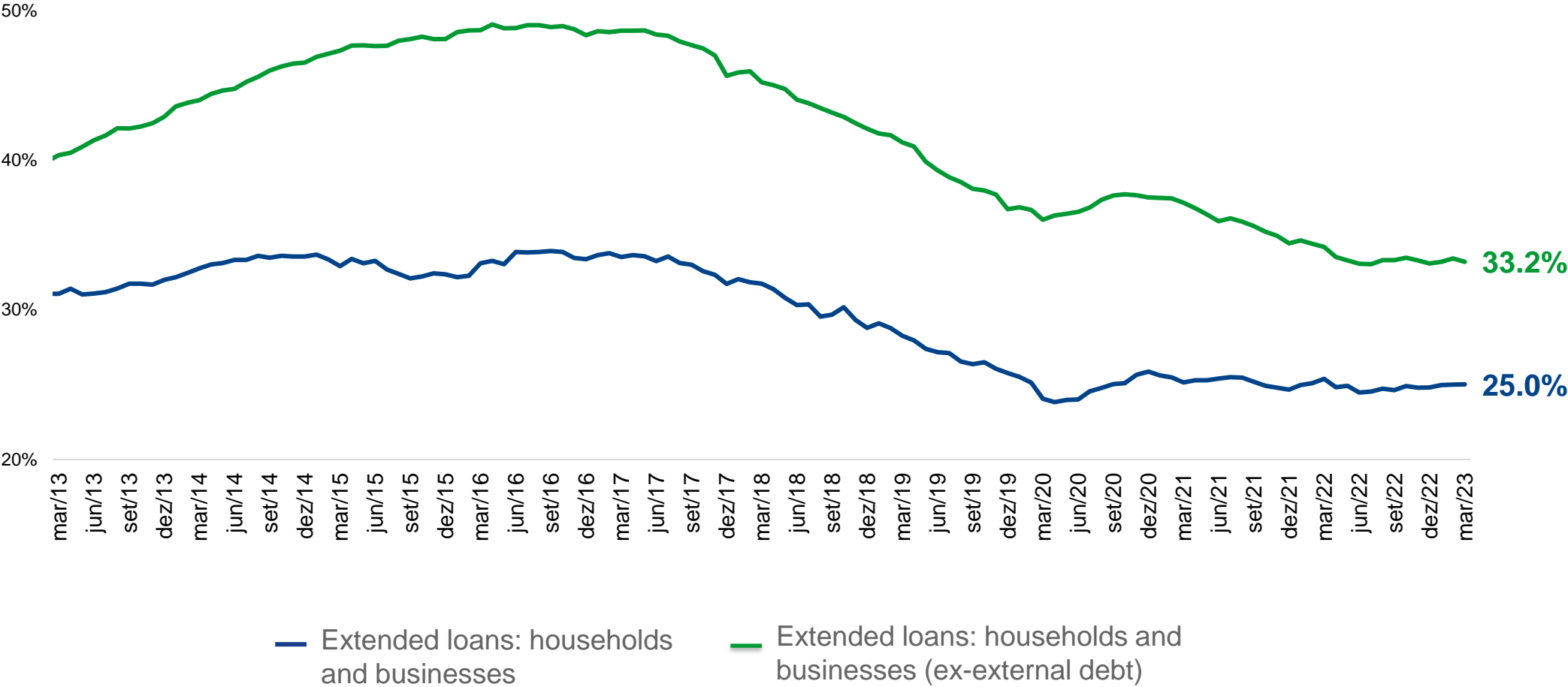
# Share of earmarked credit in the balance of total loan operations

Loan Portfolio: free resources vs. earmarked resources (in %, with data until Mar/23)



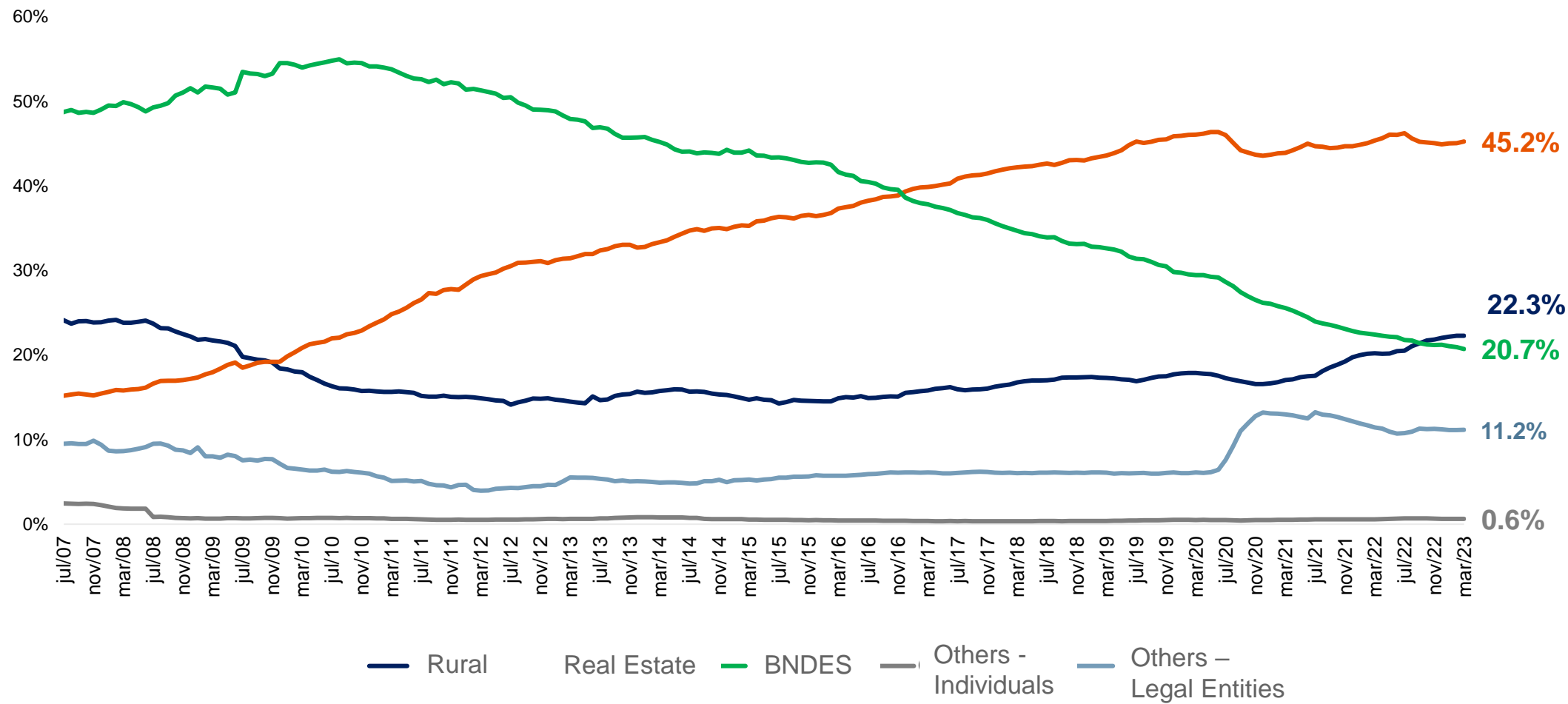
# Share of earmarked credit in the balance of loan operations extended to households and businesses

Earmarked resources in % of loans extended to households and businesses (in %, with data until Mar/23)



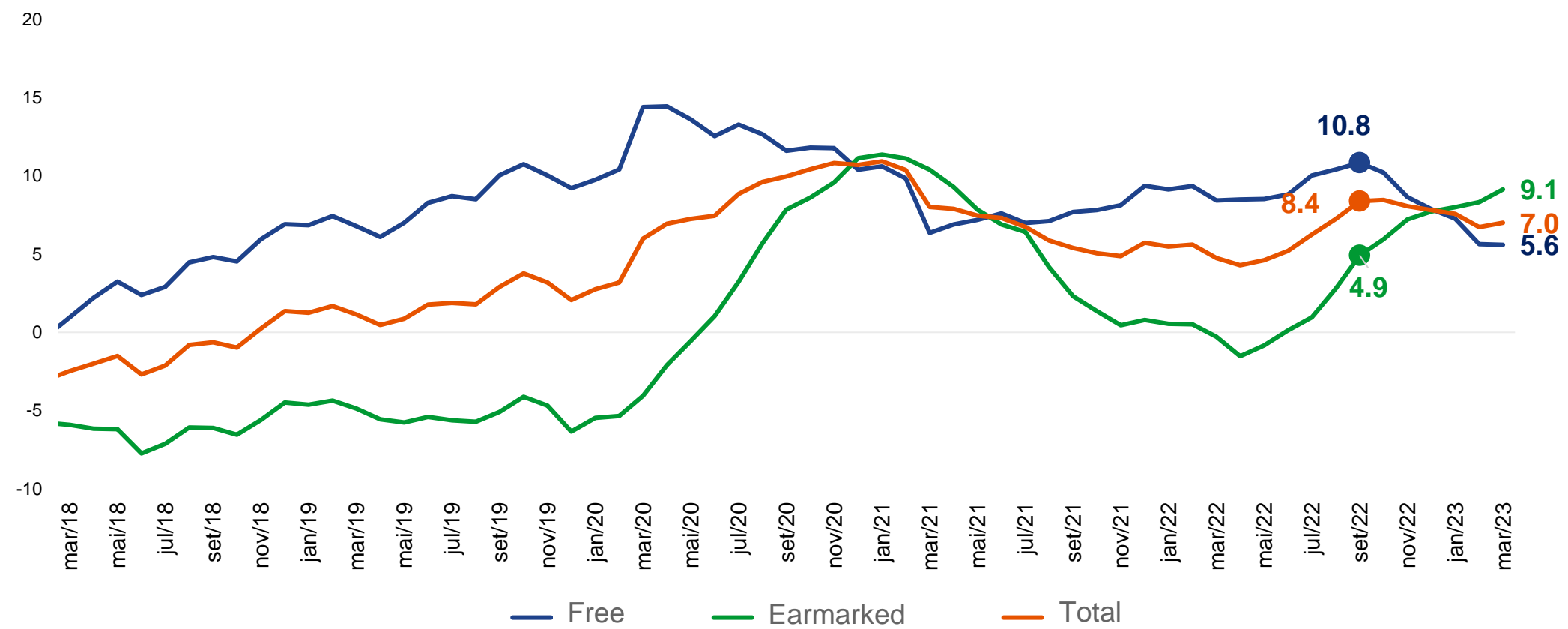
# Rural and housing loans account for more than 2/3 of the earmarked credit portfolio

Breakdown of the earmarked credit portfolio (in %, with data until Mar/23)



# Earmarked credit mitigated the slowdown in total credit

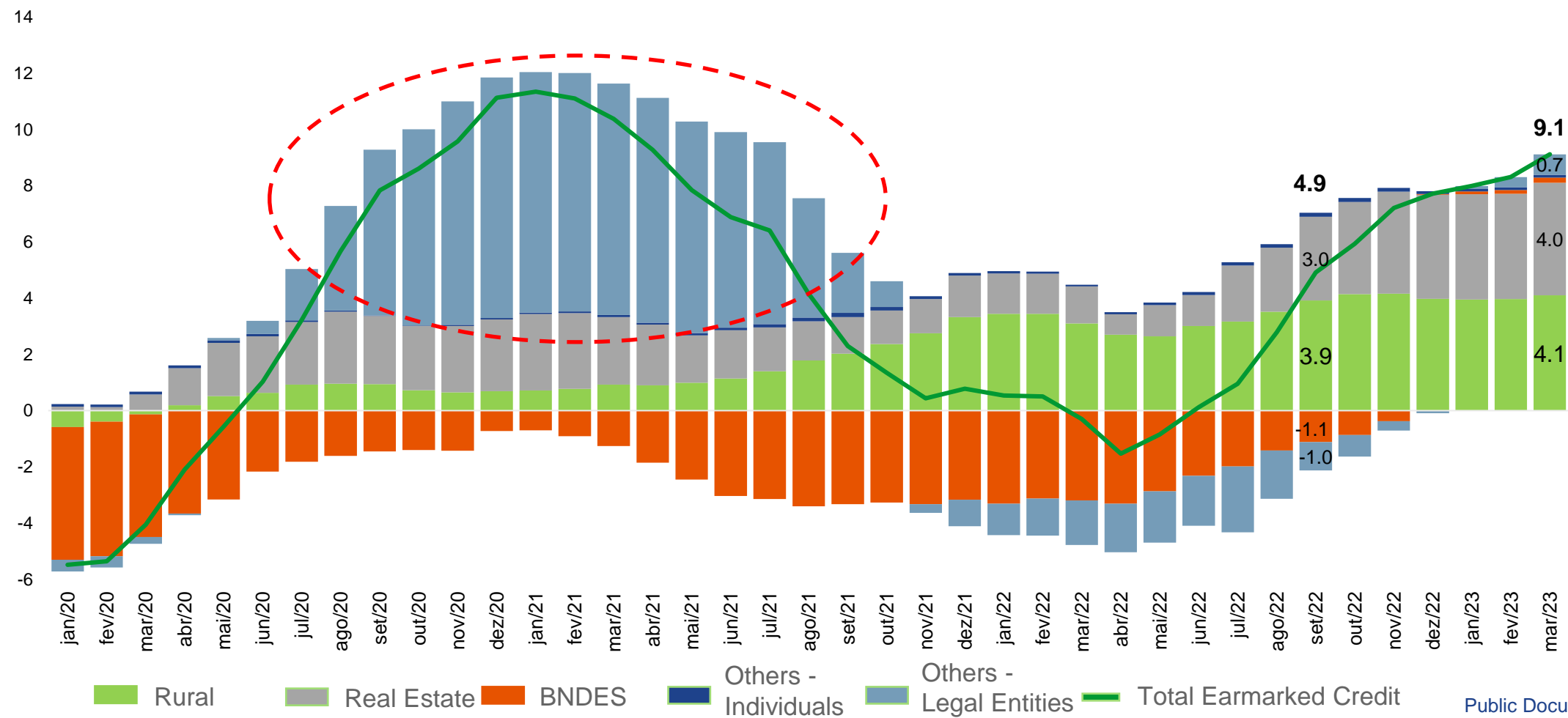
Loan Portfolio: free resources vs. earmarked resources (real % variation accumulated in the 12-month period - data until Mar/23)





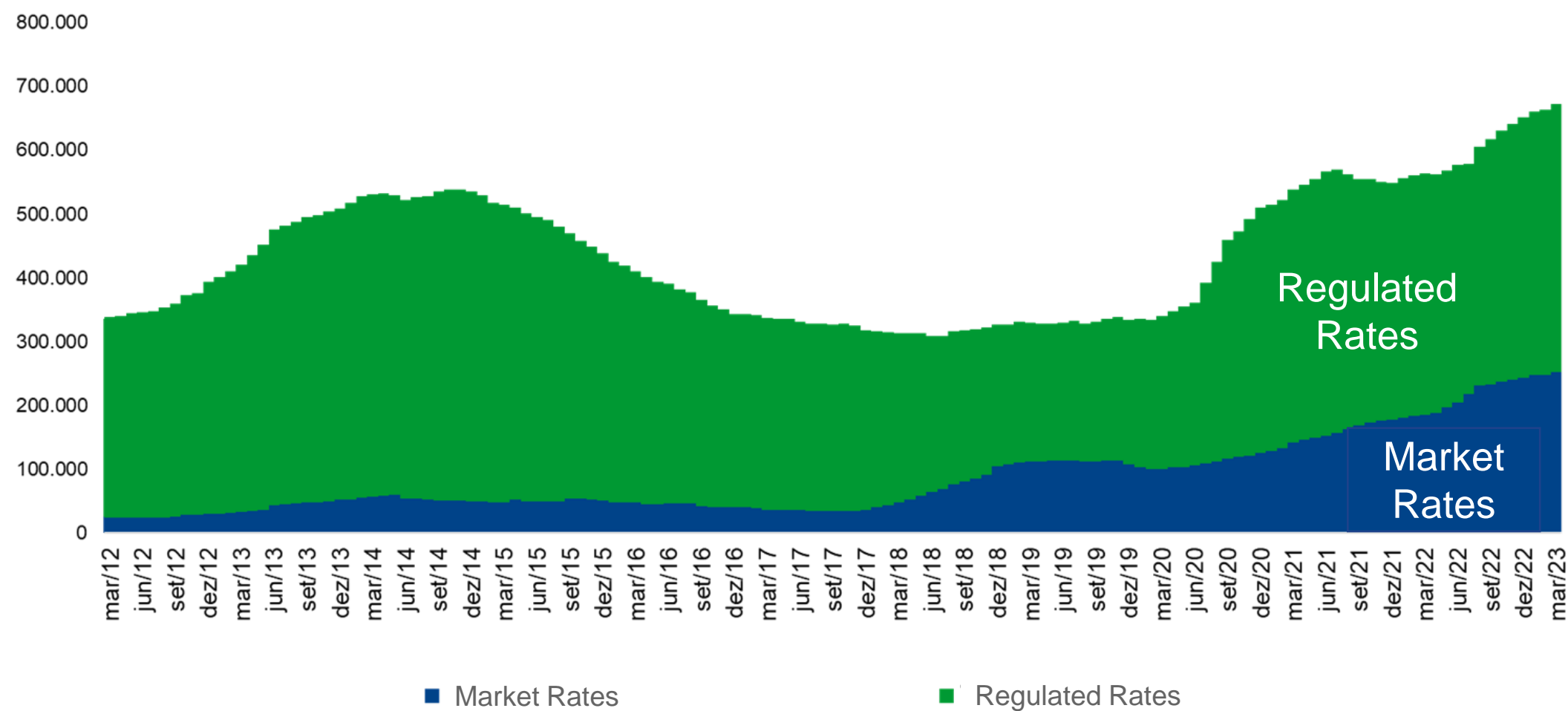
# Contribution to the growth of earmarked credit comes from the rural and real estate portfolios

Contribution (in p.p.) to the growth of the earmarked credit portfolio (in real % accumulated in the 12-month period until March/23)



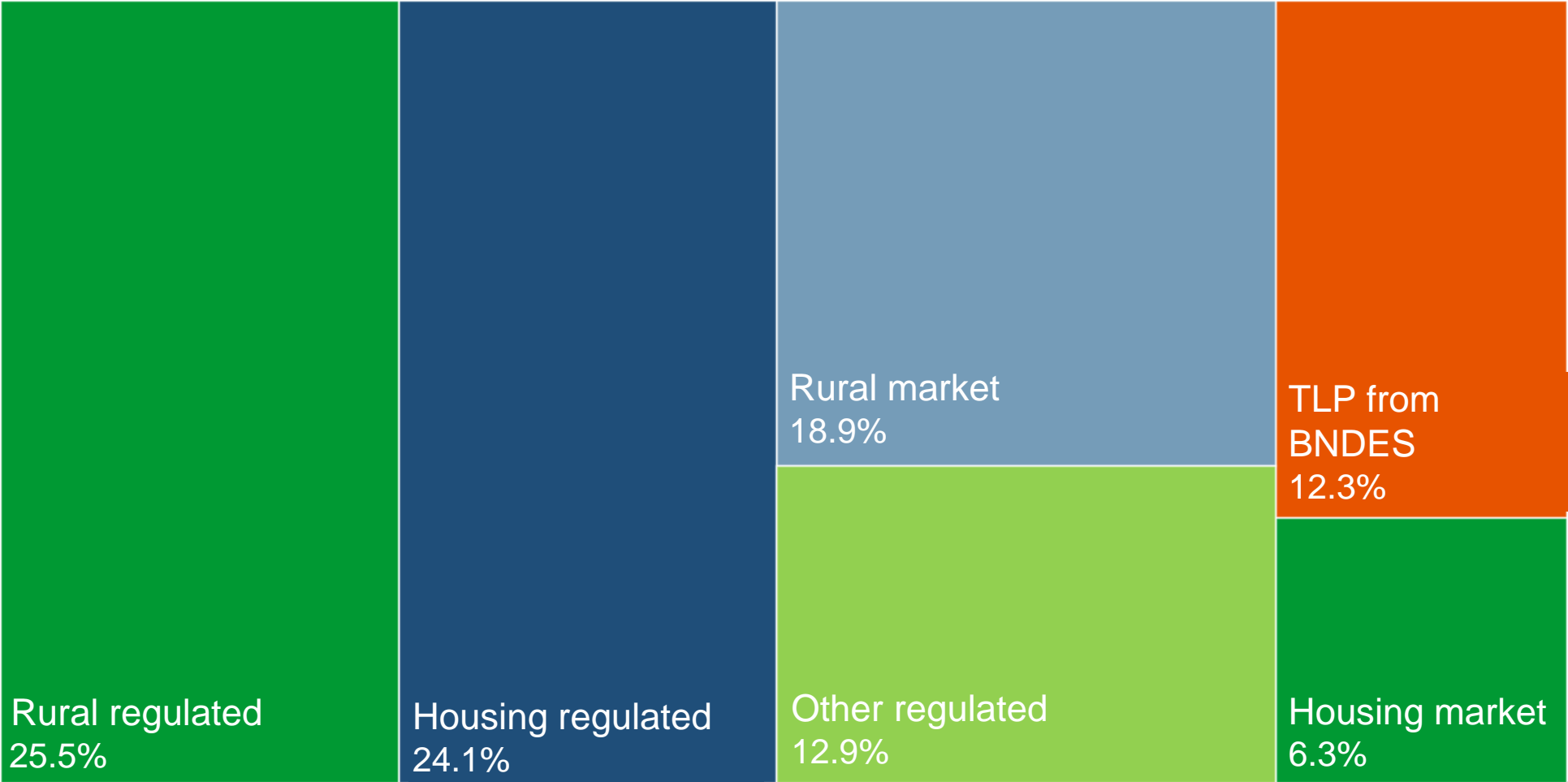
# Not all earmarked credit has regulated interest rates

Flow of the new earmarked credit: market rates vs. regulated rates (accumulated data for the 12-month period until Mar/23)



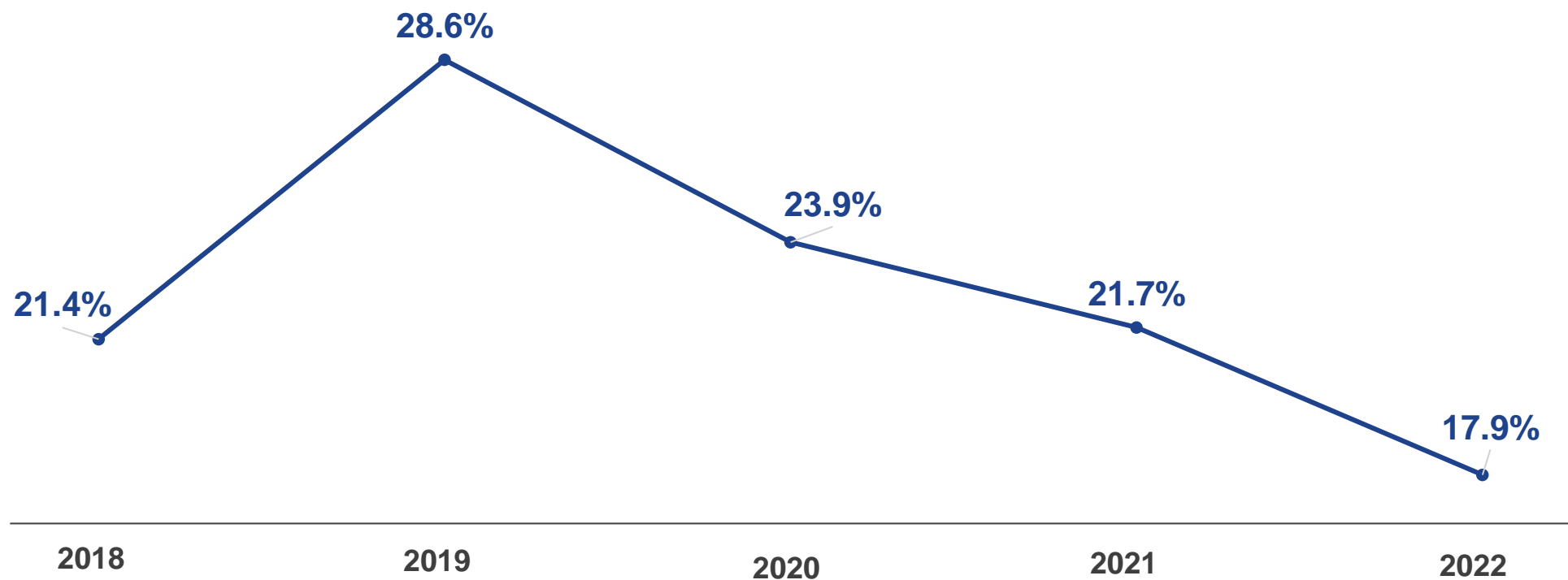
# Regulated interest rates are concentrated in rural and housing loans

Percentage of the flow of new earmarked credit: market rates vs. regulated rates broken down by segment (accumulated data for the 12-month period until Mar/23)



## The share of the National Treasury equalized resources have been decreasing in total BNDES disbursements

Share of the Brazilian Government agricultural programs (equalizable) in BNDES disbursements (in %)



# Press Conference



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